PRICING SUPPLEMENT

26 June 2007

UTI Bank Limited, acting through its Singapore Branch

Issue of USD 60,000,000 Callable Fixed to Floating Rate Subordinated Notes due June 2022 under the €2,000,000,000 Medium Term Note Programme

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

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Offering Circular dated 31 May 2007. This Pricing Supplement contains the final terms of the Notes and must be read in conjunction with such Offering Circular.

1.	Issuer:		UTI Bank Limited, acting through its Singapore Branch
2.	(a)	Series Number:	4
	(b)	Tranche Number:	1
3.	Specified Currency or Currencies:		United States dollar ("**USD**")
4.	Aggregate Nominal Amount:		
	(a)	Series:	USD 60,000,000
	(b)	Tranche:	USD 60,000,000
5.	Issue Price:		99.626 per cent. of the Aggregate Nominal Amount
6.	Specified Denominations:		USD 100,000 and integral multiples of USD 1,000 in excess thereof, up to and including USD 199,000 and, for as long as the Notes are represented by a Global Note (as defined below) and Euroclear and Clearstream, Luxembourg so permit, the Notes shall be tradeable only in the minimum authorised denomination of USD 100,000 and higher integral multiples of USD 1,000, notwithstanding that no Definitive Notes will be issued in a denomination above USD 199,000
7.	(a)	Issue Date:	28 June 2007
	(b)	Interest Commencement Date:	Issue Date
8.	Maturity Date:		Interest Payment Date falling in or nearest to June 2022

9.	Interest Basis:		Fixed Rate to Floating Rate (further particulars stated below)
10.	Redemption/Payment Basis:		Redemption at par
11.	Change of Interest Basis or Redemption/Payment Basis:		Fixed Rate from and including, the Issue Date to but excluding, 28 June 2017 and Floating Rate thereafter
12.	Put/Call Options:		Call Option (further particulars stated below)
13.	Status of the Notes:		Upper Tier II Subordinated
14.	(a)	Date Board approval for issuance of Notes obtained:	14 October 2005 and 29 July 2006
	(b)	Date regulatory approval/consent for issuance of Notes obtained:	None Required
15.	Listing:		Singapore
16.	Method of distribution:		Non-syndicated

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

17.	Fixed Rate Note Provisions		Applicable from and including, the Issue Date to but excluding, 28 June 2017
	(a)	Rate of Interest:	7.125 per cent. per annum payable semi-annually in arrear
	(b)	Interest Payment Dates:	28 June and 28 December in each year from and including, 28 December 2007, up to and including, 28 June 2017
	(c)	Fixed Coupon Amount(s):	USD 35.63 per USD 1,000 in nominal amount
	(d)	Broken Amount(s)	Not Applicable
	(e)	Day Count Fraction:	30/360
	(f)	Determination Date(s):	Not Applicable
	(g)	Other terms relating to the method of calculating interest for Fixed Rate Notes:	Not Applicable
18.	Floating Rate Note Provisions		Applicable from and including, 28 June 2017 to but excluding, the Maturity Date
	(a)	Specified Period(s)/Specified Interest Payment Dates:	Specified Periods: As per the Conditions, save that

			the initial Specified Period commences on 28 June 2017 Specified Interest Payment Dates: 28 June and 28 December in each year from and including, 28 December 2017 to and including, the Maturity Date
	(b)	Business Day Convention:	Modified Following Business Day Convention
	(c)	Additional Business Centre:	Not Applicable
	(d)	Manner in which Rate of Interest and Interest Amount are to be determined:	Screen Rate Determination
	(e)	Party responsible for calculating the Rate of Interest and Interest Amount(if not the Agent):	Not Applicable
	(f)	Screen Rate Determination:	
		(i) Reference Rate:	6 month USD LIBOR
		(ii) Interest Determination Dates:	Second London Business Day period to the start of each Interest Period "London Business Day" means 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 London
		(iii) Relevant Screen Page:	Reuters Screen Page LIBOR01
	(g)	ISDA Determination:	Not Applicable
	(h)	Margin:	+ (plus) 2.45 per cent. per annum
	(i)	Minimum Rate of Interest:	Not Applicable
	(j)	Maximum Rate of Interest:	Not Applicable
	(k)	Day Count Fraction:	30/360
	(l)	Fall back provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions:	As per the Conditions
19.	Zero Coupon Note Provisions		Not Applicable
20.	Index Linked Interest Note Provisions		Not Applicable

21.	Dual Currency Interest Note Provisions	Not Applicable

PROVISIONS RELATING TO REDEMPTION

22.	Issuer Call:		Applicable
	(a)	Optional Redemption Dates:	Each Interest Payment Date from and including, the Interest Payment Date falling in or nearest to 28 June 2017, up to, and including the Interest Payment Date falling in or nearest to 28 December 2021
	(b)	Optional Amount of each Note and method, if any, of calculation of such amount:	USD 100,000 per Note of USD 100,000 Specified Denomination and USD 1,000 per integral multiples of USD 1,000 in excess thereof, up to and including USD 199,000
	(c)	If redeemable in part:	Not Applicable
	(d)	Notice Period (if other than set out in the Conditions):	As set out in Condition 7.3
23.	Investor Put:		Not Applicable
24.	Final Redemption Amount of each Note:		USD 100,000 per Note of USD 100,000 Specified Denomination and USD 1,000 per integral multiples of USD 1,000 in excess thereof, up to and including USD 199,000
25.	Early Redemption Amount of each Note payable on redemption for taxation or on event of default and/or the method of calculating the same (if required or if different from that set out in Condition 7.5):		As set out in Condition 7.5
26.	Regulatory Redemption Amount:		Not Applicable
27.	Applicable Spread:		Not Applicable

GENERAL PROVISIONS APPLICABLE TO THE NOTES

28.	Form of Notes:	Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes only upon an Exchange Event
29.	Additional Financial Centre(s) or other special provisions relating to Payment Dates:	Not Applicable
30.	Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on	

	which such Talons mature):	Yes, if Definitive Notes are issued before the Interest Payment Date falling in or nearest to June 2009, One Talon maturing on the Interest Payment Date on which the last Coupon on the Coupon sheet on which the Talon is presented for payment
31.	Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment:	Not Applicable
32.	Details relating to Instalment Notes:	Not Applicable
33.	Redenomination applicable:	Redenomination not applicable
34.	Other terms or special conditions:	Not Applicable

DISTRIBUTION

35.	(a)	If syndicated, names of Managers:	Not Applicable
	(b)	Stabilising Manager (if any):	Not Applicable
36.	If non-syndicated, name of relevant Dealer:		BNP Paribas, Singapore Branch
37.	Whether TEFRA D or TEFRA C rules applicable or TEFRA rules not applicable:		TEFRA D
38.	Whether Category 1 or Category 2 applicable in respect of the Notes offered and sold in reliance on Regulation S:		Category 2
39.	Additional selling restrictions:		Not Applicable

OPERATIONAL INFORMATION

40.	Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s):	Not Applicable
41.	Delivery:	Delivery against payment
42.	Additional Paying Agent(s) (if any):	Not Applicable

ISIN:	XS0308100667
Common Code:	030810066

LISTING APPLICATION

This Pricing Supplement comprises the final terms required to list the issue of Notes described herein pursuant to the €2,000,000,000 Medium Term Note Programme of UTI Bank Limited.

RESPONSIBILITY

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

Signed on behalf of the Issuer:

By: _____

Duly authorised

IMPORTANT NOTICE

NOT FOR DISTRIBUTION TO ANY U.S. PERSON OR TO ANY PERSON OR ADDRESS IN THE U.S.

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

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Confirmation of your Representation: In order to be eligible to view this offering circular or make an investment decision with respect to any securities offered in connection with this offering circular, investors must not be a U.S. person (within the meaning of Regulation S under the Securities Act). This offering circular is being sent at your request and by accepting the e-mail and accessing this offering circular, you shall be deemed to have represented to us that you are not a U.S. person, the electronic mail address that you gave us and to which this e-mail has been delivered is not located in the U.S. and that you consent to delivery of such offering circular by electronic transmission.

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

The materials relating to any offering of securities described in this offering circular do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the underwriters or any affiliate of the underwriters is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the underwriters or such affiliate on behalf of UTI Bank Limited in such jurisdiction.

This offering circular has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently neither Barclays Bank PLC, Singapore Branch nor Citigroup Global Markets Singapore Pte. Ltd. nor Deutsche Bank AG, Singapore Branch nor any person who controls each of them nor any director, officer, employee nor agent of each of them or affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between the preliminary offering circular distributed to you in electronic format and the hard copy version available to you on request from Barclays Bank PLC, Singapore Branch, Citigroup Global Markets Singapore Pte. Ltd. and Deutsche Bank AG, Singapore Branch.

OFFERING CIRCULAR

UTI BANK LIMITED

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

€1,000,000,000
Medium Term Note Programme

Under this €1,000,000,000 Medium Term Note Programme (the **Programme**), UTI Bank Limited (the **Issuer** or the **Bank**), acting through its Singapore Branch or other foreign branch, as the case may be, may from time to time issue notes (the **Notes**, which expression shall include Senior Notes and Subordinated Notes (as defined herein)) denominated in any currency agreed between the Issuer and the relevant Dealer (as defined below).

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

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

Approval-in-principle has been granted for the listing and quotation of Notes that may be issued pursuant to the Programme and which are agreed at or prior to the time of issue thereof to be so listed on the Singapore Exchange Securities Trading Limited (the **SGX-ST**). Such permission will be granted when such Notes have been admitted to the Official List of the SGX-ST (the **Official List**). The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained herein. Admission to the Official List and quotation of any Notes on the SGX-ST are not to be taken as an indication of the merits of the Issuer, the Programme or the Notes. Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and any other terms and conditions not contained herein which are applicable to each Tranche (as defined under "*Terms and Conditions of the Notes*") of Notes will be set out in a pricing supplement (the **Pricing Supplement**) which, with respect to Notes to be listed on the SGX-ST, will be delivered to the SGX-ST on or before the date of issue of the Notes of such Tranche.

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

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

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

Each Tranche of Notes of each series (as defined in "*Form of the Notes*") to be issued in bearer form (**Notes**, comprising a **Series**) will initially be represented by either a temporary global note (a **Temporary Global Note**) or a permanent global note (a **Permanent Global Note** and, together with a Temporary Global Note, the **Global Notes**, and each a **Global Note**) as indicated in the applicable Pricing Supplement, which, in either case, will be delivered on or prior to the original issue date of the Tranche to a common depositary (the **Common Depositary**) for Euroclear Bank S.A./N.V. as operator of the Euroclear System (**Euroclear**) and Clearstream Banking, société anonyme (**Clearstream, Luxembourg**).

On and after the date (the **Exchange Date**) which, for each Tranche in respect of which a Temporary Global Note is issued, is 40 days after the date on which the Temporary Global Note is issued, interests in such Temporary Global Note will be exchangeable (free of charge) upon a request as described therein either for (i) interests in a Permanent Global Note of the same Series or (ii) definitive Notes of the same Series.

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

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the **Securities Act**) or with any securities regulatory authority of any state or other jurisdiction of the United States and are subject to U.S. tax law requirements. Subject to certain exceptions, the Notes may not be offered, sold or delivered within the United States or to U.S. persons (as defined in Regulation S under the Securities Act). See "*Subscription and Sale*".

Arrangers

Barclays Capital **Citigroup** **Deutsche Bank**

Dealers

Barclays Capital **Citigroup** **Deutsche Bank**

The date of this Offering Circular is 19 June 2006.

The Issuer accepts responsibility for the information contained in this Offering Circular. To the best of the knowledge and belief of the Issuer (having taken all reasonable care to ensure that such is the case) the information contained in this Offering Circular is in accordance with the facts and does not omit anything that would make the statements therein, in light of the circumstances under which they were made, misleading. The Issuer, having made all reasonable enquiries, confirms that this Offering Circular contains or incorporates all information which is material in the context of the Programme and the Notes, that the information contained or incorporated in this Offering Circular is true and accurate in all material respects and is not misleading, that the opinions and intentions expressed in this Offering Circular are honestly held and that there are no other facts the omission of which would make this Offering Circular or any of such information or the expression of any such opinions or intentions misleading. The Issuer accepts responsibility accordingly.

No person is or has been authorised by the Issuer to give any information or to make any representation other than those contained in this Offering Circular or any other information supplied in connection with the Programme or the Notes and, if given or made by any other person, such information or representations must not be relied upon as having been authorised by the Issuer, any of the Arrangers or the Dealers or the Trustee.

Neither the Arrangers, the Dealers nor the Trustee (as defined herein) has separately verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by any of the Arrangers or the Dealers, the Trustee or any of them as to the accuracy or completeness of the information contained or incorporated in this Offering Circular or any other information provided by the Issuer in connection with the Programme.

Neither this Offering Circular nor any other information supplied in connection with the Programme or any Notes (i) is intended to provide the basis of any credit or other evaluation or (ii) should be considered as a recommendation by the Issuer, any of the Arrangers or the Dealers or the Trustee that any recipient of this Offering Circular or any other information supplied in connection with the Programme or any Notes should purchase any of the Notes. Each investor contemplating purchasing Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. Neither this Offering Circular nor any other information supplied in connection with the Programme or the issue of any Notes constitutes an offer or invitation by or on behalf of the Issuer, any of the Arrangers or the Dealers or the Trustee to any person to subscribe for or to purchase any Notes.

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

This Offering Circular does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Offering Circular and the offer or sale of Notes may be restricted by law in certain jurisdictions. The Issuer, the Arrangers, the Dealers and the Trustee do not represent that this Offering Circular may be lawfully distributed, or that

any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, any of the Arrangers or the Dealers or the Trustee which would permit a public offering of any Notes or distribution of this Offering Circular in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Offering Circular nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Offering Circular or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Offering Circular and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Offering Circular and the offer or sale of Notes in the United States, the European Economic Area (including the United Kingdom, Italy and the Netherlands), India, Singapore, Japan and Hong Kong, see "*Subscription and Sale*".

None of the Issuer, the Arrangers, the Dealers and the Trustee makes any representation to any investor in the Notes regarding the legality of its investment under any applicable laws. Any investor in the Notes should be able to bear the economic risk of an investment in the Notes for an indefinite period of time.

