

IMPORTANT NOTICE

THIS OFFERING IS AVAILABLE ONLY TO INVESTORS WHO ARE PERSONS OTHER THAN U.S. PERSONS (AS DEFINED IN REGULATION S (AS DEFINED BELOW)) OUTSIDE OF THE UNITED STATES.

IMPORTANT: You must read the following before continuing. The following applies to the attached offering circular (the "**Offering Circular**"), and you are therefore advised to read this carefully before reading, accessing or making any other use of the Offering Circular. In accessing the Offering Circular, you agree to be bound by the following terms and conditions, including any modifications to them any time you receive any information from (or on behalf of) The Mauritius Commercial Bank Limited (the "**Issuer**") as a result of such access.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES OF AMERICA (WITH ITS TERRITORIES AND POSSESSIONS, ANY STATE OF THE UNITED STATES AND THE DISTRICT OF COLUMBIA, COLLECTIVELY THE "**UNITED STATES**") OR ANY OTHER JURISDICTION TO THE EXTENT THAT IT IS UNLAWFUL TO DO SO. THE SECURITIES DESCRIBED HEREIN HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933 (THE "**SECURITIES ACT**"), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR ANY OTHER JURISDICTION AND SUCH SECURITIES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT ("**REGULATION S**")) EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS.

THE ATTACHED OFFERING CIRCULAR MAY NOT BE FORWARDED OR DISTRIBUTED IN WHOLE OR IN PART TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER AND IN PARTICULAR MAY NOT BE FORWARDED TO ANY U.S. PERSON OR TO ANY U.S. ADDRESS. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THE OFFERING CIRCULAR IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS. IF YOU HAVE GAINED ACCESS TO THIS TRANSMISSION CONTRARY TO ANY OF THE FOREGOING RESTRICTIONS, THEN YOU ARE NOT AUTHORISED AND WILL NOT BE ABLE TO PURCHASE ANY OF THE SECURITIES DESCRIBED THEREIN.

Confirmation of your Representation: In order to be eligible to view the Offering Circular, prospective investors must be persons other than U.S. persons (as defined in Regulation S) located outside of the United States. The Offering Circular is being sent at your request and by accepting this electronic distribution and accessing the Offering Circular, you will be deemed to have represented to the Issuer that: (i) you and any customers you represent in connection herewith are non-U.S. persons outside of the U.S. and, if applicable, that the electronic mail address to which this electronic transmission has been delivered is not located in the United States, (ii) you consent to delivery of the Offering Circular by electronic transmission and (iii) you have understood and agree to the terms set out herein.

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

The materials relating to the offering do not constitute, and may not be used in connection with, an offer or solicitation in any place to the extent that offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and an underwriter or any affiliate of an underwriter is a licensed broker or dealer in that jurisdiction, then the offering will be deemed to be made by such underwriter or such affiliate on behalf of the Issuer in such jurisdiction.

The Offering Circular has been provided to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and, consequently, none of Citigroup Global Markets Limited, Emirates NBD Bank PJSC, J.P. Morgan

Securities plc and SMBC Nikko Capital Markets Limited (the "**Dealers**"), the Issuer or any person who controls any of them, nor any director, officer, employee, counsel nor agent of any of them or any affiliate of any such person, accepts any liability or responsibility whatsoever in respect of any difference between the Offering Circular distributed to you in electronic format and the hard copy version available to you on request from any of the Dealers.

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

The Offering Circular is being distributed only to and directed only at: (a) persons who are outside the United Kingdom, (b) persons who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 or (c) those persons to whom it may otherwise lawfully be distributed (all such persons together being referred to as "**relevant persons**"). The Offering Circular is directed only at relevant persons and must not be acted on or relied upon by persons who are not relevant persons. Any investment or investment activity to which the Offering Circular relates is available only to relevant persons and will be engaged in only with relevant persons.

OFFERING CIRCULAR

THE MAURITIUS COMMERCIAL BANK LIMITED

(incorporated with limited liability in Mauritius)

U.S.\$3,000,000,000 Global Medium Term Note Programme

Under this U.S.\$3,000,000,000 Global Medium Term Note Programme (the "**Programme**"), The Mauritius Commercial Bank Limited (the "**Issuer**" or "**MCB**") may from time to time issue notes (the "**Notes**") denominated in any currency agreed between the Issuer and the relevant Dealer (as defined below).

The Notes will be issued in registered form. The maximum aggregate nominal amount of all Notes from time to time outstanding under the Programme will not exceed U.S.\$3,000,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement 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 "*Overview 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 such Notes.

An investment in Notes issued under the Programme involves certain risks. For a discussion of these risks see "Risk Factors".

Application has been made for the Notes issued under the Programme to be admitted to trading on the International Securities Market ("**ISM**") of the London Stock Exchange plc (the "**London Stock Exchange**"). The ISM is not a UK regulated market for purposes of Regulation (EU) No 600/2014 on markets in financial instruments as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "**EUWA**") ("**UK MiFIR**").

Prospective investors should note that this Offering Circular does not constitute a "prospectus" within the meaning of Regulation (EU) 2017/1129 (as amended), as it forms part of domestic law by virtue of the EUWA (the "**UK Prospectus Regulation**").

The ISM is a market designated for professional investors. Notes admitted to trading on the ISM are not admitted to the Official List of the United Kingdom (UK) Financial Conduct Authority (the "FCA"). The London Stock Exchange has not approved or verified the contents of this Offering Circular. This Offering Circular comprises admission particulars for the purposes of the admission to trading of the Notes on the ISM.

References in this Offering Circular to the Notes being "**admitted to trading**" (and all related references) shall mean that such Notes have been admitted to trading on the ISM, so far as the context permits.

Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and certain other information which is applicable to each Tranche (as defined under "*Terms and Conditions of the Notes*") of Notes will be set out in a pricing supplement document (the "**Pricing Supplement**") which, with respect to Notes to be admitted to trading on the ISM, will be delivered to the London Stock Exchange. Copies of Pricing Supplements in relation to Notes to be admitted to trading on the ISM may also be published on the website of the London Stock Exchange through a regulatory information service or may be published in such other manner permitted by the International Securities Market Rulebook effective as of 1 January 2021 (as may be modified and/or supplemented and/or restated from time to time, the "**ISM Rulebook**").

The Programme provides that Notes may be listed and/or admitted to trading, as the case may be, on such other or further stock exchanges or markets as may be agreed between the Issuer and the relevant Dealer. The Issuer may also issue unlisted Notes and/or Notes not admitted to trading on any market.

The 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 may not be offered or sold in the United States or to, or for the account or the benefit of, U.S. persons as defined in Regulation S except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. See "*Form of the Notes*" for a description of the manner in which Notes will be issued. The Notes are subject to certain restrictions on transfer, see "*Subscription and Sale and Transfer and Selling Restrictions*".

Notes issued under the Programme may be rated or unrated by any one or more of the rating agencies. Where a Tranche of Notes is rated, such rating will be disclosed in the Pricing Supplement. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the rating agency.

Amounts payable on Floating Rate Notes and Fixed Reset Notes will be calculated by reference to certain reference rates as specified in the relevant Pricing Supplement, which may include one of EURIBOR, €STR, SOFR or the CMT Rate. As at the date of this Offering Circular, (i) the administrator of EURIBOR, European Money Markets Institute, is included in the ESMA register (the "**EU Benchmarks Register**") of administrators under Article 36 of Regulation (EU) No. 2016/1011 (as amended, the "**EU Benchmarks Regulation**") and the register (the "**UK Benchmarks Register**") of administrators established and maintained by the FCA pursuant to Article 36 of Regulation (EU) No. 2016/1011 as it forms part of UK domestic law by virtue of the EUWA (the "**UK Benchmarks Regulation**"); and (ii) the administrators of €STR, SOFR and the CMT Rate are not included in such registers. As far as the Issuer is aware, under Article 2 of the EU Benchmarks Regulation and the UK Benchmarks Regulation, the administrator of €STR, the European Central Bank, the administrator of SOFR, the Federal Reserve Bank of New York ("**FRBNY**") and the administrator of the CMT Rate, the Board of Governors of the Federal Reserve System, are not required to obtain authorisation or registration as of the date of this Offering Circular.

Arrangers and Dealers

Citigroup

Emirates NBD Capital

J.P. Morgan

SMBC Nikko

The date of this Offering Circular is 27 October 2022.

IMPORTANT INFORMATION

The Issuer accepts responsibility for the information contained in this Offering Circular and the Pricing Supplement for each Tranche of Notes issued under the Programme. To the best of the knowledge 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 likely to affect the import of such information.

This Offering Circular is to be read in conjunction with all documents which are deemed to be incorporated in it by reference (see "*Documents Incorporated by Reference*") and, in relation to any Tranche of Notes, must be read and construed together with the applicable Pricing Supplement. This Offering Circular shall be read and construed on the basis that those documents are incorporated and form part of this Offering Circular.

Other than in relation to the documents which are deemed to be incorporated by reference (see "*Documents Incorporated by Reference*"), the information on the websites to which this Offering Circular refers does not form part of this Offering Circular.

Neither the Dealers nor the Trustee (as defined below) have independently verified (i) the information contained herein or (ii) any statement, representation, or warranty, or compliance with any covenant, of the Issuer contained in any Notes or any other agreement or document relating to any Notes or made in connection with the Programme, or any other agreement or document relating to the Programme. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Dealers or the Trustee as to (a) 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 or (b) the execution, legality, effectiveness, adequacy, genuineness, validity, enforceability or admissibility in evidence of any Notes or any other agreement or document relating to any Notes or the Programme. No Dealer or the Trustee accepts any liability in relation to the information contained or incorporated by reference in this Offering Circular or any other information provided by the Issuer in connection with the Programme.

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

Neither this Offering Circular nor any other information supplied in connection with the Programme or any Notes (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by the Issuer or any of 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 Notes. Each investor contemplating purchasing any 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 Dealers or the Trustee to any person to subscribe for or to purchase any Notes.

None of the Dealers, the Issuer or 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.

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 in it concerning the Issuer is correct at any time subsequent to its date 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 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 Notes issued under the Programme of any information coming to their attention.

IMPORTANT – EEA RETAIL INVESTORS – If the Pricing Supplement in respect of any Notes includes a legend entitled "Prohibition of Sales to EEA Retail Investors", the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or (ii) a customer within the meaning of Directive (EU) 2016/97 (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

IMPORTANT – UK RETAIL INVESTORS – If the Pricing Supplement in respect of any Notes includes a legend entitled "Prohibition of Sales to UK Retail Investors", the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the UK. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

MiFID II product governance / target market – The Pricing Supplement in respect of any Notes may include a legend entitled "MiFID II product governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the Product Governance rules under EU Delegated Directive 2017/593 (the "**MiFID Product Governance Rules**"), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arrangers nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

UK MiFIR product governance / target market – The Pricing Supplement in respect of any Notes may include a legend entitled "UK MiFIR Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any distributor should take into consideration the target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR Product Governance Rules, any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arrangers nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MiFIR Product Governance Rules.

Product Classification pursuant to Section 309B(A)(1)(c) of the Securities and Futures Act 2001 (2020 Revised Edition) of Singapore – The Pricing Supplement in respect of any Notes may include a legend entitled "Notification under Section 309B(1)(c) of the Securities and Futures Act 2001 (2020 Revised

Edition) of Singapore" which will state the product classification of the Notes pursuant to section 309B(1) of the Securities and Futures Act 2001 (2020 Revised Edition) of Singapore (as modified or amended from time to time, the "SFA"). The Issuer will make a determination in relation to each issue about the classification of the Notes being offered for purposes of section 309B(1)(a). Any such legend included on the relevant Pricing Supplement will constitute notice to "relevant persons" for purposes of section 309B(1)(c) of the SFA.

Unless otherwise stated in the applicable Pricing Supplement, all Notes shall be prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore) and Excluded Investment Products (as defined in the Monetary Authority of Singapore (the "MAS") Notice SFA 04-N12: Notice on the Sale of Investment Products and in the MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

IMPORTANT INFORMATION RELATING TO THE USE OF THIS OFFERING CIRCULAR AND OFFERS OF NOTES GENERALLY

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 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, unless specifically indicated to the contrary in the applicable Pricing Supplement no action has been taken by the Issuer, the Dealers, or the Trustee which is intended to 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 EEA, the United Kingdom, Singapore, Japan, Canada, Switzerland and Mauritius, see "*Subscription and Sale and Transfer and Selling Restrictions*".

U.S. INFORMATION

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

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

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

The Notes have not been approved or disapproved by the United States Securities and Exchange Commission or any other securities commission or other regulatory authority in the United States, nor have the foregoing authorities approved this Offering Circular or confirmed the accuracy or determined the

adequacy of the information contained in this Offering Circular. Any representation to the contrary is unlawful.

AVAILABLE INFORMATION

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

SERVICE OF PROCESS AND ENFORCEMENT OF CIVIL LIABILITIES

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

ENFORCEMENT OF FOREIGN JUDGMENTS IN MAURITIUS

The Supreme Court in Mauritius will recognise and enforce, without re-examination of the merits of the case, a final and conclusive judgment, for a determinate sum obtained in any civil proceedings of a superior court of England and Wales or a superior court situated in a country to which the Reciprocal Enforcement of Judgments Act 1923 of Mauritius (the "**1923 Act**") applies or, alternatively, a final judgment duly obtained in the courts of any foreign jurisdiction by way of *exequatur* under article 546 of the Code de Procédure Civile of Mauritius (the "**Code**") provided, in each case, that certain conditions are satisfied:

For the purposes of the Code, the conditions are that:

- the judgment remains valid and capable of execution in the country where it was delivered;
- the Issuer has been regularly summoned to the proceedings leading to the judgment;
- the foreign court had jurisdiction over the Issuer and the matter submitted to it;
- the judgment is not contrary to any principle affecting public order, as such term is interpreted under Mauritian law; and
- in the case of a judgment obtained whereby any sum of money is made payable in a superior court in the United Kingdom in any civil proceedings, the application for enforcement is made to the Supreme Court of Mauritius within a period of twelve (12) months after the date of the judgment unless a longer period is granted by the Supreme Court of Mauritius.

Alternatively, for the purposes of the 1923 Act, the conditions are that:

- the Supreme Court in Mauritius considers it just and convenient to enforce the judgment;
- such court had the requisite jurisdiction;
- the judgment was not obtained by fraud;
- the judgment debtor, being the defendant in the proceedings, was duly served with the process of the original court and either voluntarily appeared, notwithstanding that the judgment debtor was ordinarily resident or was carrying on business within the jurisdiction of the original court or otherwise submitted to or agreed to submit to the jurisdiction of such court;

- the judgment debtor, being a person who was neither carrying on business nor ordinarily resident within the jurisdiction of the original court, either voluntarily appeared or otherwise submitted or agreed to submit to the jurisdiction of such court;
- the judgment is not in respect of a cause of action which for reasons of public policy or some other similar reasons could not have been entertained by the Supreme Court in Mauritius;
- the application for enforcement is made to the Supreme Court of Mauritius within a period of twelve (12) months after the date of the judgment unless a longer period is granted by the Supreme Court; and
- the judgment is final and conclusive.

STABILISATION

In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation Manager(s)) in the applicable Pricing Supplement may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation Manager(s)) in accordance with all applicable laws and rules.

Presentation of Financial Information

Unless otherwise indicated, the financial information in this Offering Circular relating to the Issuer has been derived from the audited financial statements of the Issuer for the financial years ended 30 June 2022 and 30 June 2021 (together, the "**Financial Statements**").

The Issuer's financial year ends on 30 June, and references in this Offering Circular to any specific year are to the 12-month period ended on 30 June of such year. The Financial Statements have been prepared in accordance with International Financial Reporting Standards ("**IFRS**"), Financial Reporting Act 2004, the Bank of Mauritius Act 2004 and in compliance with the Mauritian Companies Act 2001, the Banking Act 2004 and regulations and guidelines issued by the Bank of Mauritius ("**BoM**").

Certain Defined Terms and Conventions

Capitalised terms which are used but not defined in any particular section of this Offering Circular will have the meaning attributed to them in "*Terms and Conditions of the Notes*" or any other section of this Offering Circular.

