

TERMS AND CONDITIONS OF THE NOTES

The Note has been issued under the EMTN program of the bank. The terms and conditions for same follows along with Appendix for this issue.

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

This Note is one of a Series (as defined below) of Notes issued by HDFC Bank Limited (the "**Issuer**"), acting through its Registered Office in India, its Hong Kong Branch or other branch of the Issuer outside the Republic of India, as specified in the applicable Pricing Supplement, and constituted by an amended and restated trust deed dated 21 December 2017, (such trust deed as modified and/or supplemented and/or restated from time to time, the "**Trust Deed**") made between the Issuer and Citibank, N.A., London Branch (the "**Trustee**" which expression shall include any successor as Trustee). References herein to the "**Notes**" shall be references to the Notes of this Series and shall mean:

(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 amended and restated issue and paying agency agreement dated 21 December 2017 (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, Citibank, N.A., London Branch as principal paying agent (the "**Principal Paying Agent**", which expression shall include any successor principal paying agent, and, together with any additional paying agents appointed in accordance with the Agency Agreement, the "**Paying Agents**", which expression shall, unless the context otherwise requires, include any successor paying agents) and as transfer agent (the "**Transfer Agent**", which expression shall include any substitute or any additional transfer agents appointed in accordance with the Agency Agreement) and Citigroup Global Markets Deutschland AG as registrar (the "**Registrar**", which expression shall include any successor registrar). The Principal Paying Agent and the Paying Agents 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 hereinto "**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 are available for inspection during normal business hours with prior written notice at the registered office for the time being of the Trustee being as at the date of issue of the Notes at 14th Floor, Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB and at the specified office of each of the Paying Agents. 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 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 Coupon-holders 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 in Frankfurt. 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, being satisfied with the documents of title and the identity of the person making the request and subject to such reasonable regulations as the Issuer, 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 three business days (being for this purpose a day on which banks are open for business in the city where the specified office of the 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 Global 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: “**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 “**RBI**” or “**Reserve Bank of India**” means the Reserve Bank of India (being the apex central banking and monetary authority of India) and any successor entity having primary bank regulatory authority with respect to the Issuer.

3 STATUS

3.1 Status of the Senior Notes

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

3.2 Status of the Tier 2 Notes

This Condition 3.2 applies only to Notes specified in the applicable Pricing Supplement as Tier 2 Notes. The Tier 2 Notes are not deposits of the Issuer and are not guaranteed or insured by the Issuer or any party related to the Issuer and they may not be used as collateral for any loan made by the Issuer or any of its subsidiaries or affiliates.

(a) Status

The Tier 2 Notes are direct and unsecured obligations of the Issuer and rank *pari passu* without preference among themselves. The rights and claims of Noteholders in respect of, or arising under, the Tier 2 Notes are subordinated in the manner described in Condition 3.2(b). – 29 –

(b) Subordination

Tier 2 Notes and any relative Receipts and Coupons are unsecured obligations of the Issuer and, in the event of the winding up, liquidation or dissolution (as determined pursuant to the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970, as amended from time to time) (the “**Banks Nationalisation Act**”) of the Issuer, the claims of the holders of Tier 2 Notes and any relative Receipts and Coupons pursuant thereto will be subordinated in right of payment to the claims of all other creditors (other than claims of holders of Subordinated Indebtedness ranking, or expressed to rank, equal to or junior to the claims of the holders of Tier 2 Notes and any relative Receipts and Coupons, if any) of the Issuer in the manner and to the extent provided in the Trust Deed. For the avoidance of doubt, the claims of holders of Tier 2 Notes and any relative Receipts and Coupons shall be senior to the claims of holders of Tier 1 capital as defined in the RBI Guidelines. “**RBI Guidelines**” means, in respect of any Series of Notes, the Reserve Bank of India’s Master Circular – Basel III Capital Regulations RBI 2015-16/58 DBR.No.BP.BC.1/21.06.201/2015-16 dated 1 July 2015, as amended or updated at any time prior to the earliest date on which any Note of such Series was issued. No Noteholder, Receiptholder or Couponholder may exercise or claim any right of set-off in respect of any amount owed to it by the Issuer arising under or in connection with the Tier 2 Notes and each Noteholder, Receiptholder and Couponholder shall by virtue of its subscription, purchase or holding of any Tier 2 Note, be deemed to have waived all such rights of set-off to the fullest extent permitted by law. “**Subordinated Indebtedness**” means all indebtedness of the Issuer which by its terms is subordinated, in the event of winding up, liquidation or dissolution (as determined pursuant to the Banks Nationalisation Act) of the Issuer, in right of payment to the

claims of unsubordinated creditors of the Issuer and so that, for the purpose of this definition, indebtedness shall include all liabilities, whether actual or contingent, under guarantees or indemnities.

3.3 Status of Additional Tier I Notes

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

(a) Status

The Additional Tier 1 Notes are direct and unsecured obligations of the Issuer and rank pari passu without preference among themselves. The rights and claims of Noteholders in respect of, or arising under, the Additional Tier 1 Notes are subordinated in the manner described in Condition 3.3(b). *The Additional Tier 1 Notes are not deposits of the Issuer and are not guaranteed or insured by the Issuer or any party related to the Issuer and they may not be used as collateral for any loan made by the Issuer or any of its subsidiaries or affiliates.*

(b) Subordination

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

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

(ii) the subordination is for the benefit of the holders of indebtedness that rank senior to the Additional Tier 1 Notes. In a winding up, liquidation or dissolution (as determined pursuant to the Banks Nationalisation Act) of the Issuer, claims of the holders of Additional Tier 1 Notes and any related Receipts or Coupons pursuant thereto in respect of the Additional Tier 1 Notes will rank:

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

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

(iii) *pari passu* and without preference among themselves and with any other claims in respect of debt instruments classified as Additional Tier 1 Capital under the RBI Guidelines. The principal of, and interest and any additional amounts payable on, the Additional Tier 1 Notes will be subordinated in right of payment upon the occurrence of any winding up, liquidation or dissolution proceeding to the prior payment in full of all deposit liabilities and all other liabilities of the Issuer (including liabilities of all offices and branches of the Issuer wherever located and any subordinated debt securities of the Issuer that rank senior to the Additional Tier 1 Notes), except in each case to those liabilities which by their terms rank, or are expressed to rank, equally in right of payment with or which are subordinated to the Additional Tier 1 Notes, in the manner and to the extent provided in the Trust Deed.