There are restrictions on the offer and sale of the Notes in the United Kingdom. All applicable provisions of the Financial Services and Market Act 2000 (**FSMA**) with respect to anything done by any person in relation to the Notes in, from or otherwise involving the United Kingdom must be complied with. See "*Subscription and Sale*".

This document is for distribution only to persons who (i) are outside the United Kingdom, (ii) have professional experience in matters relating to investments, (iii) are persons falling within Article 49(2)(a) to (d) ("high net worth companies, unincorporated associations etc") of the FSMA (Financial Promotion) Order 2005 (as amended), or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) in connection with the issue or sale of any Notes may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as **relevant persons**). This document is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this document relates is available only to relevant persons and will not be engaged in only with relevant persons.

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

This Offering Circular has not been registered and will not be registered as a prospectus with the Monetary Authority of Singapore under the Securities and Futures Act, Chapter 289 of Singapore, as amended (the **Securities and Futures Act**). Accordingly, this Offering Circular and any other document or material in connection with the offer or sale or invitation for subscription or purchase of any Notes may not be circulated or distributed, whether directly or indirectly, to the public or any member of the public in Singapore other than (i) to an institutional investor or other person falling within Section 274 of the Securities and Futures Act, (ii) to a relevant person, or any person pursuant to Section 275(1A) of the Securities and Futures Act, and in accordance with the conditions specified in Section 275 of the Securities and Futures Act or (iii) otherwise than pursuant to, and in accordance with the conditions of, any other applicable provision of the Securities and Futures Act.

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

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

The Issuer maintains its financial books and records and prepares its financial statements in Rupees in accordance with generally accepted accounting principles in the Republic of India (Indian GAAP) which differ in certain important respects from International Financial Reporting Standards (IFRS). For a discussion of the principal differences between Indian GAAP and IFRS as they relate to the Issuer, see "*Summary of Significant Differences Between Indian GAAP and IFRS*". Unless otherwise stated, all financial data (other than financial data with respect to investments) contained herein is stated on a non-consolidated basis.

CERTAIN DEFINITIONS

In this Offering Circular, references to **India** are to the Republic of India and references to the **Government** are to the Government of India. References to **fiscal** or **fiscal year** are to the year ended 31 March.

Industry and market share data in this Offering Circular are derived from data of the Reserve Bank of India (**RBI**) or the Director General of Commercial Intelligence and Statistics (the **DGCIS**) and calculated by the Bank where applicable.

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

References to "crores" in the Bank's consolidated and non-consolidated financial statements are to the following:

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

INDUSTRY AND MARKET DATA

Information regarding market position, growth rates and other industry data pertaining to the Bank's business contained in this Offering Circular consists of estimates based on data reports compiled by professional organisations and analysts, on data from other external sources and on the Bank's knowledge of its markets. This data is subject to change and cannot be verified with complete certainty due to limits on the availability and reliability of the raw data and other limitations and uncertainties inherent in any statistical survey. In many cases, there is no readily available external information (whether from trade associations, government bodies or other organisations) to validate market-related analyses and estimates, so the Bank relies on internally developed estimates. While the Bank has compiled, extracted and reproduced market or other industry data from external sources, including third parties or industry or general publications, neither the Bank, the Arrangers, the Dealers nor the Trustee has independently verified that data and neither the Bank, the Arrangers, the Dealers nor the Trustee makes any representation regarding the accuracy of such data. Similarly, while the Bank believes its internal estimates to be reasonable, such estimates have not been verified by any independent sources and neither the Bank, the Arrangers, the Dealers nor the Trustee can assure potential investors as to their accuracy.

FORWARD-LOOKING STATEMENTS

This Offering Circular includes statements which contain words or phrases such as "will", "would", "aim", "aimed", "will likely result", "is likely", "are likely", "believe", "expect", "expected to", "will continue", "will achieve", "anticipate", "estimate", "estimating", "intend", "plan", "contemplate", "seek to", "seeking to", "trying to", target", "propose to", "future", "objective", "goal", "project", "should", "can", "could", "may", "will pursue", "in management's judgment" and similar expressions or variations of such expressions, that are "forward-looking statements". Actual results may differ materially from those suggested by the forward-looking statements due to certain risks or uncertainties associated with management's expectations with respect to, but not limited to, the actual growth in demand for banking and other financial products and services, the management's ability to successfully implement its strategy, future levels of impaired loans, the Bank's growth and expansion, the adequacy of the Bank's allowance for credit and investment losses, technological changes, investment income, the Bank's ability to market new products, cash flow projections, the outcome of any legal or regulatory proceedings the Bank is or may become a party to, the future impact of new accounting standards, management's ability to implement its dividend policy, the impact of Indian banking regulations on it, the Bank's ability to roll over its short-term funding sources, the Bank's exposure to market risks and the market acceptance of and demand for internet banking services. By their nature, certain of the market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains, losses or impact on net interest income and net income could materially differ from those that have been estimated.

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

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In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in the applicable Pricing Supplement may over-allot (provided that, in the case of any Tranche of Notes to be admitted to trading on a regulated market in the European Economic Area, the aggregate principal amount of Notes allotted does not exceed 105 per cent. of the aggregate principal amount of the relevant Tranche) or effect transactions with a view to supporting the market price of the Notes of the Series (as defined below) of which such Tranche forms part at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or persons acting on behalf of a Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes.

DOCUMENTS INCORPORATED BY REFERENCE

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

(a) the most recently published audited non-consolidated annual financial statements and, if published later, the most recently published unaudited interim non-consolidated financial results (if any) of the Issuer, (see "*General Information*" for a description of the financial statements currently published by the Issuer); and

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

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

The Issuer will provide, without charge, to each person to whom a copy of this Offering Circular has been delivered, upon the request of such person, a copy of any or all of the documents deemed to be incorporated herein by reference unless such documents have been modified or superseded as specified above. Requests for such documents should be directed to the Issuer at its office set out at the end of this Offering Circular. In addition, such documents will be available free of charge from the principal office of the Paying Agent in London (which for the time being is The Bank of New York, London Branch (the **Agent**) for the Notes listed on the SGX-ST.

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

GENERAL DESCRIPTION OF THE PROGRAMME

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

This Offering Circular and any supplement will only be valid for listing Notes on the SGX-ST in an aggregate nominal amount which, when added to the aggregate nominal amount then outstanding of all Notes previously or simultaneously issued under the Programme, does not exceed €1,000,000,000 or its equivalent in other currencies. For the purpose of calculating the euro equivalent of the aggregate nominal amount of Notes issued under the Programme from time to time:

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

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

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

SUMMARY OF THE PROGRAMME

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

Issuer:	UTI Bank Limited, acting through its Singapore Branch or other foreign branch (as specified in the relevant Pricing Supplement)
Description:	Medium Term Note Programme
Arrangers:	Barclays Bank PLC, Singapore Branch Citigroup Global Markets Singapore Pte. Ltd. Deutsche Bank AG, Singapore Branch
Dealers:	Barclays Bank PLC, Singapore Branch Citigroup Global Markets Singapore Pte. Ltd. Deutsche Bank AG, Singapore Branch and any other Dealers appointed in accordance with the Programme Agreement (as defined under "*Subscription and Sale*").
Certain Restrictions:	Each issue of Notes in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see "*Subscription and Sale*") including the following restrictions applicable at the date of this Offering Circular.
Trustee:	The Bank of New York, London Branch
Agent:	The Bank of New York, London Branch
Programme Size:	€1,000,000,000 (or its equivalent in other currencies calculated as described under "*General Description of the Programme*") in aggregate nominal amount of Notes outstanding at any time. The Issuer may increase the amount of the Programme in accordance with the terms of the Programme Agreement.
Distribution:	Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.
Currencies:	Subject to any applicable legal or regulatory restrictions, any currency agreed between the Issuer and the relevant Dealer.
Redenomination:	The applicable Pricing Supplement may provide that certain Notes may be redenominated in euro. The relevant provisions applicable to any such redenomination are contained in Condition 4.

Maturities:	Such maturities as may be agreed between the Issuer and the relevant Dealer and indicated in the applicable Pricing Supplement, subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the Issuer or the relevant Specified Currency. At the date of this Offering Circular, (i) Lower Tier II Subordinated Notes shall have a minimum maturity of five years or, if issued between 1 January and 31 March in any year, 63 months and (ii) Upper Tier II Subordinated Notes shall have a minimum maturity of 15 years.
Issue Price:	Notes may be issued on a fully-paid or (in the case of Notes other than Subordinated Notes) a partly-paid basis and at an issue price which is at par or at a discount to, or premium over, par.
Form of Notes:	The Notes will be issued in bearer form as described in "*Form of the Notes*".
Fixed Rate Notes:	Fixed interest will be payable at such rate or rates in arrear and on such date or dates as may be agreed between the Issuer and the relevant Dealer and on redemption and will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the relevant Dealer.
Floating Rate Notes:	Floating Rate Notes will bear interest at a rate determined: (i) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2000 ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc., and as amended and updated as at the Issue Date of the first Tranche of the Notes of the relevant Series); or (ii) on the basis of a reference rate appearing on the agreed screen page of a commercial quotation service; or (iii) on such other basis as may be agreed between the Issuer and the relevant Dealer. The margin (if any) relating to such floating rate will be agreed between the Issuer and the relevant Dealer for each Series of Floating Rate Notes.
Index Linked Notes:	Payments of principal in respect of Index Linked Redemption Notes or of interest in respect of Index Linked Interest Notes will be calculated by reference to such index and/or formula or to changes in the prices of securities or commodities or to such other factors as the Issuer and the relevant Dealer may agree.
Other provisions in Floating Rate Notes and Index Linked Interest Notes:	Floating Rate Notes and Index Linked Interest Notes may also have a maximum interest rate, a minimum interest rate or both.

	Interest on Floating Rate Notes and Index Linked Interest Notes in respect of each Interest Period, as agreed prior to issue by the Issuer and the relevant Dealer, will be payable on such Interest Payment Dates, and will be calculated on the basis of such Day Count Fraction, as may be agreed between the Issuer and the relevant Dealer.
Dual Currency Notes:.	Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Dual Currency Notes will be made in such currencies, and based on such rates of exchange, as the Issuer and the relevant Dealer may agree.
Zero Coupon Notes:.	Zero Coupon Notes will be offered and sold at a discount to their nominal amount and will not bear interest.
Redemption:.	The applicable Pricing Supplement will indicate either that the relevant Notes cannot be redeemed prior to their stated maturity (other than (i) in specified instalments, if applicable, (ii) for taxation reasons (in the case of Subordinated Notes, only with the prior approval of RBI or other relevant authority) or (iii) following an Event of Default (as defined in Condition 10) (in the case of Subordinated Notes, only with the prior approval of RBI or other relevant authority)) or that such Notes will be redeemable at the option of the Issuer (in the case of Subordinated Notes, only with the prior approval of RBI or other relevant authority) and/or (except in the case of Subordinated Notes) the Noteholders upon giving notice to the Noteholders or the Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such other terms as may be agreed between the Issuer and the relevant Dealer. The applicable Pricing Supplement may provide that Notes may be redeemable in two or more instalments of such amounts and on such dates as are indicated in the applicable Pricing Supplement.
Denomination of Notes:	Notes will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer save that the minimum denomination of each Note will be such as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency.
Taxation:	All payments in respect of the Notes will be made without deduction for or on account of withholding taxes imposed by any Tax Jurisdiction (as defined in Condition 8), subject as provided in Condition 8. In the event that any such deduction is made, the Issuer will, save in certain limited circumstances provided in Condition 8, be required to pay additional amounts to cover the amounts so deducted.
Negative Pledge:	The terms of the Notes (other than Subordinated Notes) will contain a negative pledge provision as further described in Condition 3.

Cross Default:	The terms of the Notes (other than Subordinated Notes) will contain a cross default provision as further described in Condition 10.
Status of the Senior Notes:	The Senior Notes will constitute direct, unconditional, unsubordinated and, subject to the provisions of Condition 3, unsecured obligations of the Issuer and will rank *pari passu* among themselves and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Issuer, from time to time outstanding.
Status, Events of Default and other Terms of or relating to the Subordinated Notes:	Subordinated Notes will be Upper Tier II Subordinated Notes or Lower Tier II Subordinated Notes, as indicated in the applicable Pricing Supplement. The status of the Subordinated Notes and events of default applicable to the Subordinated Notes are set out in Conditions 2.2 and 10.2, respectively. Subordinated Notes do not have the benefit of a negative pledge or cross default provision.
Listing:	Approval-in-principle has been granted for the listing and quotation of Notes that may be issued pursuant to the Programme and which are agreed at or prior to the time of issue thereof to be so listed on the SGX-ST. Such permission will be granted when such Notes have been admitted to the Official List. The Notes may also be listed on such other or further stock exchange(s) as may be agreed between the Issuer and the relevant Dealer in relation to each Series. If the application to the SGX-ST to list a particular series of Notes is approved, such Notes listed on the SGX-ST will be traded on the SGX-ST in a minimum board lot size of at least S$200,000 (or equivalent). Unlisted Notes may also be issued. The applicable Pricing Supplement will state whether or not the relevant Notes are to be listed and, if so, on which stock exchange(s).
Governing Law:	The Notes will be governed by, and construed in accordance with, English law except that in the case of Subordinated Notes, Condition 2.2 (Status of the Subordinated Notes) will be governed by Indian law.
Clearing System:	Euroclear, Clearstream, Luxembourg (each as defined in Condition 1) and/or any other clearing system, as specified in the applicable Pricing Supplement (see "*Form of the Notes*").
Selling Restrictions:	There are restrictions on the offer, sale and transfer of the Notes in the United States, the European Economic Area (including the United Kingdom, Italy and the Netherlands), Japan, India, Hong Kong and Singapore and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Notes (see "*Subscription and Sale*").
United States Selling Restrictions:	Regulation S, Category 1 or 2, as specified in the applicable Pricing Supplement. TEFRA C or D, as specified in the applicable Pricing Supplement.

FORM OF THE NOTES

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

The Notes will be accepted for clearance through Euroclear Bank S.A./ N.V. as operator of the Euroclear System (**Euroclear**) and Clearstream Banking, société anonyme (**Clearstream, Luxembourg**).