In this Offering Circular, all references to:

- *U.S. dollars, U.S.\$* and *\$* refer to United States dollars;
- *Rupee* refer to *Mauritian Rupees*; and
- *euro* and *€* refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended.

References to a "**billion**" are to a thousand million.

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

In this Offering Circular, unless the contrary intention appears, a reference to a law or a provision of a law is a reference to that law or provision as extended, amended or re-enacted.

SUITABILITY OF INVESTMENT

The Notes may not be a suitable investment for all investors. Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor may wish to consider, either on its own or with the help of its financial and other professional advisers, whether it:

- (i) has sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Offering Circular or any applicable supplement;
- (ii) has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (iii) has sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understands thoroughly the terms of the Notes and is familiar with the behaviour of financial markets; and
- (v) is able to evaluate possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Legal investment considerations may restrict certain investments. The investment activities of certain investors are subject to investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Some statements in this Offering Circular may be deemed to be forward-looking statements. They may also constitute "forward-looking statements" within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act; however, this Offering Circular is not entitled to the benefit of the safe harbour created thereby. Forward-looking statements include statements concerning the Issuer's plans, objectives, goals, strategies, future operations and performance and the assumptions underlying these forward-looking statements. When used in this Offering Circular, the words "anticipates", "estimates", "expects", "believes", "intends", "plans", "aims", "seeks", "may", "will", "should" and any similar expressions generally identify forward-looking statements. These forward-looking statements are contained in the sections entitled "*Risk Factors*" and "*Description of the Issuer*" and other sections of this Offering Circular. The Issuer has based these forward-looking statements on the current view of its management with respect to future events and financial performance. Although the Issuer believes that the expectations, estimates and projections reflected in its forward-looking statements are reasonable as of the date of this Offering Circular, if one or more of the risks or uncertainties materialise, including those identified below or which the Issuer has otherwise identified in this Offering Circular, or if any of the Issuer's underlying assumptions prove to be incomplete or inaccurate, the Issuer's actual results of operation may vary from those expected, estimated or predicted.

The risks and uncertainties referred to above include, but are not limited to:

- the Issuer's ability to achieve and manage the growth of its business;
- the performance of the markets in Mauritius and the wider region in which the Issuer operates;
- the Issuer's ability to realise the benefits it expects from existing and future projects and investments it is undertaking or plans to or may undertake;

- the Issuer's ability to obtain external financing or maintain sufficient capital to fund its existing and future investments and projects; and
- changes in political, social, legal or economic conditions in the markets in which the Issuer and its customers operate.

Any forward-looking statements contained in this Offering Circular speak only as at the date of this Offering Circular. Without prejudice to any requirements under applicable laws and regulations, the Issuer expressly disclaims any obligation or undertaking to disseminate after the date of this Offering Circular any updates or revisions to any forward-looking statements contained in it to reflect any change in expectations or any change in events, conditions or circumstances on which any such forward-looking statement is based.

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OVERVIEW OF THE PROGRAMME

The following overview 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 Overview.

Issuer:	The Mauritius Commercial Bank Limited
Legal Entity Identifier (LEI):	1325000000000000204
Risk Factors:	There are certain factors that may affect the Issuer's ability to fulfil its obligations under Notes issued under the Programme. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme and risks relating to the structure of a particular Series of Notes issued under the Programme. All of these are set out under "Risk Factors".
Description:	Global Medium Term Note Programme
Arrangers:	J.P. Morgan Securities plc Citigroup Global Markets Limited Emirates NBD Bank PJSC SMBC Nikko Capital Markets Limited
Dealers:	J.P. Morgan Securities plc Citigroup Global Markets Limited Emirates NBD Bank PJSC SMBC Nikko Capital Markets Limited
	and any other Dealers appointed in accordance with the Programme Agreement.
Certain Restrictions:	Each issue of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see " <i>Subscription and Sale and Transfer and Selling Restrictions</i> ") including the following restrictions applicable at the date of this Offering Circular.
	Notes having a maturity of less than one year
	Notes having a maturity of less than one year will, if the proceeds of the issue are accepted in the United Kingdom, constitute deposits for the purposes of the prohibition on accepting deposits contained in section 19 of the Financial Services and Markets Act 2000 ("FSMA") unless they are issued to a limited class of professional investors and have a denomination of at least £100,000 or its equivalent, see " <i>Subscription and Sale and Transfer and Selling Restrictions</i> ".
Principal Paying Agent:	Citibank, N.A., London Branch
Trustee:	Citibank, N.A., London Branch
Programme Size:	Up to U.S.\$3,000,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement) 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, notes may be denominated in any currency agreed between the Issuer and the relevant Dealer.
- Maturities:** The Notes will have such maturities as may be agreed between the Issuer and the relevant Dealer, subject to such minimum or maximum maturities as may be allowed or required from time to time by BoM (or equivalent body) or any laws or regulations applicable to the Issuer or the relevant Specified Currency.
- Issue Price:** Notes may be issued on a fully-paid 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 registered form as described in "*Form of the Notes*".
- Fixed Rate Notes:** Fixed interest will be payable 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.
- Fixed Reset Notes:** The interest rate on Fixed Reset Notes will reset on each Reset Date by reference to the relevant Reset Margin and Reset Reference Rate.
- Floating Rate Notes:**..... Floating Rate Notes will bear interest at a rate determined:
- (a) 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 either the 2006 ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc. ("**ISDA**"), and as amended and updated as at the Issue Date of the first Tranche of the Notes of the relevant Series), or the latest version of the 2021 ISDA Interest Rate Derivatives Definitions (as published by ISDA as at the Issue Date of the first Tranche of the Notes of the relevant Series) as specified in the applicable Pricing Supplement; or
 - (b) on the basis of the reference rate set out in the applicable Pricing Supplement.

Interest on Floating Rate 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.

The margin (if any) relating to such floating rate will be agreed between the Issuer and the relevant Dealer for each Series of Floating Rate Notes.

Floating Rate Notes may also have a maximum interest rate, a minimum interest rate or both.

- 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 upon the occurrence of a Tax Event or following an Event of Default) or that such Notes will be redeemable at the option of the Issuer and/or the Noteholders. The terms of any such redemption, including notice periods, any relevant conditions to be satisfied and the relevant redemption dates and prices will be indicated in the applicable Pricing Supplement.
- Denomination of Notes:** The 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 amount 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: save that the minimum denomination of each Note offered to the public either in a Member State of the European Economic Area or in the United Kingdom in circumstances which would otherwise require the publication of a prospectus under the EU Prospectus Regulation or the UK Prospectus Regulation will be €100,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amounts in such 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 provided in Condition 8 (*Taxation*). In the event that any such deduction is made, the Issuer will, save in certain limited circumstances provided in Condition 8 (*Taxation*), be required to pay additional amounts to cover the amounts so deducted.
- Negative Pledge:** The terms of the Notes will contain a negative pledge provision as further described in Condition 4 (*Negative Pledge*).
- Status of the Notes:**..... The Notes are direct, unconditional, unsubordinated and (subject to the provisions of Condition 4 (*Negative Pledge*)) 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.
- Rating:** Where a Series of Notes is rated, such rating will be disclosed in the applicable Pricing Supplement. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.
- Listing:** Application has been made for the Notes to be admitted to trading on the ISM.
- Notes may be listed or admitted to trading, as the case may be, on other or further stock exchanges or markets agreed between the Issuer and the relevant Dealer in relation to the Series. Notes which

are neither listed nor admitted to trading on any market may also be issued.

The applicable Pricing Supplement will state whether or not the relevant Notes are to be listed and/or admitted to trading and, if so, on which stock exchanges and/or markets.

- Governing Law:**..... The Notes and any non-contractual obligations arising out of or in connection with the Notes will be governed by, and shall be construed in accordance with English law.
- Selling Restrictions:**..... There are restrictions on the offer, sale and transfer of the Notes in the United States, the EEA, the United Kingdom, Singapore, Japan, Canada, Switzerland and Mauritius 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 and Transfer and Selling Restrictions*".
- United States Selling Restrictions:** Regulation S, Category 2 and/or Rule 144A, as specified in the relevant Pricing Supplement.
- Clearing Systems:** Euroclear and Clearstream, Luxembourg or Euroclear, Clearstream, Luxembourg and the Depository Trust Company ("**DTC**") or as may be specified in the relevant Pricing Supplement.
- Use of Proceeds:**..... The net proceeds of the issue of each Series of Notes will be used by the Issuer for its general corporate purposes. If, in respect of any particular issue, there is a particular identified use of proceeds this will be stated in the relevant Pricing Supplement.

RISK FACTORS

In purchasing Notes, investors assume the risk that the Issuer may become insolvent or otherwise be unable to make all payments due in respect of the Notes. There is a wide range of factors which individually or together could result in the Issuer becoming unable to make all payments due. It is not possible to identify all such factors or to determine which factors are most likely to occur, as the Issuer may not be aware of all relevant factors and certain factors which it currently deems not to be material may become material as a result of the occurrence of events outside the Issuer's control. The Issuer has identified in this Offering Circular a number of factors which could materially adversely affect its business and ability to make payments due.

In addition, factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below.

Prospective investors should also read the detailed information set out elsewhere in this Offering Circular and reach their own views prior to making any investment decision.

FACTORS THAT MAY AFFECT THE ISSUER'S ABILITY TO FULFIL ITS OBLIGATIONS UNDER NOTES ISSUED UNDER THE PROGRAMME

Risks relating to the Issuer

Adverse developments occurring in the macroeconomic environment may affect the Issuer's business, financial condition and results of operations.

The activities of the Issuer are intrinsically linked to the economic performance of Mauritius, which, in turn, is dependent on the evolution of global conditions by virtue of being an open economy. Economic and market dynamics pertaining to the African continent also have an influence on the Issuer's operations given the Issuer's increasing role in the region. Unfavourable movements in economic conditions across these markets may affect the ability of the Issuer to achieve its strategic and financial goals.

Risk relating to emerging markets

Economic instability in emerging markets where the Issuer is involved may arise as a result of multiple inter-related factors, including, but not limited to, the following:

- labour unrest;
- policy uncertainty;
- a significant or widening current account deficit;
- currency volatility;
- volatile commodity prices;
- changes in economic and tax policies;
- high levels of interest rates;
- high levels of inflation;
- perceived or actual security issues;
- capital outflows; and
- a general decline in domestic demand.

In particular, high levels of inflation could hamper economic growth through rising input costs and dampened consumption expenditure as well as increase the risk of social unrest. Rising global commodity prices can cause a deterioration in terms of trade in net importing countries that would likely reduce growth, weaken currencies, and worsen current-account balances. A faster tightening of global financial conditions

could trigger waves of capital outflows from emerging market and developing economies. Furthermore, these economies remain exposed to policy uncertainty and security issues. Any of these factors, as well as general volatility in the markets may adversely affect the operating results and financial condition of the Issuer or may adversely affect the value or liquidity of the Notes.

Accordingly, investors should exercise particular care in evaluating the risks involved and must decide for themselves whether, in light of those risks, their investment is appropriate. Generally, investment in developing markets is only suitable for sophisticated investors who fully appreciate the significance of the risks involved, and prospective investors are urged to consult with their own legal and financial advisers before making an investment in the Notes. Investors should also note that emerging markets and the corresponding information set out in this Offering Circular may be subject to change.

Key developments impacting the economic environment

COVID-19 Impact

The COVID-19 pandemic has had an adverse impact on the world economy including the Mauritian economy in which the Issuer operates. The crisis interrupted nearly 40 years of consecutive expansion in GDP for the Mauritian economy, which contracted by 14.6 per cent. in real terms in 2020. All of the country's industry groups (with the exception of "Information and communication" and "Financial and insurance activities") registered negative growth in 2020 as a result of the ramifications of the pandemic. Tourism came to a sudden and significant halt as the country closed its borders and source countries initiated travel restrictions. Other exports, including textiles, also declined in the face of restricted global demand and supply chain constraints. The current account deficit as a percentage of GDP jumped from 5.0 per cent. in 2019 to 8.8 per cent. in 2020 and to 13.2 per cent. in 2021, while the rupee depreciated by approximately 8 per cent. in 2020 and 9.5 per cent. in 2021. On the fiscal front, in line with trends witnessed worldwide, the sizeable spending on support measures led to a marked rise in public sector debt, which, in gross terms, reached 96.2 per cent. of GDP in June 2021 before declining to 87.8 per cent. of GDP as at December 2021 and to 86.4 per cent. of GDP in June 2022. The elevated debt situation contributed to a downgrade, by Moody's Investors Service, of the country's sovereign rating to Baa2 from Baa1, with a negative outlook in March 2021. This resulted in a downgrade of the Issuer's long-term deposit rating from Baa2 to Baa3. Recently, whilst retaining its investment-grade status, the country's rating was downgraded to Baa3 in light of repercussions of the difficult economic context and uncertainty around future fiscal performance of the country. Notwithstanding this, the assigning rating agency maintained the Issuer's rating at Baa3, reflecting its resilient financial profile. The rating agency also changed the outlook on the Issuer's ratings to stable from negative.

Though stimulus packages, estimated by the World Bank at more than 32 per cent. of GDP, and the progress on the vaccination front helped to mitigate the socio-economic impact of the pandemic, the Mauritian economy remains exposed to the risks of a resurgence of cases and the emergence of a more virulent and vaccine-resistant variant worldwide, which could restrain the pickup in contact-intensive activities and impact economic performance and in turn affect the financial condition and results of operations of the Issuer.

The Quarantine Act 2020 has been promulgated to implement measures intended to better contain the spread of communicable diseases, in light of the COVID-19 experience, and to replace the previous Quarantine Act 1954. A number of regulations have been enacted thereunder. Since June 2022, restrictions linked to COVID-19 have been eased.

Implications of the Ukraine-Russia Conflict

Geopolitical tensions and uncertainties caused by events such as the current conflict in the Ukraine and the resulting sanctions imposed on Russia by various countries around the world may have unforeseen, long-term and far-reaching consequences for the global economy and the individual economies of countries to which the Issuer may be directly or indirectly exposed.

The International Monetary Fund (the "IMF") has indicated that the war constitutes a major blow to the global economy that is hurting growth and intensifying inflationary pressures. As per its October 2022 World Economic Outlook, the IMF forecasts global growth to slow from 6.0 per cent. in 2021 to 3.2 per cent. in 2022. Global spillover effects of the war are being felt across three main channels. First, higher prices for commodities like food and energy are exacerbating inflationary pressures which were already

high as a result of the impacts of the COVID-19 pandemic, in turn eroding the value of incomes and weighing on demand. Secondly, European economies in particular are grappling with disrupted trade, supply chains, and remittances as well as an historic surge in refugee flows. Third, reduced business confidence and higher investor uncertainty are weighing on asset prices while the aggressive tightening of financial conditions in response to high inflation is impacting economic growth and could spur capital outflows from emerging markets. The extent of the damage will depend on the duration of the crisis and is expected to vary widely across regions and countries.

The spill-over effects of the war, notably in terms of heightened inflationary pressures and rising economic uncertainties, are being seen across markets where the Issuer operates. In Africa, the war is threatening an already slow recovery progress from the pandemic. Whilst commodity exporters on the continent would benefit from the surge in prices, such as oil, many commodity importers are being impacted by higher energy and food prices along with reduced tourism and potential difficulty in accessing international capital markets. According to the IMF, inflation in the sub-Saharan Africa region is poised to exceed 14 per cent. this year. This challenging context could heighten the perceived risk of doing business on the continent and potentially impact the growth of the Issuer's regional business.

As for the Mauritian economy, although it has very limited economic ties with Russia and Ukraine, it is indirectly affected by the knock-on effects on the Issuer's key markets in Europe and the impact of rising inflation and higher input costs arising from the surge in commodity and energy prices on real output of some sectors (including trade, manufacturing and construction).

Any of the events described above could materially adversely affect the Issuer's financial condition, results of operations, access to capital and cash flows.