No Noteholder, Receiptholder or Couponholder may exercise or claim any right of set-off in respect of any amount owed to it by the Issuer arising under or in connection with the Additional Tier 1 Notes and each Noteholder, Receiptholder and Couponholder shall by virtue of its subscription, purchase or holding of any Additional Tier 1 Note, be deemed to have waived all such rights of set-off to the fullest extent permitted by law. The Additional Tier 1 Notes are neither secured nor covered by a guarantee of the Issuer nor related entity or other arrangement that legally or economically enhances the seniority of the claim vis-à-vis bank creditors. The Additional Tier 1 Notes will not contribute to liabilities exceeding assets if such a balance sheet test forms part of a requirement to prove insolvency under any law or otherwise. Accordingly, a payment in respect of the Additional Tier 1 Notes will not be due and payable to the extent that the Issuer is not solvent (as determined pursuant to Indian law) at the time of such payment or would not be solvent (as determined pursuant to Indian law) immediately after such payment. As used in these Conditions:

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

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

(c) 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, Receiptholders and Couponholders may recover less rateably than the holders of deposit liabilities or the holders of other unsubordinated liabilities of the Issuer. Moreover, holders of Additional Tier 1 Notes would likely be required to pursue their claims on the Additional Tier 1 Notes in proceedings in India as further described in Condition 11.3. Holders of the Additional Tier 1 Notes will not be entitled to receive notice of, or attend or vote at, any meeting of shareholders of the Issuer or participate in the management of the Issuer. The Additional Tier 1 Notes do not limit the amount of liabilities ranking senior or equal to the Additional Tier 1 Notes. To the extent that holders of the Additional Tier 1 Notes are entitled to any recovery with respect to the Additional Tier 1 Notes in any Indian proceedings, such holders may not be entitled in such proceedings to a recovery in U.S. dollars and may be entitled to a recovery in Rupees. For the avoidance of doubt, if the Issuer goes into winding up, liquidation or dissolution (as

determined pursuant to the Banks Nationalisation Act) before any Write-Down under Condition 8, the Additional Tier 1 Notes will absorb losses in accordance with Condition 3.3(b). The provisions of this Condition 3 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, to the satisfaction of the Trustee, the same security or such other security as the Trustee, in its absolute discretion, shall deem not materially less beneficial to the interests of the Noteholders or as shall be approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders. 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 Reinstatements); and in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Fixed Rate Note in definitive form is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding. “**Day Count Fraction**” means, in respect of the calculation of an amount of interest in accordance with this Condition 5.1:

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

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

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

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

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

“**Determination Period**” means each period from (and including) a Determination Date to (but excluding) the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date); and “**sub-unit**” means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, one cent.

5.2 Interest on Floating Rate Notes and Index Linked Interest Notes

(a) Interest Payment Dates

Each Floating Rate Note and Index Linked Interest Note bears interest on its outstanding nominal amount (in the case of a Subordinated Note, on its Outstanding Nominal Amount) on 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 Principal Paying Agent or such other party specified in the applicable Pricing Supplement under an interest rate swap transaction if the Principal Paying Agent or such other party were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the 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**”, “**Calculation Agent**”, “**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 Screen Rate Determination is specified in the applicable Pricing Supplement as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will, subject as provided below, be either:

- (A) the offered quotation; or
- (B) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations, (expressed as a percentage rate per annum) for the Reference Rate (being either LIBOR or EURIBOR as specified in the applicable Pricing Supplement) which appears or appear, as the case may be, on the Relevant Screen Page (or such replacement page on that service which displays the information) as at 11.00 a.m. (London time, in the case of LIBOR, or Brussels time, in the case of EURIBOR) on the Interest Determination Date in question plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if

any), all as determined by the Principal Paying Agent or such other party specified in the applicable Pricing Supplement. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Principal Paying Agent or such other party for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations. The Agency Agreement contains provisions for determining the Rate of Interest in the event that the Relevant Screen Page is not available or if, in the case of (A) above, no such offered quotation appears or, in the case of (B) above, fewer than three such offered quotations appear, in each case as at the time specified in the preceding paragraph.

(c) Minimum and/or Maximum Rate of Interest

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

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

The Principal Paying Agent, in the case of Floating Rate Notes, and the Calculation Agent, in the case of Index Linked Interest Notes, will at or as soon as practicable after each time at which the Rate of Interest is to be determined, but in no event later than the third Business Day thereafter, determine the Rate of Interest for the relevant Interest Period. In the case of Index Linked Interest Notes, the Calculation Agent will notify the Principal Paying Agent of the Rate of Interest for the relevant Interest Period as soon as practicable after calculating the same. 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: $\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1) + (M_2 - M_1) \times (D_2 - D_1)]}{360}$

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:

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

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:

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

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 (i) that day is the last day of February or (ii) 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 (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.

(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 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 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 Principal Paying Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer, the Trustee and any stock exchange on which the relevant Floating Rate Notes or Index Linked Interest Notes are for the time being listed and notice thereof to be published 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 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) Determination or Calculation by Trustee

If for any reason at any relevant time the Principal Paying Agent or, as the case may be, the Calculation Agent defaults in its obligation to determine the Rate of Interest or the Principal Paying Agent defaults in its obligation

to calculate any Interest Amount in accordance with sub-paragraph (b)(i) or subparagraph (b)(ii) above or as otherwise specified in the applicable Pricing Supplement, as the case may be, and in each case in accordance with paragraph (d) above, the Trustee shall (or shall, at the expense of the Issuer, appoint an agent to) determine the Rate of Interest at such rate as, in its absolute discretion (having such regard as it shall think fit to the foregoing provisions of this Condition, but subject always to any Minimum Rate of Interest or Maximum Rate of Interest specified in the applicable Pricing Supplement), it shall deem fair and reasonable in all the circumstances or, as the case may be, the Trustee shall calculate the Interest Amount(s) in such manner as it shall deem fair and reasonable in all the circumstances and each such determination or calculation shall be deemed to have been made by the Principal Paying Agent or the Calculation Agent, as applicable.

(h) Certificates to be Final

All certificates, communications, opinions, determinations, calculations, quotations, 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 or the Trustee (or its agent), 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 and bad faith) no liability to the Issuer, the Noteholders, the Receiptholders or the Couponholders shall attach to the Principal Paying Agent or, if applicable, the Calculation Agent or the Trustee 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 TARGET2 System (as defined below)) specified in the applicable Pricing Supplement;

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

(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 the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System or any successor system (the “**TARGET2 System**”) is open.