Each Tranche of Notes will initially be represented by either a temporary global note (a **Temporary Global Note**) or a permanent global note (a **Permanent Global Note** and, together with a Temporary Global Note, the **Global Notes**, and each a **Global Note**) as indicated in the applicable Pricing Supplement, which, in either case, will be delivered on or prior to the original issue date of the Tranche to a common depositary (the **Common Depositary**) for Euroclear and Clearstream, Luxembourg. Whilst any Note is represented by a Temporary Global Note, payments of principal, interest (if any) and any other amount payable in respect of the Notes due prior to the Exchange Date (as defined below) will be made against presentation of the Temporary Global Note only to the extent that certification (in a form to be provided) to the effect that the beneficial owners of interests in such Note are not U.S. persons or persons who have purchased for resale to any U.S. person, as required by U.S. Treasury regulations, has been received by Euroclear and/or Clearstream, Luxembourg, as applicable, has given a like certification (based on the certifications it has received) to the Agent.

On and after the date (the **Exchange Date**) which, for each Tranche in respect of which a Temporary Global Note is issued, is 40 days after the date on which the Temporary Global Note is issued, interests in such Temporary Global Note will be exchangeable (free of charge) upon a request as described therein either for (i) interests in a Permanent Global Note of the same Series or (ii) definitive Notes of the same Series with, where applicable, receipts, interest coupons and talons attached (as indicated in the applicable Pricing Supplement and subject, in the case of definitive Notes, to such notice period as is specified in the applicable Pricing Supplement), in each case against certification of beneficial ownership as described above, unless such certification has already been given. The holder of a Temporary Global Note will not be entitled to collect any payment of interest, principal or other amount due on or after the Exchange Date unless, upon due certification, exchange of the Temporary Global Note for an interest in a Permanent Global Note or for definitive Notes is improperly withheld or refused.

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

The applicable Pricing Supplement will specify that a Permanent Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Notes with, where applicable, receipts, interest coupons and talons attached upon either (i) not less than 60 days' written notice from Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Global Note) to the Agent as described therein or (ii) only upon the occurrence of an Exchange Event.

For these purposes, **Exchange Event** means that (i) an Event of Default has occurred and is continuing or (ii) the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and, in any case, no successor or alternative clearing system satisfactory to the Trustee is available. The Issuer will promptly give notice to the Noteholders in accordance with Condition 14 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or

Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Global Note) or, the Trustee may give notice to the Agent requesting exchange. Any such exchange shall occur not later than 45 days after the date of receipt of the first relevant notice by the Agent.

The following legend will appear on all Notes which have an original maturity of more than 365 days and on all receipts and interest coupons relating to such Notes:

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

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

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

Pursuant to the Agency Agreement (as defined under "*Terms and Conditions of the Notes*"), the Agent shall arrange that, where a further Tranche of Notes is issued which is intended to form a single Series with an existing Tranche of Notes, the Notes of such further Tranche shall be assigned a common code and ISIN number which are different from the common code and ISIN assigned to Notes of any other Tranche of the same Series until at least the expiry of the distribution compliance period (as defined in Regulation S under the Securities Act) applicable to the Notes of such Tranche.

For so long as any of the Notes is represented by a Global Note held on behalf of Euroclear and/or Clearstream, Luxembourg each person (other than Euroclear and/or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg 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 Trustee, the Issuer and their agents as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Notes, for which purpose the bearer of the relevant Global Note shall be treated by the Trustee, the Issuer and their agents 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.

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

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

If the applicable Pricing Supplement specifies any modification to the Terms and Conditions of the Notes as described herein, it is envisaged that, to the extent that such modification relates only to Conditions 1, 4, 5, 6, 7 (except Condition 7.2), 11, 12, 13, 14 (insofar as such Notes are not listed or admitted to trade on any stock exchange) or 17, they will not necessitate the preparation of a supplement to this Offering Circular. If the Terms and Conditions of the Notes of any Series are to be modified in any other respect, a supplement to this Offering Circular will be prepared, if appropriate.

APPLICABLE PRICING SUPPLEMENT

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

[Date]

UTI Bank Limited
acting through its [Singapore Branch/[specify other foreign branch]]

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]
under the €1,000,000,000
Medium Term Note Programme

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

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Offering Circular dated 19 June 2006. This Pricing Supplement contains the final terms of the Notes and must be read in conjunction with such Offering Circular.

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

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

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

1.	Issuer:	UTI Bank Limited, acting through its [Singapore Branch/[*specify other foreign branch*]]
2.	(a) Series Number:	[ ]
	(b) Tranche Number:	[ ] *(If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible)*
3.	Specified Currency or Currencies:	[ ]
4.	Aggregate Nominal Amount:	
	(a) Series:	[ ]
	(b) Tranche:	[ ]
5.	Issue Price:	[ ] per cent. of the Aggregate Nominal Amount [plus accrued interest from *[insert date]* *(in the case of fungible issues only, if applicable)*]

6.	Specified Denominations:	[ ] [ ]
7.	(a) Issue Date:	[ ]
	(b) Interest Commencement Date:	[ ]
8.	Maturity Date:	[*Fixed rate — specify date/Floating rate — Interest Payment Date falling in or nearest to [specify month]*] *[NB: As per current regulations, (i) Lower Tier II Subordinated Notes shall have a minimum maturity of five years or, if issued between 1 January and 31 March in any year, 63 months and (ii) Upper Tier II Subordinated Notes shall have a minimum maturity of 15 years]*
9.	Interest Basis:	[[ ] per cent. Fixed Rate] [[LIBOR/EURIBOR] +/- [ ] per cent. Floating Rate] [Zero Coupon] [Index Linked Interest] [Dual Currency Interest] [*specify other*] (further particulars specified below)
10.	Redemption/Payment Basis:	[Redemption at par] [Index Linked Redemption] [Dual Currency Redemption] [Partly Paid] [Instalment] [*specify other*]
11.	Change of Interest Basis or Redemption/Payment Basis:	[*Specify details of any provision for change of Notes into another Interest Basis or Redemption/ Payment Basis]* *[NB: For Upper Tier II Subordinated Notes, the Issuer has a step-up option in relation to the Interest Basis. Such step-up option may be exercised only once during the tenor of the relevant Upper Tier II Subordinated Notes in conjunction with the Issuer Call and must be within the limits set by the RBI.]*
12.	Put/Call Options:	[Investor Put] *[NB: Investor Put is not possible for Subordinated Notes.]* [Issuer Call] *[NB: For Upper Tier II Subordinated Notes, Issuer Call may only be exercised after the tenth anniversary of the Issue Date (i.e. ten years and one day), and is subject to the prior approval of the RBI.]* [(further particulars specified below)]

13.	Status of the Notes:	[Senior/Subordinated] *(If "Subordinated", specify either "Upper Tier II Subordinated" or "Lower Tier II Subordinated". If Upper Tier II Subordinated, include provisions to be agreed with the RBI for determining "Net Loss" for the purpose of the "Net Loss Requirement".)*
14. (a)	Date Board approval for issuance of Notes obtained:	[ ] [and [ ], respectively]]/[None required] *(N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes)*
(b)	Date regulatory approval/consent for issuance of Notes obtained:	[ ]/[None required] *(N.B. Only relevant where regulatory (or similar) approval or consent is required for the particular tranche of Notes)*
15.	Listing:	[Singapore/*specify other*/None] *(N.B. Consider disclosure requirements under the EU Prospectus Directive applicable to securities admitted to an EU regulated market)*
16.	Method of distribution:	[Syndicated/Non-syndicated]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

17.	Fixed Rate Note Provisions:	[Applicable/Not Applicable] *(If not applicable, delete the remaining subparagraphs of this paragraph)*
(a)	Rate(s) of Interest:	[ ] per cent. per annum [payable [annually/ semi-annually/quarterly] in arrear] *(If payable other than annually, consider amending Condition 5)*
(b)	Interest Payment Date(s):	[[ ] in each year up to and including the Maturity Date]/*[specify other]* *(N.B. This will need to be amended in the case of long or short coupons)*
(c)	Broken Amount(s):	[*Insert particulars of any initial or final broken interest amounts*]
(d)	Day Count Fraction:	[Actual/Actual (ICMA) 30/360 Actual/365 (Fixed) Other]
(e)	Determination Date(s):	[ ] in each year [*Insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon* *N.B. This will need to be amended in the case of regular interest payment dates which are not of equal duration* *N.B. Only relevant where Day Count Fraction is Actual/Actual (ICMA)*]
(f)	Other terms relating to the method of calculating interest for Fixed Rate Notes:	[None/*Give details*]

18.	Floating Rate Note Provisions	[Applicable/Not Applicable] *(If not applicable, delete the remaining subparagraphs of this paragraph)*
(a)	Specified Period(s)/Specified Interest Payment Dates:	[ ]
(b)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/[*specify other*]]
(c)	Additional Business Centre(s):	[ ]
(d)	Manner in which the Rate of Interest and Interest Amount is to be determined:	[Screen Rate Determination/ISDA Determination/*specify other*]
(e)	Party responsible for calculating the Rate of Interest and Interest Amount (if not the Agent):	[ ]
(f)	Screen Rate Determination:	[ ]
	• Reference Rate:	*(Either LIBOR, EURIBOR or other, although additional information is required if other including fallback provisions in the Agency Agreement)*
	• Interest Determination Date(s):	[ ] (Second London business day prior to the start of each Interest Period if LIBOR (other than Sterling or euro LIBOR), first day of each Interest Period if Sterling LIBOR and the second day on which the TARGET System is open prior to the start of each Interest Period if EURIBOR or euro LIBOR)
	• Relevant Screen Page:	[ ] *(In the case of EURIBOR, if not Telerate Page 248 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)*
(g)	ISDA Determination:	
	• Floating Rate Option:	[ ]
	• Designated Maturity:	[ ]
	• Reset Date:	[ ]
(h)	Margin(s):	[+/-] [ ] per cent. per annum
(i)	Minimum Rate of Interest:	[ ] per cent. per annum
(j)	Maximum Rate of Interest:	[ ] per cent. per annum
(k)	Day Count Fraction:	[Actual/365 or Actual/Actual (ISDA) Actual/365 (Fixed) Actual/365 (Sterling) Actual/360 30/360, 360/360 or Bond Basis 30E/360 or Eurobond Basis Other] *(See Condition 5 for alternatives)*
(l)	Fallback provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions:	[ ]

19.	Zero Coupon Note Provisions	[Applicable/Not Applicable] *(If not applicable, delete the remaining subparagraphs of this paragraph)*
	(a) Accrual Yield:	[ ] per cent. per annum
	(b) Reference Price:	[ ]
	(c) Any other formula/basis of determining amount payable:	[ ]
	(d) Day Count Fraction in relation to Early Redemption Amounts and late payment if Conditions 7.5(c) and 7.10 do not apply:	[Conditions 7.5(c) and 7.10 apply/*specify other*] *(Consider applicable day count fraction if not U.S. dollar denominated)*
20.	Index Linked Interest Note Provisions	[Applicable/Not Applicable] *(If not applicable, delete the remaining subparagraphs of this paragraph)*
	(a) Index/Formula:	[*give or annex details*]
	(b) Calculation Agent responsible for calculating the interest due:	[ ]
	(c) Provisions for determining Coupon where calculation by reference to Index and/or Formula is impossible or impracticable:	[ ]
	(d) Specified Period(s)/Specified Interest Payment Dates:	[ ]
	(e) Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/*specify other*]
	(f) Additional Business Centre(s):	[ ]
	(g) Minimum Rate of Interest:	[ ] per cent. per annum
	(h) Maximum Rate of Interest:	[ ] per cent. per annum
	(i) Day Count Fraction:	[ ]
21.	Dual Currency Interest Note Provisions	[Applicable/Not Applicable] *(If not applicable, delete the remaining subparagraphs of this paragraph)*
	(a) Rate of Exchange/method of calculating Rate of Exchange:	*[give details]*
	(b) Calculation Agent, if any, responsible for calculating the interest payable:	[ ]
	(c) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable:	[ ]
	(d) Person at whose option Specified Currency(ies) is/are payable:	[ ]

PROVISIONS RELATING TO REDEMPTION

22.	Issuer Call:	[Applicable/Not Applicable] *(If not applicable, delete the remaining subparagraphs of this paragraph)*
	(a) Optional Redemption Date(s):	[ ]
	(b) Optional Redemption Amount of each Note and method, if any, of calculation of such amount(s):	[ ] per Note of [ ] Specified Denomination
	(c) If redeemable in part:	
	(i) Minimum Redemption Amount:	[ ]
	(ii) Maximum Redemption Amount:	[ ]
	(d) Notice period (if other than as set out in the Conditions):	*(N.B. If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent or Trustee)*
23.	Investor Put:	[Applicable/Not Applicable] *(If not applicable, delete the remaining subparagraphs of this paragraph)*
	(a) Optional Redemption Date(s):	[ ]
	(b) Optional Redemption Amount of each Note and method, if any, of calculation of such amount(s):	[ ] per Note of [ ] Specified Denomination
	(c) Notice period (if other than as set out in the Conditions):	[ ] *(N.B. If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent or Trustee)*
24.	Final Redemption Amount of each Note:	[ ] per Note of [ ] Specified Denomination/*specify other*/see Appendix]
25.	Early Redemption Amount of each Note payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required or if different from that set out in Condition 7.5):	[ ]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

26. Form of Notes:	[Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes [on 60 days' notice given at anytime/only upon an Exchange Event]] [Temporary Global Note exchangeable for Definitive Notes on and after the Exchange Date] [Permanent Global Note exchangeable for Definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event]] (*Ensure that this is consistent with the wording in the "Form of the Notes" section in the Offering Circular and the Notes themselves*)
27. Additional Financial Centre(s) or other special provisions relating to Payment Dates:	[Not Applicable/*give details*] *(Note that this item relates to the place of payment and not Interest Period end dates to which items 18(c) and 20(f) relate)*
28. Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):	[Yes/No. *If yes, give details*]
29. Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment:	[Not Applicable/*give details. N.B. a new form of Temporary Global Note and/or Permanent Global Note may be required for Partly Paid issues*]
30. Details relating to Instalment Notes:	
(a) [Instalment Amount(s):	[Not Applicable/*give details*]]
(b) [Instalment Date(s):	[Not Applicable/*give details*]]
31. Redenomination applicable:	Redenomination [not] applicable *(If Redenomination is applicable, specify the applicable Day Count Fraction and any provisions necessary to deal with floating rate interest calculation (including alternative reference rates))*
32. Other terms or special conditions:	[Not Applicable/*give details*]

DISTRIBUTION

33. (a) If syndicated, names of Managers:	[Not Applicable/*give names*]
(b) Stabilising Manager (if any):	[Not Applicable/*give name*]

34.	If non-syndicated, name of relevant Dealer:	[ ]
35.	Whether TEFRA D or TEFRA C rules applicable or TEFRA rules not applicable:	[TEFRA D/TEFRA C/TEFRA not applicable]
36.	Whether Category 1 or Category 2 applicable in respect of the Notes offered and sold in reliance on Regulation S:	[Category 1/Category 2]
37.	Additional selling restrictions:	[Not Applicable/*give details*]

OPERATIONAL INFORMATION

38.	Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s):	[Not Applicable/*give name(s) and number(s)*]
39.	Delivery:	Delivery [against/free of] payment
40.	Additional Paying Agent(s) (if any):	[ ]

ISIN:	[ ]
Common Code:	[ ]

[LISTING APPLICATION

This Pricing Supplement comprises the final terms required to list the issue of Notes described herein pursuant to the €1,000,000,000 Medium Term Note Programme of UTI Bank Limited, acting through its [Singapore Branch/[*specify other foreign branch*]].]