Domestic Economic Conditions

The competitiveness of Mauritius could be impacted by (i) internal dynamics, including policy moves and any wage-price spiral; and (ii) external developments such as the gearing up and levelling of other jurisdictions in the region. Additionally, global geopolitical tensions could continue to weigh on the strength of the ongoing recovery, with the high inflationary environment constituting a significant risk to growth. The rise in food and fuel prices and further disruptions to supply chains stemming from the Russia-Ukraine war are aggravating the already elevated inflationary pressures worldwide. In Mauritius, imported items make up a significant component of the Consumer Price Index basket, with the result that such global inflationary pressures are in turn contributing to a significant increase in prices for consumer products. Headline inflation accelerated from 4.0 per cent. in December 2021 to 9.4 per cent. in September 2022 with the year-on-year inflation rate reaching 11.9 per cent. in September 2022. A persistently high level of inflation may exert additional pressure on the cost base of the Issuer while a worsening of economic conditions could adversely impact the Issuer's growth drivers and consequently financial condition and results of operations.

Unfavourable market conditions within the banking sector amidst the current challenging operating environment could adversely affect the results of the Issuer

Beyond the impact of the economic downturn prompted by the COVID-19 pandemic on business activity, the Issuer also faces heightened market volatility. The Issuer has experienced increased pressure on interest margins as yields on earning assets contracted significantly both locally and abroad. At the outset of the COVID-19 pandemic, money market yields fell significantly as the BoM allowed rupee liquidity to increase commensurate with its easing of monetary conditions. The BoM lowered the Key Repo Rate ("**KRR**") by 50 and 100 basis points in March and April 2020 respectively, bringing it to a historic low of 1.85 per cent. The policy rate was kept unchanged until 9 March 2022, when in the face of heightened risks to inflation and in line with the tightening stance adopted by many central banks globally, the monetary policy committee decided to raise the KRR by 15 basis points to 2.00 per cent. in March 2022 and by 25 basis points in June 2022. The policy rate was increased by a further 75 basis points in September 2022 to 3.00 per cent. Given the higher inflationary environment coupled with the worsening interest rate differentials between Mauritius and other jurisdictions, amidst the aggressive tightening of rates globally - notably by the US Federal Reserve, the KRR could be raised further. The increase of interest rates would have a bearing on the repayment capacity of borrowers, in what is an already difficult economic environment more generally, which would entail a heightened credit risk. In addition, the BoM has introduced a new instrument, the 7-Day Bank of Mauritius Bill, since August 2022 as part of the phased introduction of the new Monetary Policy Framework. In the foreign exchange ("**FX**") market, the drop in export proceeds in

the wake of the COVID-19 pandemic restrained the availability of foreign currencies in the banking system and exerted pressures on the value of the rupee, with the BoM having to intervene to supply FX to the market. A persistent FX shortage in the market amidst high external imbalances could impede the operations of the Issuer and impact its performance.

Whilst the COVID-19 pandemic entailed increased risks to operators, the BoM stressed that banks have remained broadly sound and resilient as highlighted in the latest financial stability report dated October 2022. As per the press statement of the latest Monetary Policy Committee meeting held in September 2022, the sector's capital adequacy ratio was 19.2 per cent. as at June 2022, well above the minimum regulatory requirement, while asset quality remained at a reasonable level with a non-performing loans to total loans ratio of 4.6 per cent. as at June 2022. In addition to reflecting their underlying fundamentals, the resilience of banks was upheld by support measures provided by the authorities. The resilience of the banking sector could be put to test in case of a marked deterioration in economic conditions, which could be compounded by the unwinding of specific support measures in an environment where the business development activities of operators remain subject to the profile of the jurisdiction, with a key risk being the current credit rating of the country. The Issuer's capital adequacy ratio stood at 17.2 per cent. whilst its gross NPL ratio (as defined below) was 3.4 per cent. as at 30 June 2022.

The operating performance of the Issuer is dependent on the wider economic environment, where a worsening of conditions could potentially impact the Issuer's growth drivers and asset quality while excess rupee liquidity could weigh on margins. Any rupee depreciation could have an adverse effect on the Issuer's capital ratios. Increased market volatilities would influence the fair value of financial instruments and profit on exchange with a persistent FX shortage in the market amidst high external imbalances also impeding the activities of the Issuer. Any of the above events could adversely affect the Issuer's financial condition, results of operations, prospects and cash flows.

Risks specific to the business/banking industry

There are a number of risks inherent in the banking industry which may impact the performance of the Issuer

For more information on the risk management framework of the Issuer, please see "*Risk Management*".

Credit Risk

Credit risk refers to the risk of financial loss when borrowers or counterparties fail to fulfil their financial or contractual obligations to the Issuer as and when they fall due. Credit risk typically includes counterparty risk, settlement risk and concentration risk, with the latter referring to the risk that the institution faces from the lack of diversification of its lending portfolio due to the build-up of exposures to a counterparty, industry, market or product amongst others. Changes in the credit quality of the Issuer's counterparties or systemic risk in the financial systems could reduce the value of the Issuer's assets, and require increased provisions for bad and doubtful debts. In addition, changes in economic conditions may result in deterioration in the value of security held against lending exposures and increase the risk of loss in the event of borrower default.

The Issuer has remained well positioned in terms of its credit concentration when compared to regulatory limits. Its aggregate large credit exposures ratio (refers to exposures over 10 per cent. of the Issuer's Tier 1 capital) stood at around 513.9 per cent. of its Tier 1 capital as at 30 June 2022, which is significantly lower than the regulatory limit of 800 per cent. Non-performing loans for the Issuer remained relatively stable at 3.4 per cent. of gross loans and advances in the financial year ended 30 June 2022. The remaining portion is considered by the Issuer's management to be more than adequately covered by collateral, suitably discounted to reflect current market conditions and any expected recovery time.

In addition, as a result of adverse economic impacts resulting from the COVID-19 pandemic, adverse changes in consumer confidence levels, consumer spending, liquidity levels and bankruptcy rates, among other factors, impact the Issuer's credit portfolio. This volatile economic environment and its likely impact on the level of economic activity in Mauritius is expected to continue to have an adverse effect on the Issuer's credit risk profile. Although the Issuer regularly reviews its credit exposures, customer defaults may continue to occur. The occurrence of these events has affected, and could continue to materially adversely affect, the Issuer's business, results of operations, financial condition and prospects.

Market Risk

The Issuer's key market risk is interest rate risk, which is defined as the exposure of the Issuer's financial conditions to adverse movements in interest rates or the prices of interest rate-related securities and derivatives. The Issuer is also exposed to repricing risk in their banking book due to the reset date of its on and off-balance sheet assets not coinciding exactly with the reset date of its on and off-balance sheet liabilities. The Issuer also incurs interest rate risk in the trading book by virtue of (i) its primary dealership status in the local government and/or BoM securities market; (ii) its trading positions in international fixed income securities; and (iii) the holding of net open positions in derivatives that are subject to daily revaluation.

The Issuer aims to minimise the risk of losses arising from activities undertaken in or impacted by financial markets. This includes both market price risk and ancillary risks such as liquidity and funding (liability) risks. The Risk Monitoring Committee ("**RMC**") approves and reviews the market risk policy. However, although the Issuer has implemented risk management methods to seek to mitigate and control these and other market risks to which it is exposed, there can be no assurance that these risk management methods will be effective, particularly in unusual or extreme market conditions which, in turn, could have a material adverse impact on the Issuer's business, results, financial condition or prospects.

Liquidity and Funding Risk

Liquidity risk is defined as the risk that at any time the Issuer does not have sufficient realisable financial assets to meet its financial obligations as they fall due. Mismatches between the maturities of the Issuer's assets and liabilities could lead to liquidity risk if the Issuer is incapable of rolling over existing deposits, raising new deposits or obtaining alternative sources of funding for the existing or future loan portfolio or if the cost of obtaining these deposits or funding differs from market prices.

In addition, if a substantial portion of the Issuer's depositors withdraw their deposits or do not roll over their time deposits upon maturity, or the Issuer fails to refinance some of its large short- to medium-term borrowings, the Issuer may need to access more expensive sources to meet its funding requirements. No assurance can be given that the Issuer will be able to obtain additional funding on commercially reasonable terms as and when required, or at all. The Issuer's inability to refinance or replace such deposits with alternative funding could materially adversely affect the Issuer's liquidity, business, results of operations, financial condition and prospects.

Foreign Exchange Risk

Foreign exchange risk is the risk arising from the movement in exchange rates between two currencies. Foreign exchange risk may arise from (i) an on-balance sheet perspective, i.e. as a result of imbalances between the foreign currency composition of the Issuer's assets and liabilities; and (ii) an off-balance sheet angle through the execution of derivatives such as FX forwards.

Exposure to FX risk is monitored against both the official regulatory guideline and an internal target validated by the Asset and Liability Committee ("**ALCO**"). In addition, several individual trading, transactional and periodic stop-loss limits, which are also reviewed on an annual basis by the ALCO, are set at individual desk and trader levels. The limits are system-embedded, with automatic email alerts launched to notify any breaches on a real-time basis to designated personnel at the Issuer. The Issuer conducts value-at-risk (VaR) analyses linked to its main foreign exchange risk positions. The Issuer uses a historical observation period of one year, with a 99 per cent. one-tailed confidence interval and a holding period of 10 days.

However, any adverse or significant change in foreign exchange rates could adversely impact the Issuer's business, financial condition and results of operations.

Operational Risk

This is the risk of loss or costs resulting from human factors, inadequate or failed internal processes and systems or external events. It includes risk arising from fraud and criminal activity, project risk and business continuity, etc. In addition, the Issuer is subject to risks arising from changes in legislation, regulations and advocated norms on the operation and functioning of the Issuer, along with risks of sanction and material financial loss or reputational damage. The Issuer's objective is to comply with all relevant stipulations in

force and advocated norms to safeguard the assets of the organisation and shield it from legal and regulatory sanctions and financial/reputation losses.

Nonetheless, the Issuer's risk management techniques may not be fully effective in mitigating its risk exposure in all market environments or against all types of risk, including risks that are unidentified or unanticipated, including in respect of The Mauritius Commercial Bank (Madagascar) SA ("**MCB Madagascar**"), which operates independently from the Issuer, and over which it is the Issuer's holding company, MCB Investment Holding Limited, and not the Issuer that exercises day-to-day oversight and control. Some of the Issuer's methods of managing risk are based upon its use of observed historical market behaviour. As a result, these methods may not predict future risk exposures, which could be greater than that indicated by historical measures. Other risk management methods depend upon evaluation of information regarding the markets in which the Issuer operates, its clients or other matters that are publicly available or otherwise accessible by the Issuer. This information may not be accurate, complete, up-to-date or properly evaluated in all cases. Any failure arising out of the Issuer's risk management techniques may have an adverse effect on its results of operations and financial condition.

Cyber Risk

Cyber risk encompasses both information technology and information technology change risk. The Issuer's information technology risk refers to the risk associated with the use, ownership, operation, involvement, influence and adoption of IT within the Issuer. IT change risk refers to the risk arising from changes, updates or alterations made to the IT infrastructure, systems or applications of the Issuer that could affect service reliability and availability.

Any failure, interruption or breach in security of these systems could result in failures or interruptions in the Issuer's risk management, operational and/or other important systems. If the Issuer's information systems fail, any systems that do not have a disaster recovery backup operational mode could be unable to serve some or all customers' needs on a timely basis which could result in a loss of business and consequently adversely affect the financial condition and results of operations of the Issuer. Likewise, a temporary shutdown of the Issuer's information systems could result in costs that are required for information retrieval and verification.

Legal Proceedings

The Issuer has been party to proceedings against it during the financial year ending 30 June 2022, as set out in the "*Description of the Issuer's Business - Litigation*" section. In addition, the Issuer is engaged in various legal, competition and regulatory matters both in the Republic of Mauritius and a number of other jurisdictions in its ordinary course of business.

The Issuer is also subject to enquiries and examinations, requests for information, audits, investigations and legal and other proceedings by regulators, governmental and other public bodies in connection with (but not limited to) consumer protection measures, compliance with legislation and regulation, wholesale trading activity and other areas of banking and business activities in which the Issuer is or has been engaged. There can be no assurance that any future enquiries, examinations, audits, investigations and legal and other proceedings would not have a material adverse effect on the Issuer's business and financial condition.

Regulatory (including increased capital requirements) and other risks

The Issuer operates in a highly regulated industry and changes to applicable laws or regulations or their interpretation or enforcement or the failure to comply with such laws or regulations could have an adverse impact on the Issuer's business

The banking activities of the Issuer fall under the direct regulatory and supervisory purview of the BoM. The BoM is established as the central bank of Mauritius and has the responsibility of, *inter alia*, safeguarding the stability and strength of the Mauritian financial system. The BoM regulates and supervises banking institutions under the provisions of the Banking Act 2004, which established the legal framework for the conduct of banking business in Mauritius. The BoM establishes prudential norms and guidelines which are required to be applied to banks and other regulations in line with international standards including IFRS, Basel principles and FATF AML/CFT requirements. See "*Regulatory Environment in Mauritius*".

Such regulations may limit the Issuer's ability to raise capital or increase the Issuer's cost of business. Any further changes in laws or in the BoM regulations or policy and/or the manner in which they are interpreted

or enforced may affect the Issuer's reserves, revenues and performance and may have a material adverse effect on the Issuer's business, results of operations, financial condition and prospects, including its ability to compete successfully in the geographies in which it operates. Furthermore, non-compliance with regulatory guidelines could expose the Issuer to potential liabilities and fines. Although the Issuer works closely with its regulators and continually monitors compliance with the BoM regulations and policies, future changes in regulation, fiscal or other policies cannot be predicted and are beyond its control.

The Issuer is subject to capital and liquidity requirements that could affect its operations

For determination of its capital resources, the Issuer adheres to the BoM Guideline on Scope of Application of Basel III and Eligible Capital. It also complies with the Guideline for dealing with Domestic-Systemically Important Banks ("**D-SIBs**"). Under the latter, banks are required to hold a capital surcharge ranging from 1.0 to 2.5 per cent. of their risk-weighted assets depending on their systemic importance. As per the assessment that has recently been carried out by the BoM, the Issuer features among the 5 banks that have been determined to be D-SIBs in Mauritius, based on an assessment of 5 factors, namely size, exposure to large groups, interconnectedness, complexity and substitutability. The Issuer is required to hold a D-SIB capital surcharge of 2.5 per cent. of its risk-weighted assets.

The Issuer's Bank for International Settlements ("**BIS**") and Tier 1 capital adequacy ratios as at 30 June 2022 stood at 17.2 and 16.3 per cent. respectively, well above the local minimum regulatory requirements. As at June 2022, the minimum regulatory Tier 1 and capital adequacy ratios applicable to the Issuer were 13.0 and 15.0 per cent. respectively.

The Issuer adheres to the BoM's Guideline on Liquidity Risk Management which draws on the analysis and recommendations of Basel Committee on Banking Supervision ("**BCBS**") contained in reports "Principles for Sound Liquidity Risk Management and Supervision, September 2008" and "Basel III: Liquidity Coverage Ratio and Liquidity Risk Monitoring Tools, January 2013". In alignment with Basel III rules, the objective of the Liquidity Coverage Ratio ("**LCR**") is to promote the short-term resilience of a bank's liquidity risk profile by ensuring that it maintains an adequate stock of unencumbered high quality liquid assets ("**HQLA**") in order to meet its liquidity requirements. As per Mauritian regulations, LCR is computed as the ratio of the stock of unencumbered HQLA to the net cash outflows over the next 30 days in the event of an acute liquidity stress scenario.

The Issuer maintains comfortable liquidity and funding positions, with its foreign currency loans representing 68 per cent. of the foreign currency funding base as at 30 June 2022 and its consolidated Liquidity Coverage Ratio standing at 412 per cent. i.e. well above the prescribed Basel levels.

Failure by the Issuer to meet its capital buffers, notably the capital conservation buffer and D-SIB buffer, could result in restrictions being placed on distributions, including dividends and discretionary payments. Any failure by the Issuer to maintain its capital ratios may result in action taken in respect of the Issuer, which may in turn impact on its ability to fulfil its obligations under the Notes. Failure by the Issuer to meet its minimum LCR requirement could limit its ability to support planned lending activities which, in turn, could have a material adverse impact on the Issuer's business, results, financial condition or prospects.