5.7 Payment limitation – Additional Tier 1 Notes

This Condition 5.7 applies only to Additional Tier 1 Notes. (a) The Issuer may, at its full discretion and as it deems fit, in accordance with the RBI Guidelines, elect at any time to cancel (in whole or in part) interest otherwise scheduled to be paid on an Interest Payment Date. The Issuer shall have full access to cancelled payments to meet its obligations as they fall due. Further, the Issuer will cancel (in whole or, as the case may be, in part) the payment of any interest otherwise scheduled to be paid on an Interest Payment Date to the extent that such payment of interest on the Additional Tier 1 Notes is not permitted to be paid under the RBI Guidelines.

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

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

(b) Interest on the Additional Tier 1 Notes will be non-cumulative. If interest is not paid in whole or in part on an Interest Payment Date pursuant to and in accordance with this Condition 5.7, or is cancelled pursuant to Condition 8, such interest will not be due and payable and the right of Noteholders, Receiptholders and Couponholders to receive interest in respect of the Interest Period ending on such Interest Payment Date will be lost and the Issuer will have no further obligation in respect of the interest for such Interest Period, whether or not any amount of interest is paid for any future Interest Period. Non-Payment of interest in accordance with this Condition 5.7 will not constitute an event of default in respect of the Additional Tier 1 Notes. For the avoidance of doubt, no Noteholder shall have any claim in respect of any interest or part thereof cancelled pursuant to this Condition 5.7. Accordingly, such interest shall not accumulate for the benefit of Noteholders or entitle the Noteholders to any claim in respect thereof against the Issuer.

(c) In the event that the Issuer determines that it shall not, or is not permitted to, make a payment of interest on Additional Tier 1 Notes in accordance with this Condition 5.7, the Issuer shall notify or procure notification as soon as possible, but not more than 60 calendar days prior to the relevant Interest Payment Date, to the Trustee (in a certificate signed by two directors of the Issuer), the Paying Agents, the relevant stock exchange(s) (if any) on which the Additional Tier 1 Notes are for the time being listed and the holders of Additional Tier 1 Notes (in accordance with Condition 15) of that fact and of the amount that shall not be paid provided that failure to give such notice shall not affect the cancellation of any interest payment (in whole or, as the case may be, in part) and shall not constitute a default.

(d) If for any reason any payment of interest is not paid in full on an Interest Payment Date then, from the date of which such cancellation has first been notified to 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 5.7(d) will:

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

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

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

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

6 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). If payments cannot be effected by credit or transfer, then such payments will be made by a cheque in such Specified Currency drawn on a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is New Zealand dollars, shall be Auckland and Wellington); 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. Notwithstanding the previous sentence, if (a) a holder does not have a Designated Account or (b) the principal amount of the Notes held by a holder is less than U.S.\$250,000 (or its approximate equivalent in any other Specified Currency), payment will instead be made by a cheque in the Specified Currency drawn on a Designated Bank (as defined below). For these purposes, **“Designated Account”** means the account (which, in the case of a payment in Japanese yen to a non resident of Japan, shall be a non resident account) maintained by a holder with a Designated Bank and identified as such in

the Register and “**Designated Bank**” means (in the case of payment in a Specified Currency other than euro) a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively) and (in the case of a payment in euro) any bank which processes payments in euro.

Payments of interest and payments of instalments of principal (other than the final instalment) in respect of each Registered Note (whether or not in global form) will be made by a cheque in the Specified Currency drawn on a Designated Bank and mailed by uninsured mail on the Business Day in the city where the specified office of the Registrar is located immediately preceding the relevant due date to the holder (or the first named of joint holders) of the Registered Note appearing in the Register (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. Holders of Registered Notes will not be entitled to any interest or other payment for any delay in receiving any amount due in respect of any Registered Note as a result of a cheque posted in accordance with this Condition arriving after the due date for payment or being lost in the post. No commissions or expenses shall be charged to such holders by the Registrar in respect of any payments of principal or interest in respect of the Registered Notes.

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 TARGET2 System) specified in the applicable Pricing Supplement; and
- (b) if TARGET2 System is specified as an Additional Financial Centre in the applicable Pricing Supplement, a day on which the TARGET2 System is open; and
- (c) either (A) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively) or (B) in relation to any sum payable in euro, a day on which the TARGET System 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

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, at any time prior to the applicable Maturity Date or, in the case of Tier 2 Notes with an Optional Redemption Date or Additional Tier 1 Notes, at any time prior to the first Optional Redemption Date as specified in the applicable Pricing Supplement, the Notes may be redeemed at the option of the Issuer, at its sole discretion in whole, but not in part, at any time (if this Note is neither a Floating Rate Note nor an Index Linked Interest Note) or on any Interest Payment Date (if this Note is either a Floating Rate Note or an Index Linked Interest Note), on giving not less than 30 nor more than 60 days' notice to the Trustee and the Principal Paying Agent and, in accordance with Condition 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:

- (a) on the occasion of the next payment due under the Notes, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 9 or (in the case of Subordinated Notes only) will, having been entitled to claim a deduction, no longer be entitled to claim a deduction in respect of computing its taxation liabilities with respect to interest on the Subordinated Notes, in each case as a result of any change in, or amendment to, the laws or regulations of a Tax Jurisdiction (as defined in Condition 9) or any change in (i) the official – 43 – application of such laws, regulations or rulings or (ii) the official interpretation of existing or new provisions contained in such laws, regulations or rulings, which change or amendment becomes effective

on or after the date on which agreement is reached to issue the first Tranche of the Notes for such Series (or, in the case of Subordinated Notes, the Issue Date of such Notes); and

(b) such obligation cannot be avoided by the Issuer taking reasonable measures available to it, (a “**Tax Event**”) provided that (1) in the case of Subordinated Notes, the Conditions for Redemption set out in Condition 7.12 having been satisfied and (3) no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which, the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due. In the case of Subordinated Notes, the Issuer may (subject to compliance with the Conditions for Redemption) elect, instead of redeeming the Notes on the occurrence of a Tax Event, to vary the terms of the Subordinated Notes so that they become or remain Qualifying Subordinated Notes. Prior to the publication of any notice of redemption pursuant to this Condition, the Issuer shall deliver to the Trustee to make available at its specified office to the Noteholders (1) a Redemption Certificate, and (2) an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment and the Trustee shall be entitled to accept the Redemption Certificate and the opinion as 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 Receipholders and the Couponholders. Any notice of redemption will be irrevocable and will provide details of the Redemption Date. 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:

(a) “**Qualifying Subordinated Notes**” means instruments issued by the Issuer (or by HDFC Bank Limited acting through another of its branches) that:

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

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

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

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

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

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

(vii) are listed on the same stock exchange as the Subordinated Notes (or another securities exchange of international standing regularly used for the listing and quotation of debt securities offered and traded in the international markets); – 44 –