RESPONSIBILITY

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

Signed on behalf of the Issuer:

By: _____

Duly authorised

TERMS AND CONDITIONS OF THE NOTES

The following are the Terms and Conditions of the Notes which will be incorporated by reference into each Global Note (as defined below) and each definitive Note, in the latter case only if permitted by the relevant stock exchange or other relevant authority (if any) and 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 UTI Bank Limited (the **Issuer**), acting through its Singapore Branch or such other branch of the Issuer outside the Republic of India (**India**), as specified in the applicable Pricing Supplement, and constituted by a Trust Deed (such Trust Deed as modified and/or supplemented and/or restated from time to time, the **Trust Deed**) dated 19 June 2006 made between the Issuer and The Bank of New York, 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 the lowest Specified Denomination in the Specified Currency;

(ii) any Global Note; and

(iii) any definitive Notes issued in exchange for a Global Note.

The Notes, the Receipts (as defined below) and the Coupons (as defined below) have the benefit of an Agency Agreement (such Agency Agreement as amended and/or supplemented and/or restated from time to time, the **Agency Agreement**) dated 19 June 2006 and made between the Issuer, the Trustee, The Bank of New York, London Branch as principal paying agent and agent bank (the **Agent**, which expression shall include any successor principal paying agent) and the other paying agents named therein (together with the Agent, the **Paying Agents**, which expression shall include any additional or successor paying agents).

Interest bearing definitive Notes have interest coupons (**Coupons**) and, if indicated in the applicable Pricing Supplement, talons for further Coupons (**Talons**) attached on issue. Any reference herein to Coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons. Definitive Notes repayable in instalments have receipts (**Receipts**) for the payment of the instalments of principal (other than the final instalment) attached on issue. Global Notes do not have Receipts, Coupons or Talons attached on issue.

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

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

As used herein, **Tranche** means Notes which are identical in all respects (including as to listing) and **Series** means a Tranche of Notes together with any further Tranche or Tranches of Notes which are (i) expressed to be consolidated and form a single series and (ii) identical in all respects (including as to listing) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices.

Copies of the Trust Deed and the Agency Agreement are available for inspection during normal business hours at the registered office for the time being of the Trustee (being, at 19 June 2006, The Bank of New York, London Branch) and at the specified office of each of the Agent and the other Paying Agents. Copies of the applicable Pricing Supplement are obtainable during normal business hours at the specified office of each of the Paying Agents save that, if this Note is an unlisted Note of any Series, the applicable Pricing Supplement will only be obtainable by a Noteholder holding one or more unlisted Notes of that Series and such Noteholder must produce evidence satisfactory to the Issuer and the relevant Agent as to its holding of such Notes and identity. The Noteholders, the Receiptholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, and are bound by, all the provisions of the Trust Deed, the Agency Agreement and the applicable Pricing Supplement which are applicable to them. The statements in these Conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed and the Agency Agreement.

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

1. FORM, DENOMINATION AND TITLE

The Notes are in bearer form and, in the case of definitive Notes, serially numbered, in the Specified Currency and the Specified Denomination(s). Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination.

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

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

Subject as set out below, title to the Notes, Receipts and Coupons will pass by delivery. The Issuer, the Trustee and any Agent will (except as otherwise ordered by a court of competent

jurisdiction or required by law) deem and treat the bearer of any Note, Receipt or Coupon as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any Global Note, without prejudice to the provisions set out in the next succeeding paragraph.

For so long as any of the Notes is represented by a Global Note held on behalf of Euroclear Bank S.A./N.V. as operator of the Euroclear System (**Euroclear**) and/or Clearstream Banking, société anonyme (**Clearstream, Luxembourg**), each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Trustee and the Paying Agents as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Notes, for which purpose the bearer of the relevant Global Note shall be treated by the Issuer, the Trustee and any Agent as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Note and the expressions **Noteholder** and **holder of Notes** and related expressions shall be construed accordingly. In determining whether a particular person is entitled to a particular nominal amount of Notes, as aforesaid, the Trustee may rely on such evidence and/or information and/or certification as it shall, in its absolute discretion, think fit and, if it does so rely, such evidence and/or information and/or certification shall, in the absence of manifest error, be conclusive and binding on all concerned.

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

2. STATUS

2.1 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 unsecured obligations (other than subordinated obligations, if any) of the Issuer, from time to time outstanding.

2.2 Status of the Subordinated Notes

*This Condition 2.2 applies only to Notes specified in the applicable Pricing Supplement as Subordinated Notes. Subordinated Notes shall be either Upper Tier II Subordinated Notes (**Upper Tier II Subordinated Notes**) or Lower Tier II Subordinated Notes (**Lower Tier II Subordinated Notes**). Upper Tier II Subordinated Notes and Lower Tier II Subordinated Notes are together referred to in these Terms and Conditions as **Subordinated Notes**.*

(a) Subordination

Subordinated Notes and any relative Receipts and Coupons are unsecured obligations of the Issuer and, in the event of the winding up of the Issuer, the claims of the holders of Subordinated

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 equal to or lower than the claims of the holders of Subordinated Notes and any relative Receipts and Coupons, if any) of the Issuer in the manner and to the extent provided in the Trust Deed.

Claims in respect of Subordinated Notes and any relative Receipts and Coupons may not be set-off, or be the subject of a counterclaim, by the holder against or in respect of any obligations of the holder to the Issuer or to any other persons and the holder of any Subordinated Note or relative Receipt or Coupon shall, by virtue of being the holder of such Subordinated Note or relative Receipt or Coupon, be deemed to have waived all such rights of set-off.

(b) Payment Deferrals on Upper Tier II Subordinated Notes

Unless otherwise provided in the applicable Pricing Supplement,

(i) If (A) the Issuer is not, or would be caused by any payment of the principal of and/or (as the case may be) interest on any Upper Tier II Subordinated Note not to be, in compliance with the Capital to Risk Assets Ratio Requirement (as defined below) but (B) the Issuer is in compliance with the Net Loss Requirement (as defined below), in each case on the due date for the relevant payment, the Issuer may, at its option, defer (in whole but not in part) payment of such principal and/or interest (as the case may be) as provided in this Condition 2.2(b) until the date specified in (v) below and any such failure to pay will not constitute a default by the Issuer for any purpose; provided, however, that the Issuer shall not declare or pay any dividends on any share capital of the Issuer or make any payments in respect of liabilities of the Issuer (other than the liabilities under the Lower Tier II Subordinated Notes and any other indebtedness classified as lower tier II subordinated indebtedness by the Reserve Bank of India) that rank equally with or junior to the Upper Tier II Subordinated Notes unless and until any and all Payments in Arrears (as defined in (iv) below) and other accrued interest on the Upper Tier II Subordinated Notes, including Additional Payments (as defined in (iv) below), have been paid in full.

(ii) If the Issuer is not, or would be caused by any payment of interest on any Upper Tier II Subordinated Note not to be, in compliance with (A) the Capital to Risk Assets Ratio Requirement and (B) the Net Loss Requirement, in each case on the due date for the relevant payment, the Issuer shall defer payment of such interest as provided in this Condition 2.2(b) until the date specified in (v) below and any such failure to pay will not constitute a default by the Issuer for any purpose; provided, however, that the Issuer shall not declare or pay any dividends on any share capital of the Issuer or make any payments in respect of liabilities of the Issuer (other than the liabilities under the Lower Tier II Subordinated Notes and any other indebtedness classified as lower tier II subordinated indebtedness by the Reserve Bank of India) that rank equally with or junior to the Upper Tier II Subordinated Notes unless and until any and all Payments in Arrears and other accrued interest on the Upper Tier II Subordinated Notes, including Additional Payments, have been paid in full.

(iii) If (A) the Issuer is not, or would be caused by any payment of interest on any Upper Tier II Subordinated Note not to be, in compliance with the Net Loss Requirement but (B) the Issuer is in compliance with the Capital to Risk Assets Ratio Requirement, in each case on the due date for the relevant payment, the Issuer shall not, without the prior approval of the Reserve Bank of India, make such payment of interest, and payment of such interest shall be deferred as provided in this Condition 2.2(b) until the date specified in (v) below and any such failure to pay will not constitute a default by the Issuer for any purpose; provided, however, that the Issuer shall not declare or pay any dividends on any share capital of the Issuer or make any payments in respect of liabilities of the Issuer (other than the liabilities under the Lower Tier II Subordinated Notes and any other indebtedness classified as lower

tier II subordinated indebtedness by the Reserve Bank of India) that rank equally with or junior to the Upper Tier II Subordinated Notes unless and until any and all Payments in Arrears and other accrued interest on the Upper Tier II Subordinated Notes, including Additional Payments, have been paid in full.

(iv) Any principal or interest in respect of Upper Tier II Subordinated Notes not paid on the due date for payment thereof, together with any principal or interest in respect of Upper Tier II Subordinated Notes not paid on any other date, will, so long as the same remains unpaid, constitute **Payments in Arrears**. Unless otherwise provided in the applicable Pricing Supplement, until paid (whether before or after the Maturity Date), Payments in Arrears will bear interest (**Additional Payments**) at a rate that is equivalent to the interest rate then payable on the relevant Upper Tier II Subordinated Note at that time.

(v) Payments in Arrears and accrued interest, including Additional Payments, in respect of Upper Tier II Subordinated Notes will (subject to Condition 2.2(a)) become due in full on whichever is the earlier of (A) the next Compulsory Payment Date (as defined below) or (B) the occurrence of an event as specified in Condition 10.2. If notice is given by the Issuer of its intention to pay the whole or any part of Payments in Arrears and other accrued interest, including Additional Payments, the Issuer shall be obligated (subject to Condition 2.2(a)) to make such payment upon the expiration of such notice.

In respect of any Payments in Arrears arising pursuant to Condition 2.2(b)(i), any such Payments in Arrears and accrued interest, including Additional Payments, thereon may, at the option of the Issuer, be paid (in whole but not in part) at any time upon the expiration of not less than 14 days' notice to such effect given to the Paying Agent and to the holders of the Notes, subject always to the provisions of Condition 2.2(b)(v).

For the avoidance of doubt, where any payment of principal and/or interest may only be made with the approval of the Reserve Bank of India, the Issuer will use its best endeavours to obtain such approval.

(vi) As used in this Condition 2.2(b):

Compulsory Payment Date means (A), in the case of principal, the first date (the **Compliance Date**) following deferral of the relevant payment of principal and/or interest on which the Issuer, based upon its best estimates, is either (I) in compliance with the Capital to Risk Assets Ratio Requirement and the Net Loss Requirement or (II) in compliance with the Capital to Risk Assets Ratio Requirement, not in compliance with the Net Loss Requirement (or any such payment would cause the Issuer not to be in compliance with the Net Loss Requirement) and has approval from the Reserve Bank of India to make the relevant payment of principal and/or interest, in each case provided that any such payment will not cause the Issuer, based upon its best estimates, to be in breach of the Capital to Risk Assets Ratio Requirement or in the case of (I) the Net Loss Requirement and (B), in the case of interest, the next Interest Payment Date (if any) following the Compliance Date or, if none, the Compliance Date; and

Capital to Risk Assets Ratio Requirement means the requirement for the minimum capital to risk assets ratio (**CRAR**) of the Issuer, determined in accordance with the guidelines of the Reserve Bank of India, which currently is 9.00 per cent.

Net Loss Requirement means the Issuer not having a Net Loss (as such term is defined in the applicable Pricing Supplement).

Subordinated Indebtedness means all indebtedness of the Issuer which by its terms is subordinated, in the event of the winding up 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. NEGATIVE PLEDGE

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

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

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

For the purposes of these Conditions, **Relevant Indebtedness** means (i) any present or future indebtedness (whether being principal, premium, interest or other amounts) for or in respect of any notes, bonds, debentures, debenture stock, loan stock or other securities which (a) by their terms are payable in a currency other than Rupees or are denominated in Rupees and more than 50 per cent. of the aggregate principal amount of which is initially distributed outside India by or with the authorisation of the Issuer and (b) are for the time being, or are intended to be, or are capable of being, quoted, listed or ordinarily dealt in on any stock exchange, over-the-counter or other securities market, and (ii) any guarantee or indemnity in respect of any such indebtedness.

4. REDENOMINATION

4.1 Redenomination

Where redenomination is specified in the applicable Pricing Supplement as being applicable, the Issuer may, without the consent of the Noteholders, the Receiptholders or the Couponholders, on giving 30 days' prior notice to the Trustee, the Agent, Euroclear and/or Clearstream, Luxembourg as applicable, and at least 30 days' prior notice to the Noteholders in accordance with Condition 14, elect that, with effect from the Redenomination Date specified in the notice, the Notes shall be redenominated in euro.