A downgrade in the Issuer's credit ratings could have an adverse effect on the Issuer's access to liquidity sources and funding costs

The Issuer's credit ratings affect the cost and other terms upon which the Issuer is able to obtain funding. Rating agencies regularly evaluate the Issuer and their ratings of its long-term debt are based on a number of factors, including capital adequacy levels, quality of earnings, credit exposure, the risk management framework and funding diversification. These parameters and their possible impact on the Issuer's credit rating are monitored closely and incorporated into the Issuer's liquidity risk management and contingency planning considerations.

The Issuer is investment-grade rated by Moody's Investors Service, with a long-term bank deposits/issuer rating of Baa3, and is among the few financial institutions rated at this level in sub-Saharan Africa.

The Issuer's credit ratings and credit outlook are subject to change at any time and the Issuer's credit ratings could be downgraded or the credit outlook changed as a result of many factors, including the failure to successfully implement the Issuer's strategies, the general downgrading of the credit ratings of financial institutions in the Mauritian banking sector or a downgrade in the Mauritius sovereign rating. A downgrade

of the Issuer's credit ratings, or being placed on a negative ratings watch, may increase its cost of borrowing, adversely affect its liquidity and competitive position, limit its ability to raise capital, result in reputational damage and could lead to a loss of clients which could have a material adverse impact on its business, results, financial condition or prospects.

Competitive landscape

The Issuer faces competition from both banks and non-bank entities which may adversely affect its market positioning and financial performance. The Issuer may face increased competition from key players in its main lines of business who may revise their strategies and gear up to bounce back, especially from the negative impact of the pandemic. Competitive pressures are likely to remain relatively high, notably in the individual and payments segments, as operators continue to develop their digital, mortgage and wealth management solutions. As the predominant bank in the local market, increased competition may cause the Issuer to lose customers, resulting in lower market shares in established customer segments. The Issuer also faces competition from other non-bank entities that increasingly provide similar services to those offered by banks, including entities such as telecom companies and other technology companies, including "fintech". New innovative products and solutions from these types of players could potentially translate into less business and expansion opportunities for the Issuer. Increased competition from non-bank entities may have an adverse effect on the Issuer's financial results and operations, especially as non-bank competitors could be subjected to comparatively less regulation. Additionally, if there are new market entrants in the local market, they will compete for mostly the same pool of customers as the Issuer. An increase in the number of banks may result in market saturation and result in limited business development opportunities which is likely to result in squeezed margins and impact the Issuer's bottom-line.

The Issuer's risk management policies and procedures and internal controls, as well as the risk management tools available to it, may not be adequate or effective in identifying or managing risks to which it is exposed

The Issuer has established risk management and internal control systems and procedures to manage potential risks associated with the financial services and products it offers, and works on continuously improving these systems and procedures. See "Risk Management". However, the design and implementation of such systems, including internal control environment, risk identification and evaluation, effectiveness of risk control and information communication, are constrained by information, tools, models and technologies available to the Issuer, and its systems may not be adequate or effective in identifying or mitigating its risk exposure in all market environments or protecting it against all types of risks. The Issuer's risk management and internal control systems require constant maintenance and continual improvements. The Issuer's efforts in maintaining these systems may be ineffective or inadequate.

There can be no assurance that the Issuer's risk management and internal control systems will be adequate and effective, including in respect of MCB Madagascar, which operates independently from the Issuer, and over which it is the Issuer's holding company, MCB Investment Holding Limited, and not the Issuer that exercises day-to-day oversight and control. Failure to address any internal control matters and other deficiencies in a timely and effective manner may result in investigations, disciplinary actions or even prosecution being taken against the Issuer or its employees, or disruption to its risk management system, any of which may have a material adverse effect on its business, financial condition and results of operations.

The Issuer may not be able to detect money laundering and other illegal or improper activities fully or on a timely basis, which could expose the Issuer to additional liability and have a material adverse effect on the Issuer

The Issuer is required to comply with applicable anti-money laundering and anti-terrorism laws and regulations in Mauritius, which include The Financial Intelligence and Anti-Money Laundering Act 2002 (FIAMLA), The Prevention of Corruption Act 2002, The Prevention of Terrorism Act 2002, The Financial Intelligence and Anti-Money Laundering Regulations No 108 of 2018, The United Nations (Financial Prohibitions, Embargo and Travel Ban) Sanctions Act 2019, Guidelines on the implementation of Targeted Financial Sanctions under the United Nations (Financial Prohibitions, Arms Embargo and Travel Ban) Sanctions Act 2019 issued by the National Sanctions Secretariat, The Guideline on Anti-Money Laundering and Combating the Financing of Terrorism and Proliferation (2020) issued by the BoM and The Anti-Money Laundering and Combating the Financing of Terrorism Handbook (2020) issued by the Financial Services Commission.

The main objectives of these laws and regulations are *inter alia* to ensure that the Issuer maintains the highest ethical standards and best practices in its dealings with its customers and relevant stakeholders. Accordingly, the Issuer seeks to ensure consistency between the conduct of its business operations and compliance with relevant laws, rules and standards of good market practices, through continued identification of money laundering, terrorism financing and proliferation financing -related risks, and ongoing assessments and understanding of such risks and the design of adequate controls, with a view to supporting the various business lines in delivering fair outcomes for customers and preserving the organisation's reputation, while helping to achieve business development objectives. While the Issuer has adopted policies and procedures aimed at detecting and preventing the use of its banking network for money laundering and terrorism financing and proliferation financing activities, such policies and procedures may not completely eliminate instances in which the Issuer may be used by other parties as a vehicle for money laundering or other illegal or improper activities.

To the extent that the Issuer may fail to fully comply with applicable laws and regulations, which may include any such failure by MCB Madagascar, which operates independently from the Issuer, and over which it is the Issuer's holding company, MCB Investment Holding Limited, and not the Issuer that exercises day-to-day oversight and control, various regulatory authorities to which the Issuer reports, notably the BoM, the Financial Services Commission as well as the Mauritius Revenue Authority, have the authority to impose fines and other penalties on the Issuer. In addition, the Issuer could suffer reputational harm if clients are found to have used it, MCB Madagascar or any of its associates or affiliates for money laundering or illegal purposes, which could, in turn, have a material adverse impact on the Issuer's business, results, financial condition or prospects.

The Issuer may not be able to detect and prevent fraud or other misconduct committed by its employees, representatives, agents, customers or other third parties in a timely manner

The Issuer may encounter fraud or other misconduct committed by its employees, representatives, agents, customers or other third parties, which could result in violations of laws and regulations by the Issuer and expose it to regulatory sanction and/or proceedings. Even if such instances of misconduct do not result in any legal liabilities being imposed on the Issuer, they could cause serious reputational or financial harm to the Issuer.

The Issuer's internal control procedures are designed to monitor its operations and ensure overall compliance. However, its internal control procedures may be unable to identify all incidents of non-compliance or suspicious transactions in a timely manner or at all, including in respect of MCB Madagascar, which operates independently from the Issuer, and over which it is the Issuer's holding company, MCB Investment Holding Limited, and not the Issuer that exercises day-to-day oversight and control. Furthermore, it is not always possible to detect and prevent fraud and other misconduct. The precautions taken and procedures implemented to detect and prevent such activities may not be fully effective. There can be no assurance that fraud or other misconducts will not occur in the future. The Issuer's failure to detect and prevent fraud and other misconduct in a timely manner may have a material and adverse effect on its business reputation, financial condition and results of operations.

The Issuer could fail to attract or retain senior management or other key employees

The Issuer's performance is, to a large extent, dependent on the talents and efforts of highly skilled individuals, and the continued ability of the Issuer to compete effectively and implement its strategy depends on its ability to attract new employees and retain and motivate existing employees. Competition from within the financial services industry, including from other financial institutions, as well as from businesses outside the financial services industry for key employees is intense. In addition, any regulatory restrictions could also adversely affect the Issuer's ability to attract new employees and retain and motivate existing employees.

An inability to recruit, retain and motivate key personnel could negatively affect the ability of the Issuer to adequately and efficiently service clients, support operations and deliver on its business strategies. The Issuer's performance is dependent on the talents and efforts of key personnel, some of whom may have been employed by the Issuer for a substantial period of time. Loss of key staff could have a financial and operational impact on the Issuer. The Issuer's continued ability to compete effectively and further develop its businesses also depends on its ability to attract new employees, failure in which could have a material adverse impact on the Issuer's operations and financial results.

The Issuer may not be able to successfully implement its strategy

The Issuer's strategy is focused on three pillars, namely (i) extending its frontiers, (ii) delivering a world-class customer experience through digital channels and solutions and (iii) nurturing its values and delivering on its brand promise. For more information, see "*Description of the Issuer's Business—Strategy*". There can be no assurances that the Issuer will be able to successfully implement its strategy within the expected timeframe or at all, and the expected benefits of the Issuer's strategy may not materialise, including if the markets in which the Issuer operates do not develop as expected. Any failure by the Issuer to manage growth while at the same time ensuring that it maintains adequate focus on existing operations, including risk management systems and internal control processes, could have a material adverse effect on the Issuer's business. Furthermore, the Issuer's strategy may have negative consequences in respect of attracting and retaining employees (see "*The Issuer could fail to attract or retain senior management or other key employees*" above) or other areas. Any of the above could have a material adverse effect on the Issuer's business, financial condition and results of operations.

FACTORS WHICH ARE MATERIAL FOR THE PURPOSE OF ASSESSING THE MARKET RISKS ASSOCIATED WITH NOTES ISSUED UNDER THE PROGRAMME

Risks related to the structure of a particular issue of Notes

A range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of the most common such features, distinguishing between factors which may occur in relation to any Notes. These factors, and any future regulatory changes introduced by the BoM may create an uncertain regulatory environment, which could materially and adversely affect the Mauritian banking industry as a whole and could have a material adverse effect on the Issuer's business, results of operations, financial condition, cash flows and liquidity. For more information see "*Regulatory (including increased capital requirements) and other risks*".

Risks applicable to all Notes

If the Issuer has the right to redeem any Notes at its option, this may limit the market value of the Notes concerned and an investor may not be able to reinvest the redemption proceeds in a manner which achieves a similar effective return.

An optional redemption feature (including any redemption of the Notes upon the occurrence of a Tax Event) is likely to limit the market value of Notes. During any period when the Issuer may elect to redeem Notes, or during which there is an actual or perceived increased likelihood that the Issuer may elect to redeem the Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risks in light of other investments available at that time.

It is not possible to predict whether or not any further change in the laws or regulations of Mauritius, or the application or binding official interpretation thereof, or any of the other events referred to above, will occur and so lead to the circumstances in which the Issuer is able to elect to redeem the Notes, and if so whether or not the Issuer will elect to exercise such option to redeem the Notes or, as applicable, any prior consent of the BoM required for such redemption will be given.

Shortage of U.S. dollar liquidity in Mauritius may adversely affect the Issuer's ability to service its U.S. dollar liabilities

While the Issuer believes its practice of lending in U.S. dollars to customers that generate revenue in U.S. dollars (and accordingly can service their borrowings from the Issuer in U.S. dollars) will provide it with sufficient U.S. dollar liquidity to fund its U.S. dollar liabilities, should a shortage of U.S. dollar arise in the Issuer's own funding, there can be no assurances that the Issuer will be able to access U.S. dollars from foreign exchange and wholesale markets in order to service its U.S. dollar liabilities, including the Notes.

If the Notes include a feature to convert the interest basis from a fixed rate to a floating rate, or vice versa, this may affect the secondary market and the market value of the Notes concerned.

Fixed/Floating Rate Notes are Notes which bear interest at a rate that converts from a fixed rate to a floating rate, or from a floating rate to a fixed rate. Such a feature to convert the interest basis, and any conversion of the interest basis, may affect the secondary market in, and the market value of, such Notes as the change of interest basis may result in a lower interest return for Noteholders. Where the Notes convert from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. Where the Notes convert from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on those Notes and could affect the market value of an investment in the relevant Notes.

The interest rate on Fixed Reset Notes will reset on each Reset Date, which can be expected to affect interest payments on an investment in Fixed Reset Notes and could affect the secondary market and the market value of the Fixed Reset Notes concerned.

Fixed Reset Notes will initially bear interest at the Initial Interest Rate until (but excluding) the First Reset Date. On the First Reset Date and each Subsequent Reset Date (if any) thereafter, the interest rate will be reset to the sum of the applicable Reset Reference Rate and the Reset Margin as determined by the Fiscal Agent on the relevant Reset Determination Date (each such interest rate, a "**Reset Rate**"). The Reset Rate for any Reset Period could be less than the Initial Interest Rate and could therefore adversely affect the market value of an investment in the Fixed Reset Notes.

Notes which are issued at a substantial discount or premium may experience price volatility in response to changes in market interest rates.

The market values of securities issued at a substantial discount (such as Zero Coupon Notes) or premium to their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for more conventional interest-bearing securities. Generally, the longer the remaining term of such securities, the greater the price volatility as compared to more conventional interest-bearing securities with comparable maturities.

The regulation and reform of "benchmarks" may adversely affect the value of Notes linked to or referencing such "benchmarks".

Interest rates and indices which are deemed to be "benchmarks", (including the euro interbank offered rate ("**EURIBOR**")) are the subject of national and international regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Notes referencing such a benchmark.

The EU Benchmarks Regulation applies, subject to certain transitional provisions, to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark within the EU. Among other things, it (i) requires benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and (ii) prevents certain uses by EU supervised entities of benchmarks of administrators that are not authorised or registered (or, if non-EU based, not deemed equivalent or recognised or endorsed). The UK Benchmarks Regulation among other things, applies to the provision of benchmarks and the use of a benchmark in the UK. Similarly, it prohibits the use in the UK by UK supervised entities of benchmarks of administrators that are not authorised by the FCA or registered on the FCA register (or, if non-UK based, not deemed equivalent or recognised or endorsed).

The EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable, could have a material impact on any Notes linked to or referencing a benchmark in particular, if the methodology or other terms of the benchmark are changed in order to comply with the requirements of the EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable. Such changes could, amongst other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the relevant benchmark.

More broadly, any of the international or national reforms, or the general increased regulatory scrutiny of benchmarks, could increase the costs and risks of administering or otherwise participating in the setting of a benchmark and complying with any such regulations or requirements.

The euro risk free-rate working group for the euro area has published a set of guiding principles and high level recommendations for fallback provisions in, amongst other things, new euro denominated cash products (including bonds) referencing EURIBOR. The guiding principles indicate, amongst other things, that continuing to reference EURIBOR in relevant contracts (without robust fallback provisions) may increase the risk to the euro area financial system. On 11 May 2021, the euro risk-free rate working group published its recommendations on EURIBOR fallback trigger events and fallback rates.

Such factors may have (without limitation) the following effects on certain benchmarks: (i) discouraging market participants from continuing to administer or contribute to a benchmark; (ii) triggering changes in the rules or methodologies used in the benchmark and/or (iii) leading to the disappearance of the benchmark. Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any Notes linked to, referencing, or otherwise dependent (in whole or in part) upon, a benchmark.

The Terms and Conditions of the Notes provide for certain fallback arrangements in the event that a Benchmark Event or a Benchmark Transition Event (as applicable) occurs in respect of the Original Reference Rate for the relevant series of Notes, including (without limitation) if an inter-bank offered rate (such as EURIBOR) or other relevant reference rate (which could include, without limitation, any mid-swap rate), and/or any page on which such benchmark may be published (or any other successor service) becomes unavailable or a Benchmark Event or a Benchmark Transition Event (each as defined in the Terms and Conditions), as applicable, otherwise occurs.