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

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

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

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

(b) **Redemption Certificate** means a certificate signed by two directors of the Issuer stating that the Issuer is entitled to effect such redemption or variation (as the case may be) and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem or vary the terms have occurred or been satisfied pursuant to the relevant provisions of this Condition 7. 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 Receipholders and the Couponholders. Notes redeemed

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

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

If Issuer Call is specified as being applicable in the applicable Pricing Supplement, the Issuer may, (1) in the case of 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, and (2) in the case of any Note having given: (a) not less than 15 nor more than 30 days' notice to the Noteholders in accordance with Condition 15; and (b) not less than 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. In the case of a partial redemption of Notes (or, as the case may be, parts of Registered Notes), the Notes to be redeemed ("**Redeemed Notes**") will (i) in the case of Redeemed Notes represented by definitive Notes, and in accordance with the rules of Euroclear and/or Clearstream, and in the case of Redeemed Notes represented by a Global Note, not more than 30 days prior to the date fixed for redemption (such date of selection being hereinafter called the "**Selection Date**"). In the case of Redeemed Notes represented by definitive Notes, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 15 not less than 15 days prior to the date fixed for redemption. The aggregate nominal amount of Redeemed Notes represented by definitive Notes shall in each case bear the same proportion to the aggregate nominal amount of all Redeemed Notes as the aggregate nominal amount of definitive Notes outstanding bears to the aggregate nominal amount of the Notes outstanding, in each case on the Selection Date, provided that such first mentioned nominal amount shall, if necessary, be rounded downwards to the nearest integral multiple of the Specified Denomination, and the aggregate nominal amount of Redeemed Notes represented by a Global Note shall be equal to the balance of the Redeemed Notes. *Any optional redemption of the 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 in Condition 7.12 having been satisfied, the Issuer may elect at its sole discretion to redeem the Subordinated Notes in whole, but not in part, at any time prior to the first Optional Redemption Date (or, in the case of Tier 2 Notes with no Optional Redemption Date, at any time prior to the Maturity Date), on giving not less than 30 nor more than 60 days' notice to the Trustee, the Paying Agents, the Transfer Agents, the Registrar, the SGX-ST 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. In the case of Subordinated Notes, the Issuer may (subject to compliance with the Conditions for Redemption) elect, instead of redeeming the Notes on the occurrence of a Regulatory Event, to vary the terms of the Subordinated Notes so that they become or remain Qualifying Subordinated Notes.

A "**Regulatory Event**" occurs if, as result of a change in regulation, the Issuer is notified in writing by the RBI to the effect that the Outstanding Nominal Amount (or the amount that qualifies as regulatory capital, if some amount of the Notes is held by the Issuer or whose purchase is funded by the Issuer) of the Notes is fully or partly excluded from, in the case of Tier 2 Notes, the Tier 2 capital of the Issuer or, in the case of Additional Tier 1 Notes, the Tier 1 Capital of the Issuer. Prior to the publication of any notice of redemption pursuant to this Condition, the Issuer shall deliver to the Trustee or the Principal Paying Agent to make available at its specified office to the Noteholders, a Redemption Certificate. Any notice of redemption will be irrevocable and will provide details of the Redemption Date. 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. Subordinated Notes redeemed pursuant to this Condition 7.4 will be redeemed at their Early Redemption Amount.

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

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

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

(b) Put Option Exercise Procedures

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

(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 – 46 –

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.

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 5.7) but unpaid interest relating to the then current Interest Period up to (and excluding) the date on which the Subordinated Note is redeemed or on such other calculation basis as may be specified in the applicable Pricing Supplement.

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

7.10 Cancellation

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

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

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

7.12 Conditions for Redemption 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 Securities 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 Principal write-down on PONV Trigger Event

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

- (a) deliver a Loss Absorption Event Notice to Noteholders in accordance with Condition 15 and to the Trustee and the Principal Paying Agent;
- (b) cancel any interest which is accrued and unpaid up to the relevant Loss Absorption Effective Date; and
- (c) in relation to Additional Tier 1 Notes, *pari passu* and *pro rata* with any other Tier 1 Loss Absorbing Instruments (where possible), or, in relation to Tier 2 Notes, *pari passu* and *pro rata* with any other Tier 2 Loss Absorbing Instruments and taking into account the prior loss absorption in full of Tier 1 Loss Absorbing Instruments (where possible) irrevocably, without the need for the consent of Noteholders or the Trustee, reduce the Outstanding Nominal Amount of each Note by the relevant Write-Down Amount (such reduction being

referred to as “a **Write-Down and Written Down**” being construed accordingly), subject as is otherwise required by the RBI at the relevant time. The Issuer will effect a Write-Down within 30 days of the Write-Down Amount being determined by the RBI.

If a Write-Down occurs in respect of less than the full Outstanding Nominal Amount of the Subordinated Notes, one or more further Write-Downs may occur in respect of one or more subsequent PONV Trigger Events. Once the Outstanding Nominal Amount of a Note has been Written Down pursuant to this Condition 8.1, the relevant Write-Down Amount will not be restored in any circumstances, including where the PONV Trigger Event has ceased to continue. Following the giving of a Loss Absorption Event Notice which specifies a Write-Down of Additional Tier 1 Notes, the Issuer shall procure that a similar notice is, or has been, given in respect of each Tier 1 Loss Absorbing Instrument (in accordance with its terms), and the prevailing nominal amount of each Tier 1 Loss Absorbing Instrument outstanding (if any) is permanently written down or converted to equity on a pro rata basis with the Outstanding Nominal Amount of the Additional Tier 1 Notes, as soon as reasonably practicable following the giving of such Loss Absorption Event Notice and, where possible, within 30 days of the amount of the permanent write-down of such Tier 1 Loss Absorbing Instrument being determined by the RBI.

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 Banking Regulation Act, 1949 (the “**BR Act**”) before the Notes have been Written Down, the Notes will become, if Additional Tier 1 Notes, part of the Additional Tier 1 capital of the new bank emerging after the merger or, if Tier 2 Notes, part of the Tier 2 capital of the amalgamated bank. For the avoidance of doubt, if the Issuer is amalgamated with any other bank after the Notes have been Written Down pursuant to a PONV Trigger Event, these cannot be reinstated by the new bank emerging after the merger. If the RBI or other relevant authority decides to reconstitute the Issuer or amalgamate the Issuer with any other bank, pursuant to Section 45 of the BR Act, the Issuer will be deemed as non-viable or approaching non-viability and the PONV Trigger Event will be activated. Accordingly, the Notes will be permanently Written-Down in full prior to any reconstitution or amalgamation.