The election will have effect as follows:

(a) the Notes and the Receipts shall be deemed to be redenominated into euro in the denomination of 0.01 with a nominal amount in euro for each Note and Receipt equal to the nominal amount of that Note or Receipt in the Specified Currency, converted into euro at the Established Rate, provided that, if the Issuer determines, with the agreement of the Agent and the Trustee, that the then market practice in respect of the redenomination into euro of internationally offered securities is different from the provisions specified above,

such provisions shall be deemed to be amended so as to comply with such market practice and the Issuer shall promptly notify the Noteholders, the stock exchange (if any) on which the Notes are for the time being listed and the Paying Agents of such deemed amendments;

(b) save to the extent that an Exchange Notice has been given in accordance with paragraph (d) below, the amount of interest due in respect of the Notes will be calculated by reference to the aggregate nominal amount of Notes presented (or, as the case may be, in respect of which Coupons are presented) for payment by the relevant holder and the amount of such payment shall be rounded down to the nearest euro 0.01;

(c) if definitive Notes are required to be issued after the Redenomination Date, they shall be issued at the expense of the Issuer in the denominations of euro 1,000, euro 10,000, euro 100,000 and (but only to the extent of any remaining amounts less than 1,000 or such smaller denominations as the Issuer in conjunction with the Agent may determine) euro 0.01 and such other denominations as the Issuer shall determine and notify to the Noteholders;

(d) if issued prior to the Redenomination Date, all unmatured Coupons denominated in the Specified Currency (whether or not attached to the Notes) will become void with effect from the date on which the Issuer gives notice (the **Exchange Notice**) that replacement euro-denominated Notes, Receipts and Coupons are available for exchange (provided that such securities are so available) and no payments will be made in respect of them. The payment obligations contained in any Notes and Receipts so issued will also become void on that date although those Notes and Receipts will continue to constitute valid exchange obligations of the Issuer. New euro-denominated Notes, Receipts and Coupons will be issued in exchange for Notes, Receipts and Coupons denominated in the Specified Currency in such manner as the Agent may specify and as shall be notified to the Noteholders in the Exchange Notice. No Exchange Notice may be given less than 15 days prior to any date for payment of principal or interest on the Notes;

(e) after the Redenomination Date, all payments in respect of the Notes, the Receipts and the Coupons, other than payments of interest in respect of periods commencing before the Redenomination Date, will be made solely in euro as though references in the Notes to the Specified Currency were to euro. Payments will be made in euro by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by a euro cheque;

(f) if the Notes are Fixed Rate Notes and interest for any period ending on or after the Redenomination Date is required to be calculated for a period ending other than on an Interest Payment Date, it will be calculated by applying the Rate of Interest to each Specified Denomination, 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;

(g) if the Notes are Floating Rate Notes, the applicable Pricing Supplement will specify any relevant changes to the provisions relating to interest; and

(h) such other changes shall be made to these Conditions as the Issuer may decide, after consultation with the Trustee and the Agent, and as may be specified in the notice, to conform them to conventions then applicable to instruments denominated in euro.

4.2 Definitions

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

Established Rate means the rate for the conversion of the Specified Currency (including compliance with rules relating to roundings in accordance with applicable European Community regulations) into euro established by the Council of the European Union pursuant to Article 123 of the Treaty;

euro and **€** means the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty;

Redenomination Date means (in the case of interest bearing Notes) any date for payment of interest under the Notes or (in the case of Zero Coupon Notes) any date, in each case specified by the Issuer in the notice given to the Noteholders pursuant to paragraph (a) above and which falls on or after the date on which the country of the Specified Currency first participates in the third stage of European economic and monetary union; and

Treaty means the Treaty establishing the European Community, as amended by the Treaty on European Union, as amended.

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.

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

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

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

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; or

(c) if **Actual/365 (Fixed)** is specified in the applicable Pricing Supplement, the actual number of days in the Accrual Period divided by 365.

In these Conditions:

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

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

5.2 Interest on Floating Rate Notes and Index Linked Interest Notes

(a) Interest Payment Dates

Each Floating Rate Note and Index Linked Interest Note bears interest on its outstanding nominal amount (or, 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 (which expression shall, in these Conditions, mean the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date).

(b) Rate of Interest

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

(i) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified in the applicable Pricing Supplement as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any). For the purposes of this sub-paragraph (A), **ISDA Rate** for an Interest Period means a rate equal to the Floating Rate that would be determined by the Agent under an interest rate swap transaction if the Agent were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the 2000 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 either (a) if the applicable Floating Rate Option is based on the London interbank offered rate (**LIBOR**) or on the Euro-zone interbank offered rate (**EURIBOR**), the first day of that Interest Period or (b) in any other case, as 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 which appears or appear, as the case may be, on the Relevant Screen Page 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 Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or,

if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

The Agency Agreement contains provisions for determining the Rate of Interest in the event that the Relevant Screen Page is not available or if, in the case of (A) above, no such offered quotation appears or, in the case of (B) above, fewer than three such offered quotations appear, in each case as at the time specified in the preceding paragraph.

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

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

The Agent will calculate the amount of interest (the **Interest Amount**) payable on the Floating Rate Notes or Index Linked Interest Notes in respect of each Specified Denomination for the relevant Interest Period. Each Interest Amount shall be calculated by applying the Rate of Interest to each Specified Denomination, 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.

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

(i) if **Actual/365** 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 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months (unless (I) the last day of the Interest Period is the 31st day of a month but the first day of the Interest Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (II) the last day of the Interest Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month)); and

(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 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months, without regard to the date of the first day or last day of the Interest Period unless, in the case of the final Interest Period, the Maturity Date is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month).

(e) Notification of Rate of Interest and Interest Amounts

The 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 14 as soon as possible after their determination but in no event later than the fourth London Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to each stock exchange on which the relevant Floating Rate Notes or Index Linked Interest Notes are for the time being listed and to the Noteholders in accordance with Condition 14. For the purposes of this paragraph, the expression **London Business Day** means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in London.

(f) Determination or Calculation by Trustee

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

(g) Certificates to be final

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 5, whether by the Agent or, if applicable, the Calculation Agent or the Trustee, shall (in the absence of wilful default, bad faith manifest error or proven error) be binding on the Issuer, the Trustee, the Agent, the Calculation Agent (if applicable), the other Paying Agents and all Noteholders, Receiptholders and Couponholders and (in the absence as aforesaid) no liability to the Issuer, the Noteholders, the Receiptholders or the Couponholders shall attach to the 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 on 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 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 both:

(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 London and any Additional Business Centre specified in the applicable Pricing Supplement; and

(b) 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 (if other than London and any Additional Business Centre and which, if the Specified Currency is New Zealand dollars, shall be Auckland and Wellington) or (ii) in relation to any sum payable in euro, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) System or any successor system (the **TARGET System**) is open.

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, or, at the option of the payee, 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 or, at the option of the payee, by a euro cheque.

Payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 8.

6.2 Presentation of definitive Notes, Receipts and Coupons

Payments of principal in respect of definitive Notes will (subject as provided below) be made in the manner provided in paragraph 6.1 above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of definitive Notes, and payments of interest in respect of definitive Notes will (subject as provided below) be made as aforesaid only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Coupons, in each case at the specified office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia, its territories, its possessions and other areas subject to its jurisdiction)).

Payments of Instalment Amounts (if any) in respect of definitive Notes, other than the final instalment, will (subject as provided below) be made in the manner provided in paragraph 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 paragraph 6.1 above only against presentation and surrender (or,

in the case of part payment of any sum due, endorsement) of the relevant Note in accordance with the preceding paragraph. Each Receipt must be presented for payment of the relevant instalment together with the definitive Note to which it appertains. Receipts presented without the definitive Note to which they appertain do not constitute valid obligations of the Issuer. Upon the date on which any definitive Note becomes due and repayable, unmatured Receipts (if any) relating thereto (whether or not attached) shall become void and no payment shall be made in respect thereof.

Fixed Rate Notes in definitive bearer form (other than Dual Currency Notes, Index Linked Notes or Long Maturity Notes (as defined below)) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of 10 years after the Relevant Date (as defined in Condition 8) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 9) or, if later, five years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

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

Upon the date on which any Floating Rate Note, Dual Currency Note, Index Linked Note or Long Maturity Note in definitive 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 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 Note.

6.3 Payments in respect of Global Notes

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

6.4 General provisions applicable to payments

The holder of a Global Note shall be the only person entitled to receive payments in respect of Notes represented by such Global Note and the Issuer will be discharged by payment to, or to the order of, the holder of such Global Note in respect of each amount so paid. Each of the persons shown in

the records of Euroclear or Clearstream, Luxembourg as the beneficial holder of a particular nominal amount of Notes represented by such Global Note must look solely to Euroclear or Clearstream, Luxembourg, 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 provisions of this Condition, if any amount of principal and/or interest in respect of Notes is payable in U.S. dollars, such U.S. dollar payments of principal and/or interest in respect of such Notes will be made at the specified office of a Paying Agent in the United States only if:

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

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

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

6.5 Payment Day

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

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

(i) the relevant place of presentation;

(ii) London; and

(iii) any Additional Financial Centre specified in the applicable Pricing Supplement; and

(b) 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 (if other than the place of presentation, London and any Additional Financial Centre and which, if the Specified Currency is New Zealand dollars, shall be Auckland and Wellington) or (B) in relation to any sum payable in euro, a day on which the TARGET System is open.

6.6 Interpretation of principal and interest

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

(a) any additional amounts which may be payable with respect to principal under Condition 8 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 7.5); and

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

Any reference in these Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 8 or under any undertaking or covenant given in addition thereto, or in substitution therefor, pursuant to the Trust Deed.

7. REDEMPTION AND PURCHASE

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) 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.

7.2 Redemption for tax reasons

The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time (if this Note is neither a Floating Rate Note nor an Index Linked Interest Note) or on any Interest Payment Date (if this Note is either a Floating Rate Note or an Index Linked Interest Note), on giving not less than 30 nor more than 60 days' notice to the Trustee and the Agent and, in accordance with Condition 14, the Noteholders (which notice shall be irrevocable), if the Issuer satisfies the Trustee 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 8 as a result of any change in, or amendment to, the laws or regulations of a Tax Jurisdiction (as defined in Condition 8) or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes; and

(b) such obligation cannot be avoided by the Issuer taking reasonable measures available to it,

provided that (1) in the case of Subordinated Notes, the prior approval of the Reserve Bank of India or any such other relevant authority shall have been obtained, if necessary and (2) no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due.

Prior to the publication of any notice of redemption pursuant to this Condition, the Issuer shall deliver to the Trustee (1) a certificate signed by an authorised officer of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and (2) an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become

obliged to pay such additional amounts as a result of such change or amendment and the Trustee shall be entitled to accept the certificate as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Noteholders, the Receiptholders and the Couponholders.

Notes redeemed pursuant to this Condition 7.2 will be redeemed at their Early Redemption Amount referred to in Condition 7.5 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 in the applicable Pricing Supplement, the Issuer may, (1) in the case of Subordinated Notes, having obtained the prior approval of the Reserve Bank of India or other relevant authority, if necessary, 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 14; and

(b) not less than seven days before the giving of the notice referred to in (a), notice to the Trustee and the Agent,

(which notices shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only of the Notes then outstanding on any Optional Redemption Date(s) and at the Optional Redemption Amount(s) specified in, or determined in the manner specified in, the applicable Pricing Supplement together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date. Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount and/or not more than the Maximum Redemption Amount, in each case as may be specified in the applicable Pricing Supplement. In the case of a partial redemption of Notes, the Notes to be redeemed (**Redeemed Notes**) will be selected in such place as the Trustee may approve and in such manner as it deems fit, in the case of Redeemed Notes represented by definitive Notes, and in accordance with the rules of Euroclear and/or Clearstream, Luxembourg (as appropriate), 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 14 not less than 15 days prior to the date fixed for redemption. The aggregate nominal amount of Redeemed Notes represented by definitive Notes or represented by a Global Note 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 and Notes outstanding represented by such Global Note, respectively, bears to the aggregate nominal amount of the Notes outstanding, in each case on the Selection Date, provided that, if necessary, appropriate adjustments shall be made to such nominal amounts to ensure that each represents an integral multiple of the Specified Denomination. No exchange of the relevant Global Note will be permitted during the period from (and including) the Selection Date to (and including) the date fixed for redemption pursuant to this Condition 7.3 and notice to that effect shall be given by the Issuer to the Noteholders in accordance with Condition 14 at least five days prior to the Selection Date.

7.4 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 in the applicable Pricing Supplement with respect to Senior Notes only, upon the holder of any Senior Note giving to the Issuer in accordance with Condition 14 not less than 30 nor more than 60 days' notice (which notice shall be irrevocable) the Issuer will, upon the

expiry of such notice, redeem, subject to, and in accordance with, the terms specified in the applicable Pricing Supplement, such Senior Note on the Optional Redemption Date(s) and at the Optional Redemption Amount(s) together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date.

(b) Put Option Exercise Procedures

If this Senior Note is in definitive form, to exercise the right to require redemption of this Senior Note the holder of this Senior Note must deliver such Senior Note at the specified office of any Paying Agent (together with all unmatured Receipts and Coupons and unexchanged Talons) at any time during normal business hours of such Paying Agent falling within the notice period, accompanied by a duly completed and signed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent (a **Put Notice**) and in which the holder must specify a bank account (or, if payment is required to be made by cheque, an address) to which payment is to be made under this Condition accompanied by, if this Senior Note is in definitive form, this Senior Note or evidence satisfactory to the Paying Agent concerned that this Senior Note will, following delivery of the Put Notice, be held to its order or under its control.

7.5 Early Redemption Amounts

For the purpose of Conditions 7.2 and 7.4 above and Condition 10, each Note will be redeemed at its Early Redemption Amount calculated as follows:

(a) in the case of a Note with a Final Redemption Amount equal to the Issue Price, at the Final Redemption Amount thereof;

(b) in the case of a Note (other than a Zero Coupon Note but including an Instalment Note and Partly Paid Note) with a Final Redemption Amount which is or may be less or greater than the Issue Price or which is payable in a Specified Currency other than that in which the Note is denominated, at the amount specified in, or determined in the manner specified in, the applicable Pricing Supplement or, if no such amount or manner is so specified in the applicable Pricing Supplement, at its nominal amount; or

(c) in the case of a Zero Coupon Note, at an amount (the **Amortised Face Amount**) calculated in accordance with the following formula:

Early Redemption Amount = RP x $(1 + AY)^y$

where:

RP means the Reference Price;

AY means the Accrual Yield expressed as a decimal; and

y is a fraction the numerator of which is 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 of which is 360,

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

7.6 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 7.5 above.

7.7 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.

7.8 Purchases

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

7.9 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 7.8 above (together with all unmatured Receipts, Coupons and Talons cancelled therewith) shall be forwarded to the Agent and may not be reissued or resold.

7.10 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 7.4 above or upon its becoming due and repayable as provided in Condition 10 is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in Condition 7.5(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 Agent and notice to that effect has been given to the Noteholders in accordance with Condition 14.