Such fallback arrangements include the possibility that the rate of interest could be set by reference to a successor, alternative or a Benchmark Replacement (as defined in the Terms and Conditions) together with the application of an adjustment spread or Benchmark Replacement Adjustment (as defined in the Terms and Conditions) (which could be positive, negative or zero), and may include amendments to the Terms and Conditions of the Notes to ensure the proper operation of the new benchmark, all as determined by the Issuer (acting in good faith and in consultation with an Independent Adviser) and as more fully described at Condition 5.4 (*Benchmark Discontinuation*). It is possible that the adoption of a successor or alternative rate or Benchmark Replacement, including any adjustment spread or Benchmark Replacement Adjustment, may result in a rate of interest less favourable to holders than the Original Reference Rate.

Furthermore, in certain circumstances, the ultimate fallback for the purposes of calculation of the Rate of Interest for a particular Interest Accrual Period may result in the Rate of Interest for the last preceding Interest Period being used. This may result in the effective application of a fixed rate for Floating Rate Notes based on the rate which was last observed on the Relevant Screen Page.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the UK Benchmarks Regulation and/or the EU Benchmarks Regulation reforms and the possible application of the benchmark replacement provisions of the Notes in making any investment decision with respect to any Notes referencing a benchmark.

The market continues to develop in relation to risk free rates (including overnight rates) as reference rates.

Where the applicable Pricing Supplement for a Series of Floating Rate Notes identifies that the Rate of Interest for such Notes will be determined by reference to SOFR or €STR, the Rate of Interest will be determined on the basis of the relevant reference rate (as further described in the Terms and Conditions of the Notes). All such rates are based on 'overnight rates'. Overnight rates differ from interbank offered rates, such as LIBOR, in a number of material respects, including (without limitation) that such rates are backwards-looking, risk-free overnight rates, whereas LIBOR is expressed on the basis of a forward-looking term and includes a risk-element based on inter-bank lending. As such, investors should be aware that overnight rates may behave materially differently as interest reference rates for Notes issued under the Programme compared to interbank offered rates. The use of overnight rates as reference rates for Eurobonds is subject to continued change and development, both in terms of the substance of the calculation and in the development and adoption of market infrastructure for the issuance and trading of bonds referencing such overnight rates.

Accordingly, prospective investors in any Notes referencing any overnight rates should be aware that the market continues to develop in relation to such rates in the capital markets and their adoption as an alternative to interbank offered rates such as LIBOR. Market participants, industry groups and/or central bank-led working groups have explored compounded and weighted average rates and observation methodologies for such rates (including so-called 'shift', 'lag', and 'lock-out' methodologies) and forward-looking 'term' reference rates derived from these overnight rates have also been, or are being, developed. The adoption of overnight rates may also see component inputs into swap rates or other composite rates transferring from LIBOR or another reference rate to an overnight rate.

The market or a significant part thereof may adopt overnight rates in a way that differs significantly from those set out in the Terms and Conditions of the Notes issued under the Programme. In addition, the methodology for determining any overnight rate index by reference to which the Rate of Interest in respect of certain Notes may be calculated could change during the life of any Notes. Furthermore, the Issuer may in the future issue Notes referencing SOFR or €STR that differ materially in terms of interest determination when compared with any previous SOFR- or €STR-referenced Notes issued by it under the Programme. The continued development of overnight rates as interest reference rates for the Eurobond markets and the market infrastructure for adopting such rates, could result in reduced liquidity or increased volatility or could otherwise adversely affect the market price of any such Notes issued under the Programme from time to time.

Furthermore, the Rate of Interest on Notes which reference overnight rates is only capable of being determined immediately prior to the relevant Interest Payment Date. It may be difficult for investors in Notes which reference overnight rates to estimate reliably the amount of interest which will be payable on such Notes, and some investors may be unable or unwilling to trade such Notes without changes to their IT systems, both of which factors could adversely impact the liquidity of such Notes. Further, in contrast to LIBOR-based Notes, if Notes referencing an overnight rate become due and payable as a result of an Event of Default under Condition 10 (*Events of Default and Enforcement*), or are otherwise redeemed early on a date which is not an Interest Payment Date, the final Rate of Interest payable in respect of such Notes shall only be determined immediately prior to the date on which the Notes become due and payable.

In addition, the manner of adoption or application of overnight rates in the Eurobond markets may differ materially when compared with the application and adoption of the same overnight rates for the same currencies in other markets, such as the derivatives and loan markets. Investors should carefully consider how any mismatch between the adoption of overnight rates across these markets may impact any hedging or other financial arrangements which they may put in place in connection with any acquisition, holding or disposal of Notes referencing overnight rates.

Investors should carefully consider these matters when making their investment decision with respect to any such Notes.

Any failure of SOFR to gain market acceptance could adversely affect SOFR-Linked Notes.

According to the Alternative Reference Rates Committee, convened by the Board of Governors of the FRBNY, SOFR was developed for use in certain U.S. dollar derivatives and other financial contracts as an alternative to U.S. dollar LIBOR in part because it is considered a good representation of general funding conditions in the overnight U.S. Treasury repurchase agreement market. However, as a rate based on transactions secured by U.S. Treasury securities, it does not measure bank-specific credit risk and, as a result, is less likely to correlate with the unsecured short-term funding costs of banks. This may mean that market participants may not consider SOFR a suitable replacement or successor for all of the purposes for which U.S. dollar historically has been used (including, without limitation, as a representation of the unsecured short-term funding costs of banks), which may, in turn, lessen market acceptance of SOFR. Any failure of SOFR to gain market acceptance could adversely affect the return on and value and market price of SOFR-Linked Notes and the price at which investors can sell such Notes in the secondary market.

SOFR may be more volatile than other benchmarks or market rates.

Since the initial publication of SOFR, daily changes in SOFR have, on occasion, been more volatile than daily changes in other benchmark or market rates, such as U.S. dollar LIBOR. Although changes in Compounded Daily SOFR generally are not expected to be as volatile as changes in daily levels of SOFR, the return on and value and market price of SOFR-Linked Notes which reference Compounded Daily SOFR may fluctuate more than floating rate securities that are linked to less volatile rates. In addition, the volatility

of SOFR has reflected the underlying volatility of the overnight U.S. Treasury repo market. The FRBNY has at times conducted operations in the overnight U.S. Treasury repo market in order to help maintain the federal funds rate within a target range. There can be no assurance that the FRBNY will continue to conduct such operations in the future, and the duration and extent of any such operations is inherently uncertain. The effect of any such operations, or of the cessation of such operations to the extent they are commenced, is uncertain and could be materially adverse to investors in SOFR-Linked Notes.

The interest rate on SOFR-Linked Notes will be based on Compounded Daily SOFR or may be determined by reference to the SOFR Index, a relatively new market index.

For each Interest Accrual Period, the interest rate on any SOFR-Linked Notes will be based either on Compounded Daily SOFR, which is calculated on a daily compounded basis or Compounded SOFR, which is calculated by reference to the SOFR index, and not the SOFR rate published on or in respect of a particular date during such Interest Accrual Period or an arithmetic average of SOFR rates during such Interest Accrual Period. The SOFR Index measures the cumulative impact of compounding SOFR on a unit of investment over time. The value of the SOFR Index on a particular business day reflects the effect of compounding SOFR on such business day and allows the calculation of SOFR averages over custom time periods. For this and other reasons, the interest rate on SOFR-Linked Notes during any Interest Accrual Period will not be the same as the interest rate on other SOFR-linked investments that use an alternative basis to determine the applicable interest rate. Further, if the SOFR rate in respect of a particular date during an Interest Accrual Period is negative, its contribution to the relevant compounded rate will be less than one, resulting in a reduction to such compounded rate used to calculate the interest payable on any SOFR-Linked Note on the interest payment date for such Interest Accrual Period.

Very limited market precedent exists for securities that use SOFR as the interest rate and the method for calculating an interest rate based upon SOFR in those precedents varies. In addition, the FRBNY only began publishing the SOFR Index very recently. Accordingly, the use of the SOFR Index for the purposes of calculating Compounded SOFR may not be widely adopted by other market participants, if at all. If the market adopts a different calculation method, it would likely adversely affect the market value of any SOFR-Linked Notes.

There can be no assurance that SOFR will not be discontinued or fundamentally altered in a manner that is materially adverse to the interests of holders of SOFR-Linked Notes.

SOFR is published by the FRBNY as the administrator of SOFR based on data received from sources other than the Issuer. The Issuer has no control over the determination, calculation or publication of SOFR. The administrator of SOFR may make changes that could change the value of SOFR or discontinue SOFR, and has no obligation to consider the interests of holders of SOFR-Linked Notes in doing so. The FRBNY (or a successor), as the administrator of SOFR, may make methodological or other changes that could change the value of SOFR, including changes related to the method by which SOFR is calculated, eligibility criteria applicable to the transactions used to calculate SOFR, or timing related to the publication of SOFR. In addition, the administrators of SOFR may alter, discontinue or suspend calculation or dissemination of SOFR (in which case a fallback method of determining the interest rate on any SOFR-Linked Notes will apply, as further described in Conditions 5.4(b) (*Benchmark Discontinuation – Benchmark Transition*)).

There can be no assurance that SOFR will not be discontinued or fundamentally altered in a manner that is materially adverse to the interests of holders of SOFR-Linked Notes. If the manner in which SOFR is calculated is changed, that change may result in a reduction of the amount of interest payable on any SOFR-Linked Notes, which may adversely affect the trading prices of such Notes. If the rate at which interest accrues on any SOFR-Linked Notes for any Interest Accrual Period declines to zero or becomes negative, no interest will be payable on such Notes on the Interest Payment Date for such Interest Accrual Period. The administrator of SOFR has no obligation to consider the interests of holders of SOFR-Linked Notes in calculating, adjusting, converting, revising or discontinuing SOFR, as the case may be. In addition, the administrator of SOFR may withdraw, modify or amend the published SOFR rate or other SOFR data, respectively, in its sole discretion and without notice.

The SOFR Index may be modified or discontinued, which could adversely affect the value and market price of any Floating Rate Notes referencing the SOFR Index.

The SOFR Index is published by FRBNY based on data received by them from sources other than the Issuer, and the Issuer has no control over their methods of calculation, publication schedule, rate revision

practices or the availability of the SOFR Index at any time. There can be no guarantee, particularly given its relatively recent introduction, that the SOFR Index will not be discontinued or fundamentally altered in a manner that is materially adverse to the interests of investors in any Floating Rate Notes referencing SOFR Index. If the manner in which the SOFR Index is calculated, including the manner in which SOFR is calculated, is changed, that change may result in a reduction in the amount of interest payable on any Floating Rate Notes referencing SOFR Index and the trading prices of such Notes. In addition, the FRBNY may withdraw, modify or amend the published SOFR Index or other SOFR data in its sole discretion and without notice. The interest rate for any Interest Accrual Period will not be adjusted for any modifications or amendments to the SOFR Index or other SOFR data that the FRBNY may publish after the interest rate for that Interest Accrual Period has been determined.

Risks related to Notes generally

Set out below is a description of material risks relating to the Notes generally:

The Terms and Conditions of the Notes contain provisions which may permit their modification without the consent of all investors and confer significant discretions on the Trustee which may be exercised without the consent of the Noteholders and without regard to the individual interests of particular Noteholders.

The Terms and Conditions of the Notes contain provisions for calling meetings (including by way of conference call or by use of a videoconference platform) of Noteholders to consider and vote upon matters affecting their interests generally, or to pass resolutions in writing or through the use of electronic consents. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting or, as the case may be, did not sign the written resolution or give their consent electronically, and including those Noteholders who voted in a manner contrary to the majority.

The Terms and Conditions of the Notes also provide that the Trustee may, without the consent of Noteholders and without regard to the interests of particular Noteholders, agree to (i) any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of the Notes or (ii) determine without the consent of the Noteholders that any Event of Default or potential Event of Default shall not be treated as such or (iii) the substitution of another company as principal debtor under any Notes in place of the Issuer, in the circumstances described in Condition 14 (*Meetings of Noteholders, Modification, Waiver and Substitution*).

The value of the Notes could be adversely affected by a change in English law or administrative practice.

The Terms and Conditions of the Notes are based on English law in effect as at the date of this Offering Circular. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of this Offering Circular and any such change could materially adversely impact the value of any Notes affected by it.

Investors who hold less than the minimum Specified Denomination may be unable to sell their Notes and may be adversely affected if definitive Notes are subsequently required to be issued.

In relation to any issue of Notes which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts in excess of the minimum Specified Denomination that are not integral multiples of such minimum Specified Denomination. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in their account with the relevant clearing system would not be able to sell the remainder of such holding without first purchasing a principal amount of Notes at or in excess of the minimum Specified Denomination such that its holding amounts to a Specified Denomination. Further, a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in their account with the relevant clearing system at the relevant time may not receive a definitive Note in respect of such holding (should definitive Notes be issued) and would need to purchase a principal amount of Notes at or in excess of the minimum Specified Denomination such that its holding amounts to a Specified Denomination.

If such Notes in definitive form are issued, holders should be aware that definitive Notes which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

Holders of Notes held through Euroclear and Clearstream, Luxembourg must rely on procedures of those clearing systems to effect transfers of Notes, receive payments in respect of Notes and vote at meetings of Noteholders

Notes issued under the Programme will be represented on issue by one or more Global Notes that may be deposited with a common depository for Euroclear and Clearstream, Luxembourg (each as defined under "Form of the Notes"). Except in the circumstances described in each Global Note, investors will not be entitled to receive Notes in definitive form. Each of Euroclear and Clearstream, Luxembourg and their respective direct and indirect participants will maintain records of the beneficial interests in each Global Note held through it. While the Notes are represented by a Global Note, investors will be able to trade their beneficial interests only through the relevant clearing systems and their respective participants.

While the Notes are represented by Global Notes, the Issuer will discharge its payment obligation under the Notes by making payments through the relevant clearing systems. A holder of a beneficial interest in a Global Note must rely on the procedures of the relevant clearing system and its participants to receive payments under the Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in any Global Note.

Holders of beneficial interests in a Global Note will not have a direct right to vote in respect of the Notes so represented. Instead, such holders will be permitted to act only to the extent that they are enabled by the relevant clearing system and its participants to appoint appropriate proxies.

Risks related to the market generally

Set out below is a description of material market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

An active secondary market in respect of the Notes may never be established or may be illiquid and this would adversely affect the value at which an investor could sell their Notes.

Notes may have no established trading market when issued, and one may never develop. If a market for the Notes does develop, it may not be very liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market.

If an investor holds Notes which are not denominated in the investor's home currency, they will be exposed to movements in exchange rates adversely affecting the value of their holding. In addition, the imposition of exchange controls in relation to any Notes could result in an investor not receiving payments on those Notes.

The Issuer will pay principal and interest on the Notes in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency and/or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency equivalent value of the principal payable on the Notes and (3) the Investor's Currency equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate or the ability of the Issuer to make payments in respect of the Notes. As a result, investors may receive less interest or principal than expected, or no interest or principal.

The value of Fixed Rate Notes may be adversely affected by movements in market interest rates.

Investment in Fixed Rate Notes involves the risk that if market interest rates subsequently increase above the rate paid on the Fixed Rate Notes, this will adversely affect the value of the Fixed Rate Notes as an equivalent investment issued at the current market interest rate may be more attractive to investors.

Credit ratings assigned to the Issuer or any Notes may not reflect all the risks associated with an investment in those Notes.

One or more independent credit rating agencies may assign credit ratings to the Issuer or the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised, suspended or withdrawn by the rating agency at any time.

In general, European regulated investors are restricted under the CRA Regulation from using credit ratings for regulatory purposes in the EEA, unless such ratings are issued by a credit rating agency established in the EEA and registered under the CRA Regulation (and such registration has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances). Such general restriction will also apply in the case of credit ratings issued by third country non-EEA credit rating agencies, unless the relevant credit ratings are endorsed by an EEA-registered credit rating agency or the relevant third country rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances). The list of registered and certified rating agencies published by ESMA on its website in accordance with the CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list.