Following a Write-Down due to a PONV Trigger Event having occurred, all rights of any Noteholder for payment of any amounts under or in respect of the PONV Write-Down Amount in respect of their Notes (including, without limitation, any amounts arising as a result of, or due and payable upon the occurrence of, any default) shall be cancelled and not restored under any circumstances, irrespective of whether such amounts have become due and payable prior to the date of the Loss Absorption Event Notice or the Loss Absorption Effective Date and even if the PONV Trigger Event has ended.

A Write-Down due to a PONV Trigger Event shall occur prior to any public sector injection of capital so that the capital provided by the public sector is not diluted. The RBI Guidelines as at the Issue Date state that, for this purpose, a non-viable bank will be a bank which, owing to its financial and other difficulties, may no longer remain a going concern on its own in the opinion of the RBI unless appropriate measures are taken to revive its operations and thus, enable it to continue as a going concern. The difficulties faced by a bank should be such that these are likely to result in financial losses and raising the Common Equity Tier 1 Capital of the bank should be considered as the most appropriate way to prevent the bank from turning non-viable. Such measures would include a permanent write-off in combination with or without other measures as considered appropriate by the RBI.

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

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

8.2 Principal write-down on CET1 Trigger Event

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

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

If a CET1 Trigger Event occurs, the Issuer will:

- (i) deliver a Loss Absorption Event Notice to Noteholders in accordance with Condition 15 and to the Trustee and the Principal Paying Agent;
- (ii) cancel any interest which is accrued and unpaid on the Additional Tier 1 Notes up to the relevant Loss Absorption Effective Date; and
- (iii) *pari passu* and *pro rata* with any other Tier 1 Loss Absorbing Instruments (where possible) irrevocably, without the need for the consent of Noteholders or the Trustee, Write-Down the Outstanding Nominal Amount of each Additional Tier 1 Note by the relevant Write-Down Amount.

A Write-Down may occur on more than one occasion and (if applicable) the Additional Tier 1 Notes may be Written Down following one or more Reinstatements pursuant to Condition 8.2(b). Once the nominal amount of an Additional Tier 1 Note has been Written Down pursuant to this Condition 8.2, it may only be restored in accordance with Condition 8.2(b). Following the giving of a Loss Absorption Event Notice which specifies a Write-Down of the Additional Tier 1 Notes, the Issuer shall procure that a similar notice is, or has been, given in respect of each Tier 1 Loss Absorbing Instrument (in accordance with its terms), and the prevailing nominal amount of each Tier 1 Loss Absorbing Instrument outstanding (if any) is written down or converted to equity on a pro rata basis with the Outstanding Nominal Amount of the Additional Tier 1 Notes, as soon as reasonably practicable following the giving of such Loss Absorption Event Notice. If the Issuer is amalgamated with any other bank pursuant to Section 44A the BR Act before the Additional Tier 1 Notes have been Written Down, the Additional Tier 1 Notes will become part of the Additional Tier 1 capital of the new bank emerging after the merger. If the Issuer is amalgamated with any other bank after the Additional Tier 1 Notes have been Written Down pursuant to a CET1 Trigger Event, the amalgamated bank can reinstate these instruments according to its discretion, unless the Write-Down was full and permanent.

For the avoidance of doubt, a Write-Down of the Additional Tier 1 Notes on a CET1 Trigger Event is not subject to the prior loss absorption of Common Equity Tier 1 Capital of the Issuer. The purpose of a Write-Down on occurrence of the CET1 Trigger Event shall be to shore up the capital level of the Issuer. If the Issuer 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 Write-Down pursuant to Condition 8.2(a), the Outstanding Nominal Amount of the Additional Tier 1 Notes may be increased up to the Maximum Reinstatement Amount (a “**Reinstatement**”) at the Issuer’s option and subject to any conditions specified in (i) the applicable Pricing Supplement or (ii) the RBI Guidelines, or as are otherwise notified to the Issuer by the RBI, from time to time. Additional Tier 1 Notes may be subject to more than one Reinstatement. The Issuer will not reinstate the principal amount of any Tier 1 Loss Absorbing Instrument that has been written down (and which is capable under its terms of being reinstated) unless it does so on a pro rata basis with a Reinstatement on the Additional Tier 1 Notes. The Issuer must give notice of any Reinstatement to Noteholders in accordance with Condition 15 and to the Trustee and the Principal Paying Agent at least 10 Business Days prior to such Reinstatement. The Trustee and Principal Paying Agent shall be entitled to rely absolutely on such notice, which shall be binding upon all Noteholders, Receiptholders and Couponholders. Neither the Trustee nor any Agents shall have the responsibility to monitor whether any Reinstatement has been undertaken or completed, and neither the Trustee nor the Agents shall have any responsibility to ensure that any Reinstatement, once undertaken, is completed.

8.3 Interpretation

In these Conditions:

- (a) “**CET1 Trigger Event**” means that the Issuer’s Common Equity Tier 1 Ratio is at or below the CET1 Trigger Event Threshold;
- (b) “**CET1 Trigger Event Threshold**” means:
 - (i) if calculated at any time prior to 31 March 2019, 5.5 per cent; or
 - (ii) if calculated at any time from and including 31 March 2019, 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, which shall be binding upon all Noteholders, Couponholders and Receiptholders;

(f) **“Maximum Reinstatement Amount”**, in respect of an Additional Tier 1 Note, means the Issued Nominal Amount of such Additional Tier 1 Note as reduced pursuant to: (i) any Write-Down in accordance with Condition 8.1; and (ii) any Write-Down in accordance with Condition 8.2(a) if such Write-Down has been made permanent due to a subsequent PONV Trigger Event;

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

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

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

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

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

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

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

(ii) the amount necessary to reduce the Outstanding Nominal Amount to zero. *For the avoidance of doubt, the Write-Down Amount in the case of a Write-Down due to a PONV Trigger Event will be such amount as is required by the RBI or other relevant authority at the relevant time.*

9 TAXATION

9.1 Payment without Withholding

All payments of principal and interest in respect of the Notes, Receipts and Coupons by or on behalf of the Issuer will be made 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 147 1(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 87 1(m) of the Code.

9.2 Interpretation

As used herein:

(i) Tax Jurisdiction means:

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

(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

(ii) “**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.