8. TAXATION

8.1 Payment without Withholding

All payments of principal and interest in respect of the Notes, Receipts and Coupons by the Issuer will be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of any Tax Jurisdiction unless such withholding or deduction is required by law. In such event, the Issuer will pay such additional amounts as shall be necessary in order that the net amounts received by the holders of the Notes, Receipts or Coupons after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes, Receipts or Coupons, as the case may be, in the absence of such withholding or deduction; 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 below) except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth day assuming that day to have been a Payment Day (as defined in Condition 6.6); or

(c) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any other law implementing or complying with, or introduced in order to conform to, such Directive; or

(d) presented for payment by or on behalf of a holder who would be able to avoid such withholding or deduction by presenting the relevant Note, Receipt or Coupon to another Paying Agent in a Member State of the European Union; or

(e) 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.

8.2 Interpretation

As used herein:

(i) **Tax Jurisdiction** means:

(A) where the Issuer is acting through its Singapore Branch, (I) India or any political subdivision or any authority thereof or therein having power to tax, (II) Singapore or any political subdivision or any authority thereof or therein having power to tax or (III) any other jurisdiction or any political subdivision or any authority thereof or therein having power to tax to which the Issuer becomes subject in respect of payments made by it on the Notes, Receipts and Coupons; or

(B) where the Issuer is acting through a branch outside India (other than Singapore), (I) India or any political subdivision or any authority thereof or therein having power to tax, (II) the jurisdiction in which such branch is established or any political subdivision or any authority thereof or therein having power to tax or (III) any other jurisdiction or any political subdivision or any authority thereof or therein having power to tax to which the Issuer becomes subject in respect of payments made by it on the Notes, Receipts and 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 Agent on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 14.

9. PRESCRIPTION

The Notes, 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 8) therefor.

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition or Condition 6.2 or any Talon which would be void pursuant to Condition 6.2.

10. EVENTS OF DEFAULT AND ENFORCEMENT

10.1 Events of Default relating to Senior Notes

The Trustee at its discretion may, and if so requested in writing by the holders of at least one-fifth in nominal amount of the Senior Notes then outstanding or if so directed by an Extraordinary Resolution of the Noteholders shall (subject in each case to being indemnified to its satisfaction), give notice in writing to the Issuer that each Senior Note is, and each Senior Note shall thereupon immediately become, due and repayable at its Early Redemption Amount together with accrued interest as provided in the Trust Deed if any of the following events (each an **Event of Default**) shall occur:

(a) if default is made in the payment of any principal or interest due in respect of the Notes or any of them and, in the case of interest, the default continues for a period of fourteen 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 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 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 suspend payment of, or is unable to, or admits inability to, pay, its debts (or any class of its debts) as they fall due, or is deemed unable to pay its debts pursuant to or for the purposes of any applicable law, or is adjudicated or found bankrupt or insolvent; or

(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 meeting is convened to consider a proposal for an arrangement or composition with its creditors generally; 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 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 the Issuer or any of its Subsidiaries is or becomes entitled or subject to, or is declared by law or otherwise to be protected by immunity (sovereign or otherwise) and Condition 19.4 is held to be invalid or unenforceable; or

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

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

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

10.2 Events of Default relating to Subordinated Notes

(a) Subject to the provisions of Condition 2.2(b), if default is made in the payment of any principal or interest due on the Subordinated Notes or any of them on the due date and, in the case of interest, such default continues for a period of fourteen days the Trustee may, at its discretion and without further notice, institute such proceedings against the Issuer as it may think fit to enforce the obligations of the Issuer under the Subordinated Notes or the Trust Deed and may institute proceedings for the winding up of the Issuer provided that the Issuer shall not, by virtue of the institution of any such proceedings other than proceedings for the winding up of the Issuer, be obliged to pay any sums sooner than the same would otherwise have been payable by it.

(b) If any order is made for the winding up or liquidation of the Issuer, save for the purposes of reorganisation on terms previously approved in writing by the Trustee or by an Extraordinary Resolution, the Trustee may, and if so requested in writing by the holders of at least one-fifth in nominal amount of the Subordinated Notes then outstanding or if so directed by an Extraordinary Resolution of the Noteholders, shall (subject to being indemnified to its satisfaction) give notice to the Issuer that the Subordinated Notes are, and they shall, subject to the prior approval of the Reserve Bank of India having been obtained, thereupon immediately become, due or repayable at the amount provided in, or calculated in accordance with, Condition 7.5, together with accrued interest as provided in the Trust Deed.

10.3 Enforcement

The Trustee may at any time, at its discretion and without notice, take such proceedings against the Issuer as it may think fit to enforce the provisions of the Trust Deed, the Notes, the Receipts and the Coupons, but it shall not be bound to take any such proceedings or any other action in relation to the Trust Deed, the Notes, the Receipts or the Coupons unless (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 nominal amount of the Notes then outstanding and (ii) it shall have been indemnified to its satisfaction.

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

11. REPLACEMENT OF NOTES, RECEIPTS, COUPONS AND TALONS

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

12. PAYING AGENTS

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

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

(a) there will at all times be a Agent;

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

(c) the Issuer will ensure that it maintains a Paying Agent in a Member State of the European Union that is not obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any other law implementing or complying with, or introduced in order to conform to, such Directive; and

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

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in Condition 6.5. Any variation, termination, appointment or change referred to in the preceding paragraph and/or any appointment referred to in this paragraph shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 nor more than 45 days' prior notice thereof shall have been given to the Noteholders in accordance with Condition 14.

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

13. EXCHANGE OF TALONS

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the Agent or any other Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Note to which it appertains) a further Talon, subject to the provisions of Condition 9.

14. NOTICES

All notices regarding the 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, Luxembourg, be substituted for such publication in such newspaper(s) the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg 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, Luxembourg.

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 Agent. Whilst any of the Notes are represented by a Global Note, such notice may be given by any holder of a Note to the Agent through Euroclear and/or Clearstream, Luxembourg, as the case may be, in such manner as the Agent and Euroclear and/or Clearstream, Luxembourg, as the case may be, may approve for this purpose.

Receiptholders and Couponholders will be deemed for all purposes to have notice of the contents of any notice given to Noteholders in accordance with this Condition 14.

15. MEETINGS OF NOTEHOLDERS, MODIFICATION, WAIVER AND SUBSTITUTION

The Trust Deed contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Notes, the Receipts, the Coupons or any of the provisions of the Trust Deed. Such a meeting may be convened by the Issuer or the Trustee and shall be convened by the Issuer if required in writing by Noteholders holding not less than ten per cent. in nominal amount of the Notes for the time being remaining outstanding. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing not less than 50 per cent. in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the nominal amount of the Notes so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Notes, the Receipts, the Coupons or the Trust Deed (including, *inter alia*, modifying the date of maturity of the Notes or any date for payment of interest thereon, reducing or canceling 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. An Extraordinary Resolution passed at any meeting of the Noteholders shall be binding on all the Noteholders, whether or not they are present at the meeting, and on all Receiptholders and Couponholders.

The Trustee may agree, without the consent of the Noteholders, Receiptholders or Couponholders, to any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of the Notes or the Trust Deed, or determine, without any such consent as aforesaid, that any Event of Default or Potential Event of Default shall not be treated as such, where, in any such case, it is not, in the opinion of the Trustee, materially prejudicial to the interests of the Noteholders so to do or may agree, without any such consent as aforesaid, to any modification which is of a formal, minor or technical nature or to correct a manifest or proven error. Any such modification shall be binding on the Noteholders, the Receiptholders and the Couponholders and any such modification shall be notified to the Noteholders in accordance with Condition 14 as soon as practicable thereafter.

In connection with the exercise by it of any of its trusts, powers, authorities and discretions (including, without limitation, any modification, waiver, authorisation, determination or substitution), the Trustee shall have regard to the general interests of the Noteholders as a class but shall not have regard to any interests arising from circumstances particular to individual Noteholders, Receiptholders or Couponholders (whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise for individual Noteholders, Receiptholders or Couponholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Trustee shall not be entitled to require, nor shall any Noteholder, Receiptholder or Couponholder be entitled to claim, from the Issuer, the Trustee or any other person any indemnification or payment in respect of any tax consequences of any such exercise upon individual Noteholders, Receiptholders or Couponholders except to the extent already provided for in Condition 8 and/or any undertaking or covenant given in addition to, or in substitution for, Condition 8 pursuant to the Trust Deed.

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

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

16. INDEMNIFICATION OF THE TRUSTEE AND TRUSTEE CONTRACTING WITH THE ISSUER

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking action unless indemnified to its satisfaction.

The Trust Deed also contains provisions pursuant to which the Trustee is entitled, *inter alia*, (a) to enter into business transactions with the Issuer and to act as trustee for the holders of any other securities issued or guaranteed by, or relating to, the Issuer, (b) to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such transactions or, as the case may be, any such trusteeship without regard to the interests of, or consequences for, the Noteholders, Receiptholders or Couponholders and (c) to retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

17. FURTHER ISSUES

The Issuer shall be at liberty from time to time without the consent of the Noteholders, the Receiptholders or the Couponholders to create and issue further notes having terms and conditions the same as the Notes or the same in all respects save for the amount and date of the first payment of interest thereon and so that the same shall be consolidated and form a single Series with the outstanding Notes.

18. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

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

19. GOVERNING LAW AND SUBMISSION TO JURISDICTION

19.1 Governing law

The Trust Deed, the Agency Agreement, the Notes, the Receipts and the Coupons are governed by, and shall be construed in accordance with, English law except that, in the case of Subordinated Notes, Condition 2.2 is governed by, and shall be construed in accordance with, Indian law.

19.2 Submission to jurisdiction

The Issuer has in the Trust Deed agreed, for the exclusive benefit of the Trustee, the Noteholders, the Receiptholders and the Couponholders, that the courts of England are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Trust Deed, the Notes, the Receipts and/or the Coupons and that accordingly any suit, action or proceedings (together referred to as **Proceedings**) arising out of or in connection with the Trust Deed, the Notes, the Receipts and the Coupons may be brought in the English courts.

The Issuer has in the Trust Deed irrevocably waived any objection which it may have now or hereafter to the laying of the venue of any such Proceedings in the courts of England and any claim that any such Proceedings have been brought in an inconvenient forum and has further irrevocably agreed in the Trust Deed that a judgment in any such Proceedings brought in the English courts shall be conclusive and binding upon it and may be enforced in the courts of any other jurisdiction.

19.3 Appointment of Process Agent

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

19.4 Waiver of immunity

The Issuer hereby irrevocably and unconditionally waives with respect to the Notes, the Receipts and the Coupons any right to claim sovereign or other immunity from jurisdiction or execution and any similar defence and irrevocably and unconditionally consents to the giving of any relief or the issue of any process, including without limitation, the making, enforcement or execution against any property whatsoever (irrespective of its use or intended use) of any order or judgment made or given in connection with any Proceedings.

USE OF PROCEEDS

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

CAPITALISATION AND INDEBTEDNESS

The following table sets forth the capitalisation and indebtedness of the Bank as at 31 March 2006. This table should be read in conjunction with the Bank's audited financial statements as at 31 March 2006 and the schedules and notes presented elsewhere herein.

	As at 31 March 2006	
	(Rs. in millions) (audited)	(U.S.$ in millions)[1]
Indebtedness		
— Deposits[2]	401,135	9,018
— Borrowings	26,810	603
— Subordinated debt	17,886	402
Total Indebtedness	445,831	10,023
Shareholders' Funds		
— Capital[3]	2,787	63
— Reserves and Surplus	25,935	583
— Employees' Stock Options Outstanding (Net)	134	3
Total Shareholders' Funds	28,856	649
Total Capitalisation[4]	**474,687**	**10,672**
Capital Adequacy Ratio (percentage)		
Tier 1	7.26	
Tier 2	3.82	
Total	11.08	

(1) U.S. dollar translations have been made using the exchange rate of U.S.$1.00 = Rs. 44.48 as at 31 March 2006, based on the Federal Reserve's noon buying rate at that date.

(2) Deposits include both demand and time deposits.

(3) As of 31 March 2006, there were 278,690,727 equity shares at Rs.10 par value outstanding.

(4) Contingent liabilities as at 31 March 2006 amounted to Rs. 985,654 million.

(5) There has been no material change in the capitalisation and indebtedness or contingent liabilities of the Bank since 31 March 2006.

INVESTMENT CONSIDERATIONS

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

Risks Relating to the Business of the Bank

The Bank's business is vulnerable to interest rate risk.

Net interest income constituted 59.64% of the Bank's operating revenue for the financial year ended 31 March 2006. An increase in interest rates applicable to the Bank's liabilities, without a corresponding increase in interest rates applicable to its assets, will result in a decline in net interest income. Furthermore, in the event of rising interest rates, the Bank's borrowers may not be willing to pay correspondingly higher interest rates on their borrowings and may choose to repay their loans with the Bank if they are able to switch to more competitively priced loans offered by other banks. Any inability of the Bank to retain customers as a result of rising interest rates may adversely impact the Bank's earnings in future periods.

Under RBI regulations, the Bank's liabilities are subject to a statutory liquidity ratio (**SLR**) requirement which requires that a minimum specified percentage, currently 25%, of a bank's net demand and time liabilities, be invested in Government securities and other approved securities. These securities generally carry fixed coupons and, in an environment of rising interest rates, the value of Government securities and other fixed income securities depreciate. The volatility in interest rates is reflected in the movement of the annual yield on the ten-year Government bond, which was 5.16% on 31 March 2004, 6.25% on 30 September 2004, 6.72% on 31 March 2005, 7.12% on 30 September 2005 and 7.52% on 31 March 2006. A decline in the valuation of the Bank's trading book as a result of rising interest rates may adversely impact the Bank's future financial performance and the market price of the Notes.

The debenture and bond portfolio of the Bank is exposed to market risk.

The Bank had a debenture and bond portfolio of Rs. 82.05 billion as of 31 March 2006. 90.61% of these bonds in the portfolio are fixed rate bonds. In the event of a rise in interest rates, the portfolio will be exposed to an adverse impact on the valuation of such bonds. Any rise in interest rates or fall in the market value of such debentures or of such bonds may adversely affect the Bank's future performance and the market price of the Notes.

The Bank faces substantial income volatility from its treasury operations.