Investors regulated in the UK are subject to similar restrictions under the UK CRA Regulation. As such, UK regulated investors are required to use for UK regulatory purposes ratings issued by a credit rating agency established in the UK and registered under the UK CRA Regulation. In the case of ratings issued by third country non-UK credit rating agencies, third country credit ratings can either be: (a) endorsed by a UK registered credit rating agency; or (b) issued by a third country credit rating agency that is certified in accordance with the UK CRA Regulation. Note this is subject, in each case, to (a) the relevant UK registration, certification or endorsement, as the case may be, not having been withdrawn or suspended, and (b) transitional provisions that apply in certain circumstances.

If the status of the credit rating agency rating the Notes changes for the purposes of the CRA Regulation or the UK CRA Regulation, relevant regulated investors may no longer be able to use the rating for regulatory purposes in the EEA or the UK, as applicable, and the Notes may have a different regulatory treatment, which may impact the value of the Notes and their liquidity in the secondary market. Certain information with respect to the credit rating agencies and ratings is set out on the cover of this Offering Circular.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents which have previously been published or are published simultaneously with this Offering Circular shall be incorporated in, and form part of, this Offering Circular:

- (a) the auditors' report and audited annual financial statements for the financial year ended 30 June 2022 of the Issuer (available at: https://www.mcb.mu/en/mediacontent/mcb_financial_statement_30_june_2022_tcm55-58558.pdf) including the information set out at the following pages in particular:

Independent Auditor's Report	Pages 1 to 4
Statement of Financial Position	Page 5
Statement of Profit or Loss	Page 6
Accounting Principles and Notes	Pages 15 to 102;

- (b) the auditors' report and audited annual financial statements for the financial year ended 30 June 2021 of the Issuer (available at: https://www.mcb.mu/en/mediacontent/mcb%20financial%20statement%2030%20june%202021_270921_tcm55-52628.pdf) including the information set out at the following pages in particular:

Independent Auditor's Report	Pages 2 to 4
Statement of Financial Position	Page 5
Statement of Profit or Loss	Page 6
Accounting Principles and Notes	Pages 15 to 96;

- (c) the future audited annual financial statements of the Issuer and future unaudited interim financial statements of the Issuer (if any) as and when such financial statements are published in accordance with the ISM Rulebook.

Following the publication of this Offering Circular a supplement may be prepared by the Issuer. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise) be deemed to modify or supersede statements contained in this Offering Circular or in a document which is incorporated by reference in this Offering Circular. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Offering Circular.

Any documents themselves incorporated by reference in the documents incorporated by reference in this Offering Circular shall not form part of this Offering Circular.

Any non-incorporated parts of a document referred to herein (which, for the avoidance of doubt, means any parts not listed in the cross-reference list above) are either deemed not relevant for an investor or are otherwise covered elsewhere in this Offering Circular.

The contents of any website (except for the documents incorporated by reference into this Offering Circular to the extent set out on any such website) referenced in this Offering Circular do not (and shall not be deemed to) form part of (and are not incorporated into) this Offering Circular.

FORM OF THE NOTES

The Notes of each Series will be issued in registered form both outside the United States in reliance on the exemption from registration provided by Regulation S and within the United States in reliance on Rule 144A or otherwise in private transactions that are exempt from the registration requirements of the Securities Act.

The Notes of each Tranche offered and sold in reliance on Regulation S, which will be sold to non-U.S. persons outside the United States, will initially be represented by a global note in registered form (a "**Regulation S Global Note**"). Prior to expiry of the distribution compliance period (as defined in Regulation S) applicable to each Tranche of Notes, beneficial interests in a Regulation S Global Note may not be offered or sold to, or for the account or benefit of, a U.S. person save as otherwise provided in Condition 2 (*Transfers of Notes*) and may not be held otherwise than through Euroclear or Clearstream, Luxembourg and such Regulation S Global Note will bear a legend regarding such restrictions on transfer.

The Notes of each Tranche offered and sold in the United States or to U.S. persons may only be offered and sold in private transactions to "qualified institutional buyers" within the meaning of Rule 144A under the Securities Act ("**QIBs**"). The Notes of each Tranche sold to QIBs will be represented by a global note in registered form (a "**Rule 144A Global Note**" and, together with a Regulation S Global Note, each a "**Global Note**"). No sale of Legended Notes (as defined under "*U.S. Information*" above) in the United States to any one purchaser will be for less than U.S.\$200,000 (or its foreign currency equivalent) principal amount.

Global Notes will either (i) be deposited with a custodian for, and registered in the name of a nominee of, the Depository Trust Company ("**DTC**") or (ii) be deposited with a common depository for Euroclear and Clearstream, Luxembourg, and registered in the name of the nominee for the common depository of, Euroclear and Clearstream, Luxembourg, as specified in the applicable Pricing Supplement. Persons holding beneficial interests in Global Notes will be entitled or required, as the case may be, under the circumstances described below, to receive physical delivery of definitive Notes in fully registered form.

Payments of principal, interest and any other amount in respect of the Global Notes will, in the absence of provision to the contrary, be made to the person shown on the Register (as defined in Condition 6.2 (*Payments in respect of the Notes*)) as the registered holder of the Global Notes. None of the Issuer, any Paying Agent, the Trustee or the Registrar will have any responsibility or liability for any aspect of the records relating to or payments or deliveries made on account of beneficial ownership interests in the Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Payments of principal, interest or any other amount in respect of the Notes in definitive form will, in the absence of provision to the contrary, be made to the persons shown on the Register on the relevant Record Date (as defined in Condition 6.2 (*Payments in respect of the Notes*)) immediately preceding the due date for payment in the manner provided in that Condition.

Interests in a Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Notes only upon the occurrence of an Exchange Event. For these purposes, "**Exchange Event**" means that (i) an Event of Default has occurred and is continuing, (ii) in the case of Notes registered in the name of a nominee for DTC, either DTC has notified the Issuer that it is unwilling or unable to continue to act as depository for the Notes and no alternative clearing system satisfactory to the Trustee is available or DTC has ceased to constitute a clearing agency registered under the Exchange Act and no alternative clearing system is available, (iii) in the case of Notes registered in the name of a nominee for a common depository for Euroclear and Clearstream, Luxembourg, 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 such case, no successor clearing system satisfactory to the Trustee is available or (iv) the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Notes represented by the Global Note in definitive form and a certificate to that effect signed by two Directors of the Issuer is given to the Trustee. The Issuer will promptly give notice to Noteholders in accordance with Condition 13 (*Notices*) if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, DTC, Euroclear and/or Clearstream, Luxembourg or any person acting on their behalf (acting on the instructions of any holder of an interest in such Global Note) or the Trustee may give notice to the Registrar requesting exchange and, in the event of the occurrence of an Exchange

Event as described in (iv) above, the Issuer may also give notice to the Registrar requesting exchange. Any such exchange shall occur not later than 10 days after the date of receipt of the first relevant notice by the Registrar.

Transfer of Interests

Interests in a Global Note may, subject to compliance with all applicable restrictions, be transferred to a person who wishes to hold such interest in another Global Note. No beneficial owner of an interest in a Global Note will be able to transfer such interest, except in accordance with the applicable procedures of DTC, Euroclear and Clearstream, Luxembourg, in each case to the extent applicable. **The Notes are also subject to the restrictions on transfer set forth therein and will bear a legend regarding such restrictions, see "*Subscription and Sale and Transfer and Selling Restrictions*".**

General

Pursuant to the Agency Agreement (as defined under "*Terms and Conditions of the Notes*"), the Principal Paying Agent shall arrange that, where a further Tranche of Notes is issued which is intended to form a single Series with an existing Tranche of Notes at a point after the Issue Date of the further Tranche, the Notes of such further Tranche shall be assigned a common code and ISIN and, where applicable, a CUSIP and CINS number which are different from the common code, ISIN, CUSIP and CINS assigned to Notes of any other Tranche of the same Series until such time as the Tranches are consolidated and form a single Series, which shall not be prior to the expiry of the distribution compliance period (as defined in Regulation S under the Securities Act) applicable to the Notes of such Tranche.

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

No Noteholder shall be entitled to proceed directly against the Issuer unless the Trustee, having become bound so to proceed, (i) fails so to do within a reasonable period, or (ii) is unable for any reason so to do, and the failure or inability shall be continuing.

APPLICABLE PRICING SUPPLEMENT

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

[PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or (ii) a customer within the meaning of Directive (EU) 2016/97 (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]¹

[PROHIBITION OF SALES TO UK RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.]²

[³MIFID II product governance / Professional investors and ECPs only target market – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in [Directive 2014/65/EU (as amended, "**MiFID II**")][MiFID II]; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [*Consider any negative target market*]. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer[*'s/s'*] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer[*'s/s'*] target market assessment) and determining appropriate distribution channels.]

[⁴UK MIFIR product governance / Professional investors and ECPs only target market – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties,

¹ Legend to be included on front of the Pricing Supplement if the Notes potentially constitute "packaged" products and no key information document will be prepared in the EEA or the issuer wishes to prohibit offers to EEA retail investors for any other reason, in which case the selling restriction should be specified to be "Applicable".

² Legend to be included on the front of the Pricing Supplement if the Notes potentially constitute "packaged" products and no key information document will be prepared in the UK or the issuer wishes to prohibit offers to UK retail investors for any other reason, in which case the selling restriction should be specified to be "Applicable".

³ Legend to be included on front of the Pricing Supplement for issuances with EU MiFID II manufacturers.

⁴ Legend to be included on front of the Pricing Supplement for issuances with UK MiFIR manufacturers.

as defined in the FCA Handbook Conduct of Business Sourcebook ("**COBS**"), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**UK MiFIR**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [*Consider any negative target market*]. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

[Notification under Section 309B(1)(c) of the Securities and Futures Act 2001 (2020 Revised Edition) of Singapore (as amended or modified, the SFA) – In connection with Section 309B of the SFA and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the CMP Regulations 2018), the Issuer has determined the classification of the Notes to be capital markets products other than prescribed capital markets products (as defined in the CMP Regulations 2018) and Specified Investment Products (as defined in the Singapore Monetary Authority (the "**MAS**") Notice SFA 04-N12: Notice on the Sale of Investment Products and the MAS Notice FAA-N16: Notice on Recommendations on Investment Products).]⁵

[Date]

THE MAURITIUS COMMERCIAL BANK LIMITED

Legal entity identifier (LEI): 132500000000000204

**Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]
under the U.S.\$3,000,000,000
Global Medium Term Note Programme**

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Offering Circular dated [•] 2022 [and the supplement[s] to it dated [date] [and [date]] ([together,] the "**Offering Circular**"). This document constitutes the Pricing Supplement of the Notes described herein and must be read in conjunction with the Offering Circular in order to obtain all the relevant information. The Offering Circular has been published on the website of the London Stock Exchange plc.

- | | | |
|----|--|---|
| 1. | Issuer: | The Mauritius Commercial Bank Limited |
| 2. | (a) Series Number: | [] |
| | (b) Tranche Number: | [] |
| | (c) Date on which the Notes will be consolidated and form a single Series: | The Notes will be consolidated and form a single Series with [<i>identify earlier Tranches</i>] on [the Issue Date/the date that is 40 days after the Issue Date][Not Applicable] |
| 3. | Specified Currency or Currencies: | [] |
| 4. | Aggregate Nominal Amount: | |
| | (a) Series: | [] |
| | (b) Tranche: | [] |

⁵ Legend to be included on front of the Pricing Supplement if the Notes sold into Singapore do not constitute prescribed capital markets products as defined under the CMP Regulations 2018.

5. Issue Price: [] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date] (if applicable)]
6. (a) Specified Denominations: []
- (b) Calculation Amount (in relation to calculation of interest in global form see Conditions): []
- (If only one Specified Denomination, insert the Specified Denomination. If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations.)*
7. (a) Issue Date: []
- (b) Interest Commencement Date: [specify/Issue Date/Not Applicable]
- (N.B. An Interest Commencement Date will not be relevant for certain Notes, for example Zero Coupon Notes.)*
8. Maturity Date: *Specify date or for Floating Rate Notes – Interest Payment Date falling in or nearest to [specify month and year]]*
9. Interest Basis: [[] per cent. Fixed Rate]
- [Fixed Reset Notes]
- [[[] month [EURIBOR]] +/- [] per cent.
- [Compounded SOFR] [Compounded ESTR] Floating Rate]
- [Zero coupon]
- (see paragraph [14]/[15]/[16]/[17]below)
10. Redemption[/Payment] Basis: Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at [] per cent. of their nominal amount
11. Change of Interest Basis: *[Specify the date when any fixed to floating rate change occurs or cross refer to paragraphs 14 and 16 below and identify there][Not Applicable]*
12. Put/Call Options: [Issuer Call]
- [Make-whole Redemption by the Issuer]
- [Issuer Maturity Call]
- [Change of Control Put]
- [Investor Put]
- [(see paragraph [20]/[21]/[22]/[23]/[24] below)]

[Not Applicable]

13. (a) Status of the Notes: Senior
- (b) [Date [Board] approval for issuance of Notes obtained: [] [and [], respectively]]
- (N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes)*

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14. Fixed Rate Note Provisions [Applicable/Not Applicable]
- (If not applicable, delete the remaining subparagraphs of this paragraph)*
- (a) Rate(s) of Interest: [] per cent. per annum payable in arrear on each Interest Payment Date
- (b) Interest Payment Date(s): [] in each year up to and including the Maturity Date
(Amend appropriately in the case of irregular coupons)
- (c) Fixed Coupon Amount(s) for Notes in definitive form (and in relation to Notes in global form see Conditions): [] per Calculation Amount
- (d) Broken Amount(s) for Notes in definitive form (and in relation to Notes in global form see Conditions): [[] per Calculation Amount, payable on the Interest Payment Date falling [in/on] []][Not Applicable]
- (e) Day Count Fraction: [30/360] [Actual/Actual (ICMA)]
- (f) Determination Date(s): [[] in each year][Not Applicable]
- (Only relevant where Day Count Fraction is Actual/Actual (ICMA). In such a case, insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon)*
15. Fixed Reset Note Provisions [Applicable/Not Applicable]
- (If not applicable, delete the remaining subparagraphs of this paragraph)*
- (a) Initial Interest Rate: [] per cent. per annum payable in arrear on each Interest Payment Date
- (b) Interest Payment Date(s): [[] in each year up to and including the Maturity Date]
- (c) Fixed Coupon Amount to (but excluding) the First Reset Date for Notes in definitive form (and in relation to Notes in global form see Conditions): [[] per Calculation Amount/Not Applicable]

- (d) Broken Amount(s) for Notes in definitive form (and in relation to Notes in global form see Conditions): [[] per Calculation Amount payable on the Interest Payment Date falling [in/on] []][Not Applicable]
- (e) Day Count Fraction: [30/360 or Actual/Actual (ICMA)]
- (f) Determination Date(s): [[] in each year][Not Applicable]
- [Insert interest payment dates except where there are long or short periods. In these cases, insert regular interest payment dates]*
- (NB: Only relevant where Day Count Fraction is Actual/Actual (ICMA))*
- (g) Reset Date: []
- (h) Subsequent Reset Date(s): [] [and []]
- (i) Reset Reference Rate: [Mid-Swap Rate][Reset Reference Bond Rate][CMT Rate]
- (j) Reset Margin: [+/-][] per cent. per annum
- (k) [Relevant Screen Page: []]⁶
- (l) [Floating Leg Reference Rate: []]⁷
- (m) Floating Leg Screen Page: []
- (n) Initial Mid-Swap Rate: [] per cent. per annum (quoted on a[n annual/semi-annual basis])
- (o) [Initial Reference Rate: [] per cent.]⁸
- (p) [Original Reset Reference Rate Payment Basis: [Annual/Semi-annual/Quarterly/Monthly/Other-specify/Not Applicable]]⁹
16. Floating Rate Note Provisions [Applicable/Not Applicable]
- (If not applicable, delete the remaining subparagraphs of this paragraph)*
- (a) Specified Period(s)/Specified Interest Payment Dates: [] [, subject to adjustment in accordance with the Business Day Convention set out in (b) below/, not subject to adjustment, as the Business Day Convention in (b) below is specified to be Not Applicable]
- (b) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention][Not Applicable]

⁶ Delete if the Reset Reference Rate is not the Mid-Swap Rate or Reset Reference Bond Rate.