9.3 Transfers or Sales

The Issuer has in the Trust Deed agreed, subject to receipt of written evidence reasonably satisfactory to the Issuer in respect thereof, to indemnify any transferor or transferee of a Note (or any beneficial interest therein), other than a transferor or transferee who is liable to Indian tax by reason of his having a connection with India, apart from the mere holding of a Note, against any loss resulting from the imposition of Indian income, capital gains or gift tax on transfer or sale of a Note outside India, provided that (i) such indemnity shall not (a) extend to any penalty interest or tax incurred as a result of any delay or failure on the part of the relevant transferor or transferee in complying with the applicable tax laws and regulations and (b) be enforceable by any person other than the relevant transferor or transferee and (ii) the Issuer shall incur no liability in respect of this indemnity towards any person other than the relevant transferor or transferee. The foregoing indemnity will terminate upon the Issuer providing (a) certification signed by two directors of the Issuer and (b) a reasoned legal opinion in writing of a practising Indian taxation lawyer acceptable to the Trustee, that it is satisfied, on the basis of an appropriate amendment of the Income Tax Act 1961 of India that the Notes are not and are not deemed to be situated in India.

In accordance with the prevailing RBI regulations, the Issuer would require the prior approval of RBI before making any payment under this indemnity. Such approval may or may not be forthcoming.

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 one-fifth in nominal amount of the Senior Notes then outstanding or if so directed by an Extraordinary Resolution of the Noteholders shall (subject in each case to being indemnified, secured and/or prefunded to its satisfaction), (but in the case of the happening of any of the events described in paragraphs (b), (c), (d) (in the case of the winding up or liquidation of any of the Issuer's Subsidiaries), (e), (h), (i) and (k) (in respect of any event which has an analogous effect to any of the events referred to in subparagraphs (e) and (i)) below, only if the Trustee shall have certified in writing to the Issuer that such event is, in its opinion, materially prejudicial to the interests of the holders of the Senior Notes), give notice in writing to the Issuer that each Senior Note is, and each Senior Note shall thereupon immediately become, due and repayable at its Early Redemption Amount together with accrued interest as provided in the Trust Deed if any of the following events (each an **"Event of Default"**) shall occur:

- (a) if default is made in the payment of any principal or interest due in respect of the Notes or any of them and, in the case of interest, the default continues for a period of three days; or
- (b) if the Issuer fails to perform or observe any of its other obligations under the Conditions or the Trust Deed and (except in any case where, in the opinion of the Trustee, the failure is incapable of remedy when no such continuation or notice as is hereinafter mentioned will be required) the failure continues for the period of 30 days (or such longer period as the Trustee may permit) next following the service by the Trustee on the Issuer of notice requiring the same to be remedied; or
- (c) if (i) any other present or future Indebtedness for Borrowed Money of the Issuer or any of its Subsidiaries becomes capable of being declared due and payable prior to its stated maturity otherwise than at the option of the Issuer or the relevant Subsidiary, or (ii) any such Indebtedness for Borrowed Money is not paid when due or, as the case may be, within any applicable grace period, or (iii) any security given by the Issuer or any of its Subsidiaries for any Indebtedness for Borrowed Money becomes enforceable; or (iv) the Issuer or any of its Subsidiaries fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any Indebtedness for Borrowed Money other than in circumstances where (A) the Trustee is satisfied that the Issuer or the relevant Subsidiary is contesting in good faith in appropriate proceedings the fact that any such amount is due or (B) 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, save for the purposes of reorganisation on terms previously approved in writing by the Trustee or by an Extraordinary Resolution, or the Issuer or any of its Subsidiaries stops or threatens to stop or suspends payment of, or is unable to, or admits inability to, pay its debts (or any class of its debts) as they fall due, or is deemed unable to pay its debts (or any class of its debts) pursuant to or for the purposes of any applicable law, or is adjudicated or found bankrupt or insolvent; or
- (f) if the Issuer (or its directors) or any of its Subsidiaries initiates or consents to judicial proceedings relating to itself under any applicable liquidation, insolvency, composition, reorganisation or other similar laws or makes a conveyance or assignment for the benefit of, or enters into any composition or other arrangement with, its creditors generally (or any class of its creditors) or any meeting is convened to consider a proposal for an arrangement or composition with its creditors generally (or any class of its creditors); or
- (g) if a moratorium is agreed or declared by the Issuer in respect of any Indebtedness for Borrowed Money (including any obligation arising under any guarantee) of the Issuer or any of its Subsidiaries; or
- (h) if it is or will become unlawful for the Issuer to perform or comply with any one or more of its obligations under any of the Notes, the Receipts, the Coupons, the Agency Agreement or the Trust Deed; or
- (i) if any governmental authority or agency condemns, seizes, compulsorily purchases or expropriates all or any material part of the assets or shares of the Issuer or any of its Subsidiaries without fair compensation, unless, and for so long as, the Trustee is satisfied that such compulsory purchase or expropriation is being contested in good faith and by appropriate proceedings; or
- (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, in the Trustee's opinion, 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

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

If any order of the Government is made for the winding up, liquidation or dissolution (as determined pursuant to the Banks Nationalisation Act) of the Issuer, save for the purposes of reorganisation on terms previously approved by an Extraordinary Resolution of the Noteholders, the Trustee may, and if so requested in writing by the holders of at least one-fifth in Outstanding Nominal Amount of the Subordinated Notes then outstanding or if so directed by an Extraordinary Resolution of the Noteholders, shall (subject to being indemnified, 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 the amount provided in, or calculated in accordance with, Condition 7.6, together with accrued interest as provided in the Trust Deed.

11.3 Enforcement

The Trustee may at any time, at its discretion and without notice, take such proceedings against the Issuer as it may think fit to enforce the provisions of the Trust Deed, the Notes, the Receipts and the Coupons, but it shall not be bound to take any such proceedings or any other action in relation to the Trust Deed, the Notes, the Receipts or the Coupons unless (i) it shall have been so directed by an Extraordinary Resolution of the Noteholders or so requested in writing by the holders of at least one-fifth in outstanding nominal amount of the Notes then outstanding and (ii) it shall have been indemnified, secured and/or prefunded to its satisfaction. No Noteholder, Receiptholder or Couponholder shall be entitled to proceed directly against the Issuer unless the Trustee, having become bound so to proceed, fails so to do within a reasonable period and the failure shall be continuing.

12 REPLACEMENT OF NOTES, RECEIPTS, COUPONS AND TALONS

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

13 PRINCIPAL PAYING AGENT, REGISTRAR, PAYING AND TRANSFER AGENTS

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

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

(ii) so long as the Notes are listed on the SGX-ST, if the Notes are issued in definitive form, there will be at all times be a Paying Agent in Singapore unless the Issuer obtains an exemption from the SGX-ST; and
(iii) there will at all times be a Principal Paying Agent and a Registrar.

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 and the Transfer Agents act solely as agents of the Issuer and, in certain limited circumstances, of the Trustee and do not assume any obligation or trust for or with any Noteholders.