From 30 June 2001 to 30 April 2004, financial markets in India witnessed a downward movement in interest rates. During this period, the interest rate on the 10-year Government bond fell from 9.57% to 5.13%. Since then, the market has seen a rise in interest rates as mentioned above. In fiscal years 2003 and 2004, the Bank's treasury operations generated substantial trading income as a result of this fall in interest rates. The profits on sale of investments and derivative transactions during fiscal 2003 and fiscal 2004 were Rs. 2.46 billion and Rs. 3.21 billion, respectively. However, with interest rates rising from July 2004, the income from trading opportunities in treasury operations declined and in fiscal year 2005, the Bank recorded a loss of Rs. 0.11 billion from such operations. However, in fiscal year 2006, the Bank recorded a profit of Rs. 1.30 billion from such operations. The Bank has thus experienced increased volatility in its income from treasury operations. Any significant or sustained decline in income generated from treasury operations may adversely impact the Bank's financial performance and the market price of the Notes.

The Bank is exposed to fluctuation in foreign exchange rates.

As a financial intermediary, the Bank is exposed to exchange rate risk. The Bank complies with regulatory limits on its unhedged foreign currency exposure. However, the Bank is exposed to fluctuation in foreign currency rates for its unhedged exposure. Adverse movements in foreign exchange rates may also impact the Bank's borrowers negatively which may in turn impact the quality of the Bank's exposure to these borrowers. Volatility in foreign exchange rates could adversely affect the Bank's future financial performance and the market price of the Notes.

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

In the past, the Bank has witnessed rapid growth in both its infrastructure and its business. The number of branches and extension counters of the Bank has grown from 192 as of 31 March 2003 to 450 as of 31 March 2006. Over the same period, the Bank's retail relationships have grown from 1.50 million to 4.01 million, the number of employees has grown from 2,338 to 6,553 and the Bank's total assets have grown from Rs. 196.13 billion to Rs. 497.31 billion. Such growth puts pressure on the Bank's ability to effectively manage and control historical and newly emerging risks. The Bank's ability to sustain growth depends primarily upon its ability to manage key issues such as selecting and retaining skilled manpower, maintaining an effective technology platform that can be continually upgraded, developing a knowledge base to face emerging challenges, and ensuring a high standard of customer service. The inability of the Bank to effectively manage any of these issues may adversely affect the Bank's business growth and as a result, impact future financial performance and the market price of the Notes.

The Bank's retail assets portfolio is growing rapidly. If the Bank is unable to address credit risk in its retail asset portfolio or if its channel partners, whose services are also used by the Bank in asset acquisitions, engage in fraud or adopt incorrect selection criteria, the Bank's financial performance may be adversely affected.

The Bank's retail assets portfolio has grown from Rs. 11 billion as of 31 March 2003 to Rs. 65 billion as of 31 March 2006. As part of the Bank's business and growth strategy, it will continue to focus on further growth in its retail banking business. Comprehensive credit history reports for the majority of retail borrowers are currently not available in India. As a result, the Bank is exposed to higher credit risk in the retail business compared to banks in developed markets. If the Bank's screening process proves to be inadequate, it may experience an increase in impaired loans and it may be required to increase its provision for defaulted loans. The Bank is a relatively recent entrant into the retail loan market and it is likely that there will be an increase in the Bank's NPAs as it continues to expand its retail loan operations. This may impact the Bank's future financial performance and the market price of the Notes.

In the course of its retail banking business, the Bank also acquires assets through its channel partners. There can be no assurance that the Bank's future financial performance will not be adversely affected should the Bank's channel partners fail to perform their obligations due to their own failures, omissions or fraud.

In order to grow its business, the Bank is required to maintain its capital adequacy ratio at the minimum level required by RBI for domestic banks. There is no guarantee that the Bank will be able to access capital as and when it needs it for growth.

RBI requires Indian banks to maintain a minimum risk weighted capital adequacy ratio of 9%. The Bank's capital adequacy ratio as of 31 March 2006 was 11.08%. The Bank is exposed to the risk of RBI increasing the applicable risk weight for different asset classes from time to time. Furthermore, when RBI issues guidelines on the implementation of the Basel II Accord, there may be changes in capital adequacy requirements. Unless the Bank is able to access the necessary amount of additional

capital, any incremental capital requirement may adversely impact the Bank's ability to grow its business and may even require the Bank to withdraw from or curtail some of its current business operations. There can also be no assurance that the Bank will be able to raise adequate additional capital in the future at all or on terms favourable to it.

Any increase in the Bank's portfolio of NPAs may adversely affect its business.

As of 31 March 2006, the Bank's gross NPAs represented 1.28% of gross customer assets and the Bank's NPAs, net of provisions represented 0.75% of net customer assets. As of 31 March 2006, the Bank provided for 41.84% of its total NPAs pursuant to applicable regulatory guidelines and the quality of security available to the Bank. If there is any deterioration in the quality of the Bank's security or further aging of the assets after being classified as non-performing, an increase in provisions will be required. This increase in provisions may adversely impact the Bank's financial performance and the market price of the Notes.

The Bank's gross restructured assets as a proportion of gross customer assets as of 31 March 2006 was 1.12%. The Bank restructures assets based upon a borrower's potential to restore its financial health. However, certain assets classified as restructured may subsequently be classified as delinquent or non-performing in the event a borrower fails to restore its financial viability and honour its loan servicing commitments to the Bank. There can be no assurance that the debt restructuring criteria approved by the Bank will be adequate or successful and that borrowers will be able to meet their obligations under restructured loans. Any resulting increase in delinquency levels may adversely impact the Bank's financial performance and the market price of the Notes.

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

The Bank's loans to corporate customers for working capital credit facilities are typically secured by charges on inventories, receivables and other current assets. In certain cases, the Bank obtains security by way of a first or second charge on fixed assets, a pledge of marketable securities, corporate guarantees and personal guarantees. In addition, project loans or long-term loans to corporate customers are secured by a charge on fixed assets and other collateral security. Loans to retail customers are either unsecured or secured by the assets financed, largely property and vehicles.

In India, foreclosure on collateral generally requires a written petition to a court or tribunal. An application may be subject to delays and administrative requirements that may result, or be accompanied by, a decrease in the value of the collateral. The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (the **SERFAESI Act**), has strengthened the ability of lenders to recover NPAs by granting them greater rights to enforce security and recover amounts owed from secured borrowers. However, there can be no assurance that this recently enacted legislation will have a favourable impact on the Bank's efforts to recover NPAs as the full effect of such legislation has yet to be determined in practice. Any failure to recover the expected value of the collateral would expose the Bank to potential loss.

In addition, pursuant to RBI corporate debt restructuring guidelines, the Bank may not be allowed to initiate recovery proceedings against a corporate borrower where the borrower's aggregate total debt is Rs. 200 million or more and lenders holding 75% or more of the borrower's debt decide to restructure their loans. In such a situation, the Bank is restricted to a restructuring process only as approved by the majority lenders.

The Bank is exposed to large loan concentrations with a few borrowers and default by any one of them would adversely affect the Bank's business.

As of 31 March 2006, aggregate borrowings of the Bank's ten largest borrowers (fund based) amounted to Rs. 42.90 billion, representing approximately 100% of the Bank's total capital, which comprises Rs. 28.02 billion Tier I and Rs. 14.76 billion Tier II capital. The Bank's single largest borrower (fund based) on such date had an outstanding balance of Rs. 5.66 billion, representing 13% of the Bank's capital. Any deterioration in the credit quality of these assets could have a significant adverse effect on the Bank's future financial performance and the market price of the Notes.

The Bank is exposed to various industry sectors. A deterioration in the performance of any of these industry sectors where the Bank has significant exposure may adversely impact the Bank's business.

The Bank's credit exposure to corporate borrowers is dispersed throughout various industry sectors, the most significant of which are housing financial intermediaries (**HFCs**), non-banking financial intermediaries (**NBFCs**), chemicals and chemical products, real estate developers, and textiles which represented 4.89%, 4.44%, 3.62%, 3.85% and 3.17% respectively, of the Bank's outstanding loans as of 31 March 2006. Any significant deterioration in the performance of a particular sector, driven by events not within the Bank's control, such as regulatory action or policy announcements by Government or State government authorities, would adversely impact the ability of borrowers in that industry to service their debt obligations to the Bank. As a result, the Bank would experience increased delinquency risk which may adversely impact the Bank's financial performance and the market price of the Notes.

A substantial portion of the Bank's loans have a tenor exceeding one year exposing the Bank to risks associated with economic cycles.

As of 31 March 2006, loans with a tenor exceeding one year constituted 79% of the Bank's total loans. The long tenor of these loans may expose the Bank to risks arising out of economic cycles. In addition, some of these loans are project finance loans. There can be no assurance that these projects will perform as anticipated or that such projects will be able to generate cash flows to service commitments under the loans. The Bank is also exposed to infrastructure projects which are still under development and are open to risks arising out of delay in execution, failure of borrowers to execute projects on time, delay in getting approvals from necessary authorities and breach of contractual obligations by counterparties, all of which may adversely impact the projected cash flows. There can be no assurance that these projects will perform as anticipated. Risks arising out of a recession in the economy, a delay in project implementation or commissioning could lead to rise in delinquency rates and in turn, adversely impact the Bank's future financial performance and the market price of the Notes.

Regulations in India requiring the Bank to extend a minimum level of loans to the agricultural sector in India may subject the Bank to higher delinquency rates.

In accordance with regulatory requirements in India, at least 18% of the Bank's net credit must be extended to the agricultural sector. There is little scope for expanding the Bank's agricultural loan portfolio through corporate borrowers due to the limited involvement of corporate entities in agricultural activities in India. As a result, the Bank targets individual farmers. There is inadequate historical data of delinquent loans to farmers which increases the risk of such exposures. Furthermore, due to there being fewer branches in rural areas, the Bank also relies on several third-party providers, such as sugar refiners and tractor dealers, for the purpose of sourcing, monitoring and collecting agricultural loans and payments. Any failure by these third parties to perform their obligations may adversely impact the Bank's agricultural asset portfolio and lead to an increase in delinquency rates that may adversely impact the Bank's financial performance and the market price of the Notes.

The Bank faces greater credit risks than banks in more developed countries.

Currently, India does not have a fully operational credit bureau. Adequate information regarding loan servicing histories, particularly in respect of individuals and small businesses, is limited. As a result, the Bank's credit risk exposure is higher compared to banks operating in advanced markets. Because the Bank's lending operations to the aforesaid categories are limited to India, the Bank may be exposed to a greater potential for loss compared to banks with lending operations in more developed countries. The Bank is subject to credit risk that the borrowers may not pay the Bank in a timely fashion or at all.

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

The Indian banking industry is very competitive. Many of the Bank's competitors are much larger than the Bank. The Bank competes directly with large public sector banks, which generally have much larger customer and deposit bases, larger branch networks and more capital. As large public sector banks improve their customer service networks and technology platforms, they will become even stronger competitors to the Bank. The Bank also faces competition from private sector banks in India, some of which have larger customer bases and greater financial resources than the Bank. The Bank also faces competition from foreign banks that have established branches in India and have aggressively pursued a share of business in the market. Increased competitive pressure may have an adverse impact on the Bank's earnings, its future financial performance and the market price of the Notes.

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

The Bank is highly dependent on the services of its management team, including its Chairman and Managing Director (CMD) and other key personnel. The Bank's ability to meet future business challenges depends, among other things, on their continued employment and the Bank's ability to attract and recruit talented and skilled personnel. There can be no assurance that the Bank will be able to retain such key personnel. Competition for skilled and professional personnel in the banking industry is intense. The loss of key personnel or an inability to manage attrition levels across the Bank may have a material adverse impact on the Bank's business, its ability to grow and its control over various business functions.

It is uncertain whether certain significant shareholders of the Bank will continue to maintain their current shareholdings.

As of 31 March 2006, the Government, through the Administrator of the Specified Undertaking of Unit Trust of India (**UTI-I**), held 27.72% of the Bank's outstanding equity shares. Other Government-controlled entities such as Life Insurance Corporation of India (**LIC**), General Insurance Corporation of India (**GIC**) and certain linked entities collectively hold 15.99% of the Bank's equity shares. Under the Bank's Memorandum and Articles of Association (the **Articles**), UTI-I has the right to nominate the CMD and three Directors, whereas LIC and GIC have no such rights. In practice, however, since the inception of the Bank, UTI-I has nominated the CMD and two Directors and LIC and GIC have each nominated one Director.

The Government is reported to be evaluating proposals for the sale of investments held by UTI-I. Any such disposal of the Bank's equity held by UTI-I could have a material impact on the Bank's ownership and management which could adversely affect the market price of the Notes. Furthermore, such divestment may be required by RBI guidelines. See "*RBI guidelines relating to ownership of private sector banks could require the Bank's significant shareholders to sell their equity shares, which may have an adverse impact on the Bank's business*".

Actions of the Government, as the Bank's controlling shareholder through UTI-I and other Government-related entities, could conflict with the interests of other shareholders.

Through its direct and indirect holdings, the Government holds a majority of the Bank's issued equity shares. As of 31 March 2006, the Government directly or indirectly held approximately 43.71% (UTI-I — 27.72%, LIC — 10.49% & GIC & Four PSU Insurance Companies — 5.50%) of the Bank's equity shares. For as long as the Government continues to hold a majority of the Bank's voting shares, the Government may influence the material policies of the Bank in a manner that could conflict with the interests of other shareholders.

Recent RBI guidelines relating to ownership of private sector banks require the Bank's significant shareholders to sell their equity shares, which may have an adverse impact on the Bank's business and the market price of the Bank's the Notes.

RBI guidelines prescribe a policy framework for the ownership and governance of private sector banks. The objective of RBI is to ensure that no single entity or group of entities has a shareholding or control, directly or indirectly, in any bank in excess of 10%, with acquisitions of over 5% requiring prior RBI acknowledgment. The recent RBI guidelines also provide that any existing shareholding of any individual entity/group of related entities in excess of 10% be reduced to 10% in a phased manner in consultation with RBI.

Each of the Bank's two major shareholders, UTI-I and LIC has a shareholding in excess of 10% and any directive by RBI to UTI-I and LIC to comply with the RBI guidelines will materially alter the ownership of the Bank. Any future sale of shares by UTI-I and LIC could adversely affect the market price of the Notes.

If ownership restrictions on private sector banks are relaxed, a single investor may acquire a controlling stake in the Bank.