⁷ Delete sub-paragraphs (l) through (n) if the Reset Reference Rate is not the Mid-Swap Rate.

⁸ Delete if the Reset Reference Rate is the Mid-Swap Rate.

⁹ Delete if the Reset Reference Rate is not the Reset Reference Bond Rate.

- (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]
- (e) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Principal Paying Agent): [[] (the "**Calculation Agent**") [Not Applicable]
- (f) Screen Rate Determination: [Applicable/Not Applicable]
- (If not applicable, delete the remaining items of this subparagraph)*
- Reference Rate: [Compounded Daily SOFR]
[] month [EURIBOR/[]]
[Compounded Daily €STR]
 - Term Rate: [Applicable/Not Applicable]
 - Specified Time [[11.00 a.m./[]] in the Relevant Financial Centre] / [Not Applicable]
 - Relevant Financial Centre: [London/New York/Brussels/[]] / [Not Applicable]
 - Overnight Rate: [Applicable/Not Applicable]
 - Index Determination: [Applicable/Not Applicable]
 - Relevant Number: [[5 / []] [[U.S. Government Securities Business Days]/[Not Applicable]]

(If "Index Determination" is "Not Applicable", delete "Relevant Number" and complete the remaining bullets below)

(If "Index Determination" is "Applicable", insert number of days (expected to be five or greater) as the Relevant Number, and the remaining bullets below will each be "Not Applicable")
 - D: [360/365/[]] / [Not Applicable]
 - Observation Method: [Lag/Lock-out/Observation Shift/Not Applicable]
 - Lag Period: [5 / []] [U.S. Government Securities Business Days] [TARGET Business Days] [[City] Banking Days] [Not Applicable]
 - Observation Shift Period: [5 / []] [U.S. Government Securities Business Days] [TARGET Business Days] [[City] Banking Days] [Not Applicable]
- (NB: A minimum of 5 relevant business/banking days should be specified for the Lag Period or Observation Shift Period, unless otherwise agreed)*

with the Principal Paying Agent or Calculation Agent, as applicable)

- Interest Determination Date(s): [] [TARGET/[]] Business Days [in []] prior to the [] day in each Interest Period/each Interest Payment Date [TARGET Business Day] / [U.S. Government Securities Business Day] falling after the last day of the relevant Observation Period][The [first/[]] Banking Day falling after the last day of the relevant Observation Period (where [City] "Banking Day" means any day on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in [City])][]
 - Relevant Screen Page: [] [Not Applicable]
- (g) [ISDA Determination: [Applicable/Not Applicable]
- (If not applicable, delete the remaining items of this subparagraph (g))*
- ISDA Definitions: [2006 ISDA Definitions]/[2021 ISDA Definitions]
 - Floating Rate Option: []
(If "2021 ISDA Definitions" is selected, ensure this is a Floating Rate Option included in the Floating Rate Matrix (as defined in the 2021 ISDA Definitions))
 - Designated Maturity: []/[Not Applicable]
(A Designated Maturity period is not relevant where the relevant Floating Rate Option is a risk-free rate)
 - Reset Date: []
(In the case of a EURIBOR based option, the first day of the Interest Period)
 - Compounding: [Applicable/Not Applicable]
(If not applicable, delete the remaining items of this subparagraph)
 - Compounding Method: [Compounding with Lookback
Lookback: [[] Applicable Business Days]/[As specified in the Compounding/Averaging Matrix (as defined in the 2021 ISDA Definitions)]
[Compounding with Observation Period Shift
Observation Period Shift: [[] Observation Period Shift Business Days]/[As specified in the Compounding/Averaging Matrix (as defined in the 2021 ISDA Definitions)]
Observation Period Shift Additional Business Days: []/[Not Applicable]]

- [Compounding with Lockout]
- Lockout: [[] Lockout Period Business Days]/[As specified in the Compounding/Averaging Matrix (as defined in the 2021 ISDA Definitions)]
- Lockout Period Business Days: []/[Applicable Business Days]
- Averaging: [[Applicable/Not Applicable]]
(If not applicable, delete the remaining items of this subparagraph)
 - Averaging Method: [Averaging with Lookback]
Lookback: [[] Applicable Business Days]/[As specified in the Compounding/Averaging Matrix (as defined in the 2021 ISDA Definitions)]
[Averaging with Observation Period Shift]
Observation Period Shift: [[] Observation Period Shift Business Days]/[As specified in the Compounding/Averaging Matrix (as defined in the 2021 ISDA Definitions)]
Observation Period Shift Additional Business Days: []/[Not Applicable]
[Averaging with Lockout]
Lockout: [[] Lockout Period Business Days]/[As specified in the Compounding/Averaging Matrix (as defined in the 2021 ISDA Definitions)]
Lockout Period Business Days: []/[Applicable Business Days]
 - Index provisions: [Applicable/Not Applicable]
(If not applicable, delete the remaining items of this subparagraph)
 - Index Method: Compounded Index Method with Observation Period Shift
Observation Period Shift: [[] Observation Period Shift Business Days]/[As specified in the Compounding/Averaging Matrix (as defined in the 2021 ISDA Definitions)]
Observation Period Shift Additional Business Days: []/[Not Applicable]
- (h) Linear Interpolation: [Not Applicable/Applicable - the Rate of interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation (*specify for each short or long interest period*)]
- (i) Margin(s): [+/-] [] per cent. per annum

- (j) Minimum Rate of Interest: [] per cent. per annum
- (k) Maximum Rate of Interest: [] per cent. per annum
- (l) Day Count Fraction: [Actual/Actual (ISDA)][Actual/Actual]
 Actual/365 (Fixed)
 Actual/365 (Sterling)
 Actual/360
 [30/360][360/360][Bond Basis]
 [30E/360][Eurobond Basis]
 30E/360 (ISDA)]
17. 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) Day Count Fraction in relation to Early Redemption Amounts: [30/360]
 [Actual/360]
 [Actual/365]
18. Benchmark Discontinuation: [Applicable/Not Applicable]
- (a) Benchmark Replacement: [Applicable – Condition 5.4(a) applies] / [Not Applicable]
- (b) Benchmark Transition: [Applicable – Condition 5.4(b) applies] / [Not Applicable]
(Unless otherwise agreed, select 'Benchmark Transition' if the Notes are Floating Rate Notes and the Original Reference Rate is SOFR; otherwise, select 'Benchmark Replacement')

PROVISIONS RELATING TO REDEMPTION

19. Notice periods for Condition 7.2 (Redemption upon a Tax Event): Minimum period: [10] days
 Maximum period: [40] days
20. Issuer Call: [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (a) Optional Redemption Date(s): [] [Any Business Day (as defined in Condition 5.3(a) (Interest Payment Dates) of the Terms and Conditions of the Notes) falling in the period from (and including) [] to (but excluding any [Reset Date or] the Maturity Date]

- (b) Optional Redemption Amount: [[] per Calculation Amount]
- (c) If redeemable in part:
- (i) Minimum Redemption Amount: []
- (ii) Maximum Redemption Amount: []
- (d) Notice periods: Minimum period: [10] days
Maximum period: [40] days
- (N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 5 clearing system business days' notice for a call) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Principal Paying Agent or Trustee.)*
21. Make-whole Redemption by the Issuer: [Applicable/Not Applicable]
- (If not applicable, delete the remaining subparagraphs of this paragraph)*
- (a) Make-whole Redemption Margin: [[] basis points/Not Applicable]
- (b) Reference Bond: [CA Selected Bond/[]]
- (c) Quotation Time: [5.00 p.m. [Brussels/London/[]] time/Not Applicable]
- (d) Reference Rate Determination Date: [The [] Business Day preceding the relevant Make-whole Redemption Date/Not Applicable]
- (e) If redeemable in part: [Applicable/Not Applicable]
- (i) Minimum Redemption Amount: []
- (ii) Maximum Redemption Amount: []
- (f) Reference Rate: [Reference Bond Rate][Reference Swap Rate]
- (g) Relevant Make-whole Screen Page: [Not Applicable][]
- (h) Floating Leg Reference Rate: []
- (i) Floating Leg Screen Page: []
- (j) Notice periods: Minimum period: [10] days
Maximum period: [40] days
- (N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example,*

clearing systems (which require a minimum of 5 clearing system business days' notice for a call) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Principal Paying Agent or Trustee.)

22. Issuer Maturity Call: [Applicable/Not Applicable]
- (If not applicable, delete the remaining subparagraphs of this paragraph)*
- (a) First Issuer Maturity Call Date: []
- (b) If redeemable in part:
- (i) Minimum Redemption Amount: []
- (ii) Maximum Redemption Amount: []
- (c) Notice periods: Minimum period: [10] days
Maximum period: [40] days
- (N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 5 clearing system business days' notice for a call) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Principal Paying Agent or Trustee.)*
23. Change of Control Put: [Applicable/Not Applicable]
- (If not applicable, delete the remaining subparagraphs of this paragraph)*
- (a) Change of Control Redemption Amount: [] per Calculation Amount
24. Investor Put: [Applicable/Not Applicable]
- (If not applicable, delete the remaining subparagraphs of this paragraph)*
- (a) Optional Redemption Date(s): []
- (b) Optional Redemption Amount: [] per Calculation Amount
- (c) Notice periods: Minimum period: [30] days
Maximum period: [60] days
- (N.B. When setting notice periods, 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 Principal Paying or Trustee.)*

25. Final Redemption Amount: [] per Calculation Amount
26. Early Redemption Amount payable on redemption for taxation reasons, upon the occurrence of a Capital Disqualification Event or on event of default: [] per Calculation Amount
(N.B. If the Final Redemption Amount is 100 per cent. of the nominal value (i.e. par), the Early Redemption Amount is likely to be par (but consider). If, however, the Final Redemption Amount is other than 100 per cent. of the nominal value, consideration should be given as to what the Early Redemption Amount should be.)

GENERAL PROVISIONS APPLICABLE TO THE NOTES

27. Form of Notes: [Regulation S Global Note(s) [(U.S.\$[] aggregate nominal amount)] registered in the name of a nominee for [DTC/a common depository for Euroclear and Clearstream, Luxembourg]]
 [Rule 144A Global Note(s) [(U.S.\$[] aggregate nominal amount)] registered in the name of a nominee for [DTC/a common depository for Euroclear and Clearstream, Luxembourg]]
28. Additional Financial Centre(s): [Not Applicable/give details]
(Note that this paragraph relates to the date of payment and not the end dates of Interest Periods for the purposes of calculating the amount of interest, to which sub-paragraph 16(c) relates)

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in this Pricing Supplement. *[[Relevant third party information]* has been extracted from *[specify source]*. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by *[specify source]*, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Signed on behalf of The Mauritius Commercial Bank Limited:

By:

Duly authorised

By:

Duly authorised

PART B – OTHER INFORMATION

1. LISTING

Listing: [Application [has been made/is expected to be made] by the Issuer (or on its behalf) for the Notes to be admitted to trading on London Stock Exchange plc's International Securities Market with effect from [].]

(Where documenting a fungible issue need to indicate that original Notes are already admitted to trading.)

2. RATINGS

Ratings: [Not Applicable / [The Notes to be issued [[have been]/[are expected to be]] rated]:

[insert details] by [insert the legal name of the relevant credit rating agency(ies)].

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

Save for the fees [of *[insert relevant fee disclosure]*] payable to the Dealers, so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and [its/their] affiliates in the ordinary course of business - *Amend as appropriate if there are other interests*

4. REASONS FOR THE OFFER and ESTIMATED NET PROCEEDS

Reasons for the offer: [See ["Use of Proceeds"] in the Offering Circular/*Give details*]

(See ["Use of Proceeds"] wording in Offering Circular – if reasons for offer different from what is disclosed in the Offering Circular, give details)

5. YIELD

(Fixed Rate Notes and Fixed Reset Notes only)

Indication of yield: []

The yield [is calculated at the Issue Date on the basis of the Issue Price. It] is not an indication of future yield.

6. OPERATIONAL INFORMATION

(i) ISIN: []

(ii) Common Code: []

(iii) CUSIP: []

(iv) CINS: []

(v) CFI: [[See/[[*include code*], as updated, as set out on] the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from

- the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]
- (vi) FISN [[See/[*include code*], as updated, as set out on] the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]
- (vii) Any clearing system(s) other than DTC, Euroclear and Clearstream, Luxembourg and the relevant identification number(s): [Not Applicable/*give name(s) and number(s)*]
- (viii) Delivery: Delivery [against/free of] payment
- (ix) Names and addresses of additional Paying Agent(s) (if any): []

7. DISTRIBUTION

- (i) Method of distribution: [Syndicated/Non-syndicated]
- (ii) If syndicated, names of Managers: [Not Applicable/*give names*]
- (iii) Stabilisation Manager(s) (if any): [Not Applicable/*give name*]
- (iv) If non-syndicated, name of relevant Dealer: [Not Applicable/*give name*]
- (v) Additional selling restrictions: [Not Applicable/*give details*]
- (vi) U.S. Selling Restrictions: Reg. S Compliance Category 2]; [Rule 144A]
- (vii) Prohibition of Sales to EEA Retail Investors: [Applicable/Not Applicable]
- (If the Notes clearly do not constitute "packaged" products or the Notes do constitute "packaged" products and a key information document will be prepared in the EEA, "Not Applicable" should be specified. If the Notes may constitute "packaged" products and no key information document will be prepared, "Applicable" should be specified.)*
- (viii) Prohibition of Sales to UK Retail Investors: [Applicable/Not Applicable]
- (If the Notes clearly do not constitute "packaged" products or the Notes do constitute "packaged" products and a key information document will be prepared in the UK, "Not Applicable" should be specified. If the Notes may constitute "packaged" products and no key information document will be prepared, "Applicable" should be specified.)*

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 (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global Note and definitive Note. Reference should be made to "Applicable Pricing Supplement" for a description of the content of Pricing Supplement 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 The Mauritius Commercial Bank Limited (the "**Issuer**") and is constituted by a trust deed (such trust deed as modified and/or supplemented and/or restated from time to time, the "**Trust Deed**") dated 27 October 2022 made between the Issuer and Citibank, N.A., London Branch (the "**Trustee**", which expression shall include any successor as Trustee).

References herein to the "**Notes**" shall be references to the Notes of this Series and shall mean:

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

The Notes 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 27 October 2022 and made between the Issuer, the Trustee, Citibank, N.A., London Branch as issuing and principal paying agent and agent bank (the "**Principal Paying Agent**", which expression shall include any successor principal paying agent) and the other paying agents named therein (together with the Principal Paying Agent, the "**Paying Agents**", which expression shall include any additional or successor paying agents), Citibank, N.A., London Branch as exchange agent (the "**Exchange Agent**", which expression shall include any successor exchange agent), Citibank Europe plc as registrar (the "**Registrar**", which expression shall include any successor registrar) and a transfer agent and the other transfer agents named therein (together with the Registrar, the "**Transfer Agents**", which expression shall include any additional or successor transfer agents). The Principal Paying Agent, the Calculation Agent (if any is specified in the applicable Pricing Supplement), the Registrar, the Paying Agents, the Exchange Agent and other Transfer Agents together referred to as the "**Agents**".

The final terms for this Note (or the relevant provisions thereof) are set out in Part A of the Pricing Supplement attached to or endorsed on this Note which supplement these Terms and Conditions (the "**Conditions**"). References to the "**applicable Pricing Supplement**" are, unless otherwise stated, to Part A of the Pricing Supplement (or the relevant provisions thereof) attached to or endorsed on this Note.

The Trustee acts for the benefit of the Noteholders (which expression shall mean the persons in whose name the Notes are registered and shall, in relation to any Notes represented by a Global Note, be construed as provided below), in accordance with the provisions of the Trust Deed.

As used herein, "**Tranche**" means Notes which are identical in all respects (including as to listing and admission to trading) and "**Series**" means a Tranche of Notes together with any further Tranche or Tranches of Notes which (a) are expressed to be consolidated and form a single series and (b) have the same terms and conditions or terms and conditions which are the same in all respects save for the amount and date of the first payment of interest thereon and the date from which interest starts to accrue.

Copies of the Trust Deed and the Agency Agreement (i) are available for inspection or collection during normal business hours at the specified office of each of the Paying Agents or (ii) may be provided by email to a Noteholder following their prior written request to the Trustee or any Paying Agents and provision of proof of holding and identity (in a form satisfactory to the Trustee or the relevant Paying Agent, as the case may be). If the Notes are to be admitted to trading on the London Stock Exchange's International Securities Market, the applicable Pricing Supplement will be published on the website of the London Stock Exchange through a regulatory information service. The Noteholders are deemed to have notice of, and are entitled to

the benefit of, all the provisions of the Trust Deed, the Agency Agreement and the applicable Pricing Supplement which are applicable to them. The statements in the 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, the Agency Agreement or used in the applicable Pricing Supplement shall have the same meanings where used in the 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.

In the Conditions, "**euro**" means the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended.

1. **FORM, DENOMINATION AND TITLE**

The Notes are in registered form and, in the case of Definitive Notes, serially numbered, in the currency (the "**Specified Currency**") and the denominations (the "**Specified Denomination(s)**") specified in the applicable Pricing Supplement. Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination.

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

Subject as set out below, title to the Notes will pass upon registration of transfers in accordance with the provisions of the Agency Agreement. The Issuer, the Trustee and any Agent will (except as otherwise required by law) deem and treat the registered holder of any Note as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any Global Note, without prejudice to the provisions set out in the next succeeding paragraph.

For so long as any of the Notes is represented by a Global Note held on behalf of Euroclear Bank SA/NV ("**Euroclear**") and/or Clearstream Banking S.A. ("**Clearstream, Luxembourg**"), each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or of 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 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 registered holder of the relevant Global Note shall be treated by the Issuer, the Trustee and any Agent as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Note and the expressions "**Noteholder**" and "**holder of Notes**" and related expressions shall be construed accordingly.

For so long as the Depository Trust Company ("**DTC**") or its nominee is the registered owner or holder of a Global Note, DTC or such nominee, as the case may be, will be considered the sole owner or holder of the Notes represented by such Global Note for all purposes under the Trust Deed and the Agency Agreement and those Notes except to the extent that in accordance with DTC's published rules and procedures any ownership rights may be exercised by its participants or beneficial owners through participants.

In determining whether a particular person is entitled to a particular nominal amount of Notes as aforesaid, the Trustee may 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 DTC, Euroclear and Clearstream, Luxembourg, as the

case may be. References to DTC, 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 Part B of the applicable Pricing Supplement.

2. TRANSFERS OF NOTES

2.1 Transfers of interests in Global Notes

Transfers of beneficial interests in Global Notes will be effected by DTC, Euroclear or Clearstream, Luxembourg, as the case may be, and, in turn, by other participants and, if appropriate, indirect participants in such clearing systems acting on behalf of transferors and transferees of such interests. A beneficial interest in a Global Note will, subject to compliance with all applicable legal and regulatory restrictions, be transferable for Notes in definitive form or for a beneficial interest in another Global Note of the same series only in the authorised denominations set out in the applicable Pricing Supplement and only in accordance with the rules and operating procedures for the time being of DTC, Euroclear or Clearstream, Luxembourg, as the case may be, and in accordance with the terms and conditions specified in the Trust Deed and the Agency Agreement. Transfers of a Global Note registered in the name of a nominee for DTC shall be limited to transfers of such Global Note, in whole but not in part, to another nominee of DTC or to a successor of DTC or such successor's nominee.

2.2 Transfers of Definitive Notes

Subject as provided in paragraphs 2.3 and 2.6 below, upon the terms and subject to the conditions set forth in the Trust Deed and the Agency Agreement, a Definitive Note may be transferred in whole or in part (in the authorised denominations set out in the applicable Pricing Supplement). In order to effect any such transfer (a) the holder or holders must (i) surrender the Definitive Note for registration of the transfer of the Note (or the relevant part of the Note) at the specified office of any Transfer Agent, with the form of transfer thereon duly executed by the holder or holders thereof or their attorney or attorneys duly authorised in writing and (ii) complete and deposit such other certifications as may be required by the relevant Transfer Agent and (b) the relevant Transfer Agent must, after due and careful enquiry, be satisfied with the documents of title and the identity of the person making the request. Any such transfer will be subject to such reasonable regulations as the Issuer, the Trustee and the Registrar may from time to time prescribe (the initial such regulations being set out in Schedule 5 to the Agency Agreement). Subject as provided above, the relevant Transfer Agent will, within three business days (being for this purpose a day on which banks are open for business in the city where the specified office of the relevant Transfer Agent is located) of the request (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations), authenticate and deliver, or procure the authentication and delivery of, at its specified office to the transferee or (at the risk of the transferee) send by uninsured mail, to such address as the transferee may request, a new Definitive Note of a like aggregate nominal amount to the Note (or the relevant part of the Note) transferred. In the case of the transfer of part only of a Definitive Note, a new Definitive Note in respect of the balance of the Note not transferred will be so authenticated and delivered or (at the risk of the transferor) sent to the transferor.

2.3 Registration of transfer upon partial redemption

In the event of a partial redemption of Notes under Condition 7 (*Redemption and Purchase*), the Issuer shall not be required to register the transfer of any Note, or part of a Note, called for partial redemption.

2.4 Costs of registration

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

2.5 Transfers of interests in Regulation S Global Notes

Prior to expiry of the applicable Distribution Compliance Period, transfers by the holder of, or of a beneficial interest in, a Regulation S Global Note to a transferee in the United States or who is a U.S. person will only be made:

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

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

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

2.6 Transfers of interests in Legended Notes

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

- (a) to a transferee who takes delivery of such interest through a Regulation S Global Note, upon receipt by the Registrar of a duly completed Transfer Certificate from the transferor to the effect that such transfer is being made in accordance with Regulation S and that in the case of a Regulation S Global Note registered in the name of a nominee for DTC, if such transfer is being made prior to expiry of the applicable Distribution Compliance Period, the interests in the Notes being transferred will be held immediately thereafter through Euroclear and/or Clearstream, Luxembourg; or
- (b) to a transferee who takes delivery of such interest through a Legended Note where the transferee is a person whom the transferor reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A, without certification; or
- (c) otherwise pursuant to the Securities Act or an exemption therefrom, subject to receipt by the Issuer of such satisfactory evidence (at the cost and expense of the holder) as the Issuer may reasonably require, which may include an opinion of U.S. counsel, that such transfer is in compliance with any applicable securities laws of any State of the United States,

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

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

2.7 Definitions

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

"**Distribution Compliance Period**" means the period that ends 40 days after the completion of the distribution of each Tranche of Notes;

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

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

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

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

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

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

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

3. STATUS

The Notes are direct, unconditional, unsubordinated and (subject to the provisions of Condition 4 (*Negative Pledge*)) 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.

4. NEGATIVE PLEDGE

4.1 Negative Pledge

So long as any of the Notes remains outstanding, the Issuer will not, and the Issuer will procure that none of its Subsidiaries (as defined below) will, create or have outstanding any mortgage, charge, lien, pledge or other security interest (each a "**Security Interest**") upon, or with respect to, any of their present or future business, undertaking, assets or revenues (including any uncalled capital) of the Issuer and/or any of its Subsidiaries to secure any Relevant Indebtedness (as defined below), unless the Issuer, in the case of the creation of a Security Interest, before or at the same time and, in any other case, promptly, takes any and all action necessary to ensure that:

- (i) all amounts payable by it under the Notes and the Trust Deed 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 (A) as the Trustee in its absolute discretion deems not materially less beneficial to the interests of the holders of the Notes or (B) as is approved by an Extraordinary Resolution (as defined in the Trust Deed) of the holders of the Notes.

4.2 Interpretation

For the purposes of these Conditions:

- (a) "**Relevant Indebtedness**" means (i) any present or future indebtedness (whether being principal, premium, interest or other amounts) for or in respect of any notes, bonds, debentures, debenture stock, loan stock or other securities which are for the time being or are intended to be 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; and

- (b) "**Subsidiary**" means in relation to any person (the first person) at any particular time, any other person (the second person):
- (i) whose affairs and policies the first person controls or has power to control, whether by ownership or share capital, contract, the power to appoint or remove members of the governing body of the second person or otherwise; or
 - (ii) whose financial statements are, in accordance with applicable law and generally accepted accounting principles, consolidated with those of the first person.

5. **INTEREST**

5.1 **Interest on Fixed Rate Notes**

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

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

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

Except in the case of Notes in definitive form where an applicable Fixed Coupon Amount or Broken Amount is specified in the applicable Pricing Supplement, interest shall be calculated in respect of any period by applying the Rate of Interest to the aggregate outstanding nominal amount of (a) the Notes represented by any Global Note or (b) any Definitive Notes (or, in each case, if they are Partly Paid Notes, the aggregate amount paid up) and multiplying such sum by the applicable Day Count Fraction.

The resultant figure (including after application of any Fixed Coupon Amount or Broken Amount, as applicable, to the aggregate outstanding nominal amount of Fixed Rates Notes which are Definitive Notes) shall be rounded 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 (*Interest on Fixed Rate Notes*):

- (i) if "Actual/Actual (ICMA)" is specified in the applicable Pricing Supplement:
 - (A) 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 (1) the number of days in such Determination Period and (2) the number of Determination Dates (as specified in the applicable Pricing Supplement) that would occur in one calendar year; or

- (B) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:
- (1) 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
 - (2) 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; and
- (ii) if "30/360" is specified in the applicable Pricing Supplement, the number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360.

In these Conditions:

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

"Partly Paid Note" means a Note in relation to which the initial subscription moneys are payable to the Issuer in two or more instalments; 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 Fixed Reset Notes

Each Fixed Reset Note bears interest from (and including):

- (i) from (and including) the Interest Commencement Date to (but excluding) the Reset Date at the rate per annum equal to the Initial Interest Rate; and
- (ii) from (and including) the Reset Date to (but excluding) either (a) the Maturity Date or (b) if applicable, the first Subsequent Reset Date and each successive period from (and including) any Subsequent Reset Date to (but excluding) the next succeeding Subsequent Reset Date (if any) (each period in (a) and (b) being a **"Reset Period"**), in each case at the rate per annum equal to the relevant Reset Rate,

(in each case rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) (each a **"Rate of Interest"**) payable, in each case, in arrear on the Interest Payment Date(s) in each year up to and including the Maturity Date or, if none, the redemption, or purchase and cancellation, of the Notes.

The provisions of this Condition 5.2 (*Interest on Fixed Reset Notes*) shall apply, as applicable, in respect of any determination by the Principal Paying Agent or the Calculation Agent, as applicable, of the Rate of Interest for a Reset Period in accordance with this Condition 5.2 (*Interest on Fixed Reset Notes*) as if the Fixed Reset Notes were Floating Rate Notes. The Rate of Interest for each Reset Period shall otherwise be determined by the Principal Paying Agent or the Calculation Agent, as applicable, on the relevant Reset Determination Date in accordance with the provisions of this Condition 5.2 (*Interest on Fixed Reset Notes*). Once the Rate of Interest is determined for a Reset Period, the provisions of Condition 5.2 (*Interest on Fixed Reset Notes*) shall apply to Fixed Reset Notes, as applicable, as if the Fixed Reset Notes were Fixed Rate Notes.

In these Conditions, with respect to any Fixed Reset Notes:

"Reset Determination Date" means the third Business Day immediately preceding the relevant Reset Date or relevant Subsequent Reset Date, as the case may be; and

"Reset Rate" means the sum of the Reset Margin and the Reset Reference Rate for the relevant Reset Period (which rate if not calculated on the basis of a Reset Reference Rate with the same frequency of payments, shall be converted in accordance with market convention to a rate with the frequency with which scheduled interest payments are payable on the Fixed Reset Notes or, if market convention is for the Reset Reference Rate first to be so converted, the Reset Reference Rate for the purposes of determining the Reset Rate shall be the Reset Reference Rate as so converted without any further such conversion).

If the Reset Reference Rate specified in the applicable Pricing Supplement is the Mid-Swap Rate, unless otherwise specified in the applicable Pricing Supplement:

"Determination Agent" means an independent financial institution of international repute or other independent financial adviser experienced in the international capital markets, in each case appointed by the Issuer at its own expense;

"Mid-Swap Rate" means, in relation to each Reset Determination Date, in the case of semi-annual or annual Interest Payment Dates, the semi-annual or annual swap rate, respectively for swap transactions in the Specified Currency maturing on the last day of such Reset Period, expressed as a percentage, which appears on the Relevant Screen Page as of approximately 11.00 a.m. in the principal financial centre of the Specified Currency on such Reset Determination Date. If such rate does not appear on the Relevant Screen Page, the Mid-Swap Rate for the Reset Date or relevant Subsequent Reset Date, as the case may be, will be the Reset Reference Bank Rate for the Reset Period;

"Reference Banks" means five leading swap dealers in the interbank market for swap transactions in the Specified Currency with an equivalent maturity to the Reset Period as selected by the Issuer;

"Relevant Screen Page" means the display page on the relevant service as specified in the applicable Pricing Supplement or such other page as may replace it on that information service, or on such other equivalent information service as determined by the Principal Paying Agent or the Calculation Agent, as applicable, for the purpose of displaying equivalent or comparable rates to the relevant swap rates for swap transactions in the Specified Currency with an equivalent maturity to the Reset Period;

"Representative Amount" means an amount that is representative for a single transaction in the relevant market at the relevant time;

"Reset Period Mid-Swap Rate Quotations" means the bid and offered rates for the semi-annual or annual, as applicable, fixed leg (calculated on the day count basis customary for fixed rate payments in the Specified Currency), of a fixed-for-floating interest rate swap transaction in the Specified Currency with a term equal to the Reset Period commencing on the Reset Date or relevant Subsequent Reset Date, as the case may be, and in a Representative Amount with an acknowledged dealer of good credit in the swap market, where the floating leg (in each case calculated on the day count basis customary for floating rate payments in the Specified Currency), is equivalent to the Rate of Interest that would apply in respect of the Notes if (a) Screen Rate Determination was specified in the applicable Pricing Supplement as the manner in which the Rate of Interest is to be determined, (b) the Reference Rate was the Floating Leg Reference Rate and (c) the Relevant Screen Page was the Floating Leg Screen Page; and

"Reset Reference Bank Rate" means, in relation to each Reset Determination Date, the percentage determined on the basis of the arithmetic mean of the Reset Period Mid-Swap Rate Quotations provided by the Reference Banks at approximately 11.00 a.m. in the principal financial centre of the Specified Currency on the Reset Determination Date. The Determination Agent will request the principal office of each of the Reference Banks to provide a quotation of its rate. If at least three quotations are provided, the rate for the Reset Date or relevant Subsequent Reset Date, as the case may be, will be the arithmetic mean of the quotations, eliminating the highest quotation (or,

in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest). If only two quotations are provided, it will be the arithmetic mean of the quotations provided. If only one quotation is provided, it will be the quotation provided. If no quotations are provided, the Mid-Swap Rate will be the Mid-Swap Rate for the immediately preceding Reset Period or, if none, the Initial Mid-Swap Rate.

If the Reset Reference Rate specified in the applicable Pricing Supplement is the Reset Reference Bond Rate, unless otherwise specified in the applicable Pricing Supplement:

"Reset Determination Time" means, in relation to a Reset Determination Date, 11.00 a.m. in the principal financial centre of the Specified Currency (which, if the Specified Currency is euro, shall be Frankfurt, Germany) on such Reset Determination Date;

"Reset Reference Bond" means, in relation to any Reset Period, a government security or securities issued by the government of the state responsible for issuing the Specified Currency (which, if the Specified Currency is euro, shall be Germany) (a **"Relevant Government Bond"**) selected by the Issuer as having the nearest actual or interpolated maturity comparable with such Reset Period and that (in the opinion of the Issuer) would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issuances of corporate debt securities denominated in the Specified Currency and of a comparable maturity to such Reset Period;

"Reset Reference Bond Yield" means, in respect of any Reset Determination Date, the arithmetic average of the Reset Reference Government Bond Dealer Quotations for such Reset Determination Date, as determined by