14 EXCHANGE OF TALONS

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the Principal Paying Agent or any other Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Note to which it appertains) a further Talon, subject to the provisions of Condition 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 agree, without the consent of the Noteholders, Receiptholders or Couponholders, to any modification (except such modifications in respect of which an increased quorum is required as mentioned above) of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of the Notes or the Trust Deed, or determine, without any such consent as aforesaid, that any Event of Default or Potential Event of Default shall not be treated as such, where, in any such case, it is not, in the opinion of the Trustee, materially prejudicial to the interests of the Noteholders to do so or may agree, without any such consent as aforesaid, to any modification which is, in its opinion, of a formal, minor or technical nature or to correct a manifest error, an error which is, in the opinion of the Trustee, proven or an error for the purposes of compliance 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) as the principal debtor under the Notes, the Receipts, the Coupons and the Trust Deed of an entity owned or controlled by the Issuer, subject to (a) the Notes being unconditionally and irrevocably guaranteed by the Issuer, (b) the Trustee being satisfied, in its absolute discretion, that the interests of the Noteholders will not be materially prejudiced by the substitution and (c) certain other conditions set out in the Trust Deed being complied with.

Further, the Trustee may, without the consent of the Noteholders, the Couponholders or the Receiptholders, agree with the Issuer to the substitution of one branch of the Issuer with another branch of the Issuer in connection with any payments to be made by such branch under the Notes, the Receipts, the Coupons and/or the Trust Deed, subject to the Trustee being satisfied, in its absolute discretion, that the interests of the Noteholders will not be materially prejudiced by such substitution.

The Issuer may also redirect payments which are to be made under the Notes, the Receipts, the Coupons and/or the Trust Deed from one branch of the Issuer through another branch of the Issuer or through its Registered Office in India.

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 15 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 action unless indemnified, secured 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.

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 that, Clause 2(G) 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 is 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 Law Debenture Corporate Services 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.

Appendix

The Conditions shall be amended solely in relation to this Series of Additional Tier 1 Notes as follows:

1. The definition of “RBI Guidelines” set out in Condition 3.2(b) shall be deleted in its entirety and replaced with the following:

““**RBI Guidelines**” means the Reserve Bank of India’s Master Circular - Basel III Capital Regulations RBI 2015-16/58 DBR.No.BP.BC.1/21.06.201/2015-16 dated 1 July 2015 as amended, revised, modified, supplemented or updated from time to time, read with RBI Circular No. DBR.No.BP.BC.71/21.06.201/2015-16 dated January 14, 2016, RBI Circular No. DBR.BP.BC.No.50/21.06.201/2016-17 dated February 2, 2017 and RBI Circular No. DOR.BP.BC.No15/21.06.201/2020-21 dated September 29, 2020, including without limitation, any relevant press releases, notifications, regulations, guidelines, circulars, directions, which may be issued by the RBI from time to time, each as amended, revised, modified, supplemented or updated at any time prior to the earliest date on which the Additional Tier 1 Notes were issued.”

2. Condition 3.3(b) (Subordination) shall be deleted in its entirety and replaced with the following:

“(b) Subordination

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

- (i) the indebtedness evidenced by the Additional Tier 1 Notes constitutes unsecured and subordinated obligations of the Issuer; and
- (ii) the subordination is for the benefit of the holders of indebtedness that 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, 2013, as amended (the “**Companies Act**”), and the Banking Regulation Act, 1949, as amended (the “**BR Act**”), the claims of the holders of the Additional Tier 1 Notes and any related receipts or coupons pursuant thereto 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 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 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 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 vis-à-vis bank creditors.

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

- (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 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.”

3. Conditions 5.7(a) and 5.7 (b) shall be deleted in their entirety and replaced with the following:

- “(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 CET1, 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 5.7, or is cancelled pursuant to Condition 8, such interest will not be due and payable and the right of Noteholders, Receipt holders and Coupon holders to receive interest in respect of the Interest Period ending on such Interest Payment Date will be lost and the Issuer will have no

further obligation in respect of the interest for such Interest Period, whether or not any amount of interest is paid for any future Interest Period. Non-Payment of interest in accordance with this Condition 5.7 will not constitute an event of default in respect of the Additional Tier 1 Notes. For the avoidance of doubt, no Noteholder shall have any claim in respect of any interest or part thereof cancelled pursuant to this Condition 5.7. Accordingly, such interest shall not accumulate for the benefit of Noteholders or entitle the Noteholders to any claim in respect thereof against the Issuer. 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).”

4. Condition 5.7(c) shall be deleted in its entirety and replaced with the following:

“(c) In the event that the Issuer determines that it shall not, or is not permitted to, make a payment of interest on Additional Tier 1 Notes in accordance with this Condition 5.7, the Issuer shall notify or procure notification as soon as possible 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 signed by two directors 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 5.7(d) below.”

5. Condition 7.2 (Redemption or Variation for Tax Reasons) shall be deleted in its entirety and replaced with the following:

“7.2 Redemption or Variation for tax reasons

The Issuer may redeem the Additional Tier 1 Notes 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, be irrevocable), if the Issuer satisfies the Trustee immediately before the giving of such notice that:

- (i) on the occasion of the next payment due under the Additional Tier 1 Notes, the Issuer has or will become obliged to pay additional amounts or will, having been entitled to claim a deduction, no longer be entitled to claim a deduction in respect of computing its taxation liabilities with respect to interest on the Additional Tier 1 Notes, in each case as a result of any change in, or amendment to, the laws, regulations or rulings of India or any political subdivision or any authority thereof or therein having power to tax, or any change in the official application of such laws, regulations or rulings or the official interpretation of existing or new provisions contained in such laws, regulations or rulings, which change or amendment becomes effective on or after 23 September 2021; and
- (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it (together, a “**Tax Event**”),

provided that (a) the Conditions for Redemption have been satisfied and (b) 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 Additional Tier 1 Notes then due. The Issuer may (subject to compliance with the Conditions for Redemption) elect, instead of redeeming the Additional Tier 1 Notes on the occurrence of a Tax Event, to vary the terms of the Additional Tier 1 Notes so that they become or remain Qualifying Additional Tier 1 Additional Tier 1 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 Additional Tier 1 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.