If the current restrictions are further liberalised to allow not only increased investment by Indian entities but also greater foreign ownership, a single entity or group of investors acting in unison may acquire equity shares of the Bank to the extent that would allow it to control or strongly influence the Bank. Such an entity would, subject to restrictions in the Bank's Articles, be able to determine, or would have a disproportionate influence compared to other shareholders in, the election of the Board of Directors, management policies and the outcome of corporate transactions submitted to shareholders for approval. There can be no assurance that any future controlling shareholder will have the same interests as any minority shareholder or will pursue the same strategies as the current management.

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

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

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

Risks Relating to India

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

The Indian economy has shown sustained growth over the last several years with real GDP growing at 7.5 per cent. in fiscal year 2005, 8.5 per cent. in fiscal year 2004, 3.8 per cent. in fiscal year 2003, 5.8 per cent. in fiscal year 2002 and 4.4 per cent. in fiscal year 2001. The index of Industrial Production grew at 7.0 per cent. in fiscal year 2005 and at 8.0 per cent. in fiscal year 2004 compared to 5.7 per cent. in fiscal year 2003 and 2.7 per cent. in fiscal year 2002. However, any slowdown in the Indian economy or future volatility of global commodity prices, in particular oil and steel prices, could adversely affect the Bank's borrowers and contractual counterparties. With the importance of retail loans to the Bank's business, any slowdown in the growth or negative growth of sectors like housing and automobiles could adversely impact the Bank's performance. Any such slowdown could adversely affect the Bank's business, including its ability to grow, the quality of its assets, its financial performance and the trading price of the Notes.

Continuing high prices of crude oil could adversely affect the Indian economy, which could adversely affect the Bank's business.

India imports approximately 75 per cent. of its crude oil requirements. The sharp increase in global crude oil prices during fiscal year 2001 adversely affect the Indian economy in terms of volatile interest and exchange rates. This adversely affected the overall state of liquidity in the banking system leading to intervention by the RBI. During fiscal years 2004 and 2005 crude oil prices have been extremely volatile due to increased global demand, continued tension in the Middle-East where most of the world's oil production facilities are located and certain negative events in other major oil producing countries. Continuing or further tensions or hostilities could lead to further increases in oil prices or greater volatility in oil prices. Continued high oil prices or further increases in oil prices could affect the Indian economy and the Indian banking and financial system. This could adversely affect the Bank's business, including its ability to grow, the quality of its assets, its financial performance and the trading price of the Notes.

A significant change in the Government's economic liberalization and deregulation policies could disrupt the Bank's business.

The Bank's assets and customers are predominantly located in India. The Government has traditionally exercised and continues to exercise a dominant influence over many aspects of the economy. Its economic policies has had and could continue to have a significant effect on public sector entities, including the Bank, and on market conditions and prices of Indian securities, including securities issued by the Bank.

The most recent parliamentary elections were completed in May 2004. A coalition government led by the Congress Party has been formed with Dr. Manmohan Singh as the prime minister of India. Although there has been no significant change in the Government's policies since May 2004, a significant change therein could adversely affect business and economic conditions in India and could also adversely affect the Bank's business, its future financial performance and the trading price of the Notes.

Financial instability in other countries, particularly emerging market countries, could disrupt the Bank's business and cause the trading price of the Notes to decrease.

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, particularly emerging market countries in Asia. Financial turmoil in Asia, Latin America, Russia and elsewhere in the world in past years has had limited impact on the Indian economy and India was relatively unaffected by financial and liquidity crises experienced elsewhere. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss of investor confidence in the financial systems of other emerging markets may cause volatility in Indian financial markets and indirectly, in the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy, including the movement of exchange rates and interest rates in India. Any significant financial disruption could have an adverse effect on the Bank's business, future financial performance and the trading price of the Notes.

If regional hostilities, terrorist attacks or social unrest in India increases, the Bank's business could be adversely affected and the trading price of the Notes could decrease.

India has from time to time experienced social and civil unrest and hostilities with neighbouring countries. Present relations between India and Pakistan continue to be fragile on the issues of terrorism, armament and Kashmir. India has also experienced terrorist attacks in some parts of the country. These hostilities and tensions could lead to political or economic instability in India and possible adverse effect on the Bank's business, its future financial performance and the trading price the Notes. For example, the terrorist attacks in the United States on 11 September 2001 and subsequent military action in Afghanistan and Iraq affected markets worldwide. The United States' continuing battle against terrorism could lengthen these regional hostilities and tensions. Further, India has also experienced social unrest in some parts of the country. If such tensions occur in other parts of the country, leading to overall political and economic instability, it could have an adverse effect on the Bank's business, future financial performance and the trading price of the Notes.

Trade deficits could have a negative affect on the Bank's business and the trading price of the Notes.

India's trade relationships with other countries can influence Indian economic conditions. In fiscal year 2005, India experienced a trade deficit of Rs.1,191.3 billion, an increase of 81.2 per cent., or Rs.533.9 billion, from fiscal year 2004. If India's trade deficits increase or become unmanageable, the Indian economy, and therefore the Bank's business, future financial performance and the trading price of the Notes could be adversely affected.

Natural calamities could have a negative impact on the Indian economy and could cause the Bank's business to suffer and the trading price of the Notes to decrease.

India has experienced natural calamities such as earthquakes, floods and drought in the recent past. The extent and severity of these natural disasters determine their impact on the Indian economy. In fiscal year 2005, many parts of India received significantly less than normal rainfall. As a result, the agricultural sector recorded a growth of only 1.1 per cent. Prolonged spells of below normal rainfall in the country or other natural calamities could have a negative impact on the Indian economy, affecting the Bank's business and potentially causing the trading price of the Notes to decrease.

Investors in the Notes may not be able to enforce a judgment of a foreign court against the Bank.

The Bank was constituted under the Companies Act 1956. Substantially all of the Bank's Directors and executive officers and some of the experts named herein are residents of India and a substantial portion of the assets of the Bank and such persons are located in India. As a result, it may not be possible for investors to effect service of process upon the Bank, or such persons outside India, or to enforce judgments obtained against such parties outside India. Recognition and enforcement of foreign judgments is provided for under Section 13 of the Code of Civil Procedure, 1908 of India (the **Civil Code**) on a statutory basis. Section 13 of the Civil Code provides that foreign judgments shall be conclusive regarding any matter directly adjudicated upon except: (i) where the judgment has not been pronounced by a court of competent jurisdiction; (ii) where the judgment has not been given on the merits of the case; (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognise the law of India in cases to which such law is applicable; (iv) where the proceedings in which the judgment was obtained were opposed to natural justice; (v) where the judgment has been obtained by fraud; and (vi) where the judgment sustains a claim founded on a breach of any law then in force in India. Under the Civil Code, a court in India shall, upon the production of any document purporting to be a certified copy of a foreign judgment, presume that the judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record.

India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. Section 44A of the Civil Code provides that where a foreign judgment has been rendered by a superior court, within the meaning of that Section, in any country or territory outside India which the Government has by notification declared to be in a reciprocating territory, it may be enforced in India by proceedings in execution as if the judgment had been rendered by the relevant court in India. However, Section 44A of the Civil Code is applicable only to monetary decrees not being in the same nature of amounts payable in respect of taxes, other charges of a like nature or in respect of a fine or other penalties

The United Kingdom has been declared by the Government to be a reciprocating territory for the purposes of Section 44A but the United States has not been so declared. A judgment of a court of a country which is not a reciprocating territory may be enforced only by a fresh suit upon the judgment and not by proceedings in execution. Such a suit has to be filed in India within three years from the date of the judgment in the same manner as any other suit filed to enforce a civil liability in India. Execution of a judgment or repatriation outside India of any amounts received is subject to the approval of the RBI. It is unlikely that a court in India would award damages on the same basis as a foreign court if an action were to be brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if that court were of the view that the amount of damages awarded was excessive or inconsistent with public policy, it is uncertain as to whether an Indian court would enforce foreign judgments that would contravene or violate Indian law.

Indian accounting principles and audit standards differ from those which prospective investors may be familiar with in other countries.

As stated in the report of the Bank's independent auditors included in this Offering Circular, the Bank's financial statements are in conformity with Indian GAAP, consistently applied during the periods stated, except as provided in such report, and no attempt has been made to reconcile any of the information given in this Offering Circular to any other principles or to base it on any other standards. Indian GAAP differs from accounting principles and auditing standards with which prospective investors may be familiar in other countries. See "*Summary of Significant Differences between Indian GAAP and IFRS*".

There may be less company information available in the Indian securities markets than securities markets in developed countries

There may be differences between the level of regulation and monitoring of the Indian securities markets and the activities of investors, brokers and other participants and that of the markets in the United States and other developed countries. The Securities and Exchange Board of India (**SEBI**) is responsible for approving and improving disclosure and other regulatory standards for the Indian securities markets. SEBI has issued regulations and guidelines on disclosure requirements, insider trading and other matters. There may, however, be less publicly available information about Indian companies than is regularly made available by public companies in developed countries.

Financial difficulty and other problems in certain long-term lending institutions and investment institutions in India could have a negative impact on the Bank's business and the trading price of the Notes could decrease.

The Bank is exposed to the risks of the Indian financial system which in turn may be affected by financial difficulties and other problems faced by certain Indian financial institutions. See "*The Indian Financial Sector*". As an emerging market economy, the Indian financial system faces risks of a nature and to an extent not typically faced in developing countries, including the risk of deposit runs notwithstanding the existence of a national deposit insurance scheme. Certain Indian financial institutions have experienced difficulties during recent years. Some cooperative banks have also faced serious financial and liquidity crises. The problems faced by individual Indian financial institutions and any instability in or difficulties faced by the Indian financial system generally could create adverse market perception about Indian financial institutions and banks. This in turn could adversely affect the Bank's business, future financial performance and the price of the Notes.

A decline in India's foreign exchange reserves may affect liquidity and interest rates in the Indian economy which could have an adverse impact on the Bank.

India's foreign exchange reserves increased by U.S.$21.4 billion (39.1 per cent.) in fiscal year 2003, by U.S.$36.9 billion (48.4 per cent.) in fiscal year 2004, by U.S.$28.5 billion (25.2 per cent.) in fiscal year 2005 and by U.S.$10.1 billion during fiscal year 2006 to U.S.$151.6 billion. A sharp decline in these reserves could result in reduced liquidity and higher interest rates in the Indian economy. Reduced liquidity or an increase in interest rates in the economy following a decline in foreign exchange reserves could adversely affect the Bank's business, its future financial performance and the trading price of the Notes.

Any down-grading of India's debt rating by an international rating agency could have a negative impact on the Bank's business and the trading price of the Notes.

Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely affect the Bank's business, future financial performance and the trading price of the Notes.

Risks Relating to the Notes

The Notes are unsecured obligations, the repayment of which may be jeopardised in certain circumstances.

Because the Notes are unsecured obligations, their repayment may be compromised if:

- the Bank enters into bankruptcy, liquidation, reorganisation or other winding-up procedures;
- there is a default in payment under the Bank's future secured indebtedness or other unsecured indebtedness; or

- there is an acceleration of any of the Bank's indebtedness.

If any of these events occurs, the Bank's assets may not be sufficient to pay amounts due on any of the Notes.

The Notes which are Subordinated Notes are subordinated and have only limited rights of acceleration.

The relevant Pricing Supplement may specify that the Notes will be Subordinated Notes (as defined in Condition 2.2 of the Terms and Conditions of the Notes) which will be subordinated obligations of the Bank. Payments on the Subordinated Notes will be subordinate in right of payment upon the winding-up or liquidation of the Bank to the prior payment in full of all deposits and other liabilities of the Bank, except those liabilities which rank equally with or junior to the Subordinated Notes. As a consequence of these subordination provisions, in the event of a winding-up of the Bank's operations, the holders of the Subordinated Notes may recover proportionately less than the holders of the Bank's deposit liabilities or the holders of its other unsubordinated liabilities. As of 31 March 2006, all of the Bank's outstanding liabilities (including deposits, borrowings, call money, guarantees and acceptances and other liabilities, but excluding provisions) would rank senior to the Subordinated Notes.

Only those events described herein regarding the Bank's winding-up or liquidation, will permit a holder of a Subordinated Note to accelerate payment of such Subordinated Notes. In such event, the only action the holder may take in India against the Bank is certain actions to cause, or make a claim in, the Bank's liquidation or reorganisation. Furthermore, if the Bank's indebtedness were to be accelerated, its assets may be insufficient to repay in full borrowings under all such debt instruments, including the Notes.

The Notes may not qualify as Tier II Capital

There is no guarantee that the Notes will qualify as Tier II capital under the Capital Adequacy Guidelines published by the RBI. See "*Supervision and Regulation — Capital Adequacy Requirements*". The failure of the Notes to qualify as Tier II capital due to any reason (including changes in law, regulations or interpretations of the RBI or other government authorities) would adversely affect the Bank's capital adequacy ratio.

The Notes may have limited liquidity.

The Notes constitute a new issue of securities for which there is no existing market. Application has been made to list the Notes on the SGX-ST. The offer and sale of the Notes is not conditioned on obtaining a listing of the Notes on the SGX-ST or any other exchange. Although the Dealers have advised the Bank that they currently intend to make a market in the Notes, they are not obligated to do so, and any market-making activity with respect to the Notes, if commenced, may be discontinued at any time without notice in their sole discretion. For a further discussion of the Initial Purchasers' planned market-making activities, see "*Subscription and Sale*".

No assurance can be given as to the liquidity of, or the development and continuation of an active trading market for, the Notes. If an active trading market for the Notes does not develop or is not maintained, the market price and liquidity of the Notes may be adversely affected. If such a market were to develop, the Notes could trade at prices that may be higher or lower than the price at which the Notes are issued depending on many factors, including:

- prevailing interest rates;
- the Bank's results of operations and financial condition;
- political and economic developments in and affecting India;

- the market conditions for similar securities; and

- the financial condition and stability of the Indian financial sector.

Definitive Notes may not be available in certain denominations.

In relation to any issue of Notes which are tradeable in clearing systems in amounts other than integral multiples of the relevant minimum or specified denomination, should definitive Notes be required to be issued, a holder who does not have such integral multiple in his account with the relevant clearing system at the relevant time may not receive all of his entitlement in the form of definitive Notes unless and until such time as his holding becomes an integral multiple thereof.