Additional Tier 1 Notes redeemed pursuant to this Condition 7.2 will be redeemed at 100% 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 Additional Tier 1 Notes is improperly withheld or refused and is not paid by the Issuer, interest on the outstanding principal amount of such Additional Tier 1 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 Additional Tier 1 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 Additional Tier 1 Notes” means instruments issued by the Issuer that:

- (iii) will be eligible to constitute (or would, but for any applicable limitation on the amount of such capital, constitute) Additional Tier 1 Capital, including that they are fully paid-in;
- (iv) have terms and conditions not materially less favourable to a Noteholder than the Additional Tier 1 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 Additional Tier 1 Notes, or any transfer or similar taxes that may apply on the acquisition of the new instrument) provided that a certification to such effect of an authorised signatory of the Issuer shall have been delivered to the Trustee prior to the variation of the terms of the instruments);
- (v) shall not at such time be subject to a Tax Event or a Regulatory Event;
- (vi) will constitute direct obligations of the Issuer;

- (vii) 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;
- (viii) have at least the same Outstanding Nominal Amount and interest payment or distribution dates as the Additional Tier 1 Notes and at least equal interest or distribution rate or rate of return as Additional Tier 1 Notes;
- (ix) are listed on the same stock exchange as the Additional Tier 1 Notes (or another securities exchange of international standing regularly used for the listing and quotation of debt securities offered and traded in the international markets);
- (x) have, to the extent such payment is not cancelled, the same claim to accrued but unpaid interest;
- (xi) (where the instruments are varied prior to the first-occurring Optional Redemption Date) have the same issuer call date as the Additional Tier 1 Notes;
- (xii) have the same claim to amounts payable upon any redemption; and
- (xiii) which may include such technical changes as necessary to reflect the requirements of Additional Tier 1 Capital under the RBI Guidelines then applicable to the Issuer; and

“Redemption Certificate” means a certificate signed by two directors of the Issuer stating that the Issuer is entitled to effect such redemption or variation (as the case may be) and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem or vary the terms have occurred or been satisfied pursuant to the relevant provisions of this Condition 7. 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.”

6. Condition 7.3 (Redemption at the Option of the Issuer (Issuer Call)) shall be deleted in its entirety and replaced with the following:

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

The Issuer may, at its sole discretion but subject always to the Conditions for Redemption having been satisfied, redeem the Additional Tier 1 Notes (in whole but not in part) at 100% of their Outstanding Nominal Amount together with interest accrued to (but excluding) the date of redemption on 30 September 2026 (the **“First Call Date”**) or at any Interest Payment Date thereafter, having given not less than 15 nor more than 30 days’ notice to the Noteholders in accordance with Condition 15 which notices shall specify the date fixed for redemption and be irrevocable.

Any redemption of the Additional Tier 1 Notes is subject to compliance with applicable regulatory requirements, including the prior approval of the RBI. The RBI, while considering the request of the Issuer to so redeem any Additional Tier 1 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. Condition 7.4 (Redemption or Variation for Regulatory Reasons) shall be deleted in its entirety and replaced with the following:

“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 Additional Tier 1 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 Additional Tier 1 Notes on the occurrence of a Regulatory Event, to vary the terms of the Additional Tier 1 Notes so that they become or remain Qualifying Additional Tier 1 Notes.

A “**Regulatory Event**” occurs if, as 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 Additional Tier 1 Notes is held by the Issuer or whose purchase is funded by the Issuer) of the Additional Tier 1 Notes is fully or partly excluded from 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 Additional Tier 1 Notes.

Prior to the publication of any notice of redemption pursuant to this Condition 7.4, the Issuer shall deliver to the Trustee to make available at its specified office to the Noteholders, a Redemption Certificate.

Any Additional Tier 1 Notes redeemed pursuant to this Condition 7.4 will be redeemed at 100% of their Outstanding Nominal Amount together with interest accrued to (but excluding) the date of redemption. If the redemption price in respect of any Additional Tier 1 Notes is improperly withheld or refused and is not paid by the Issuer, interest on the outstanding principal amount of such Additional Tier 1 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 Additional Tier 1 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.”

8. Condition 8.1 (Principal write-down on PONV Trigger Event) shall be deleted in its entirety and replaced with the following:

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

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

- (xiv) 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;

- (xv) cancel any interest which is accrued and unpaid up to the relevant Loss Absorption Effective Date; and
- (xvi) *pari passu* and *pro rata* with any other Tier 1 Loss Absorbing Instruments (where possible), 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 Additional Tier 1 Note by the relevant Write-Down Amount (such reduction being referred to as a “**Write-Down**” and “**Written Down**” being construed accordingly),

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

If a Write-Down occurs in respect of less than the full Outstanding Nominal Amount of the Additional Tier 1 Notes, one or more further Write-Downs may occur in respect of one or more subsequent PONV Trigger Events. Once the Outstanding Nominal Amount of an Additional Tier 1 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.

For the avoidance of doubt, following any Write-Down of the Additional Tier 1 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 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 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 Additional Tier 1 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 Additional Tier 1 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 Additional Tier 1 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:

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

9. Condition 8.2 (Principal write-down on CET1 Trigger Event) shall be deleted in its entirety and replaced with the following:

“8.2 CET1 Trigger Event loss absorption – temporary write-down

(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.

The write-down of any CET 1 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 CET 1 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 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 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% 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 **Error! Reference source not found.** 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 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.

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.”

10. The definitions of “CET1 Trigger Event Threshold”, “Loss Absorption Event Notice”, “Maximum Reinstatement Amount”, “PONV Trigger Event”, “Tier 1 Loss Absorbing Instrument” and “Write-Down Amount” in Condition 8.3 (Interpretation) shall be deleted in their entirety and replaced with the following respectively:

““CET1 Trigger Event Threshold” means:

- (i) if calculated at any time prior to 1 October 2021, 5.5%; or
- (ii) if calculated at any time from and including 1 October 2021 (on account of deferred implementation of the last tranche of the capital conservation buffer), 6.125%.

“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.

“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.

“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.

“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;

“Write-Down Amount” means the amount by which the then Outstanding Nominal Amount of each Additional Tier 1 Note is to be Written Down pursuant to a Write-Down, being the minimum of:

- (iii) the amount (together with the Write-Down of the other Additional Tier 1 Notes and the write-down of any Tier 1 Loss Absorbing Instruments) that:
 - (I) in the case of a PONV Trigger Event, would be sufficient to satisfy the RBI that the Issuer will not become non-viable; or
 - (II) 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
- (iv) 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.”

11. A new Condition 8.4 shall be added to Condition 8 as follows:

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

- (xx) 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;
- (xxi) 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
- (xxii) 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.”

12. Condition 11.2 (Rights of enforcement relating to Subordinated Notes) shall be deleted in its entirety and replaced with the following:

“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 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 one-fifth in Outstanding Nominal Amount of the Additional Tier 1 Notes then outstanding or if so directed by an Extraordinary Resolution of the Noteholders, shall (subject to being indemnified, secured and/or prefunded to its satisfaction) give notice to the Issuer that the Additional Tier 1 Notes are, and they shall, subject to the prior approval of the RBI having been obtained, thereupon immediately become, due or repayable at 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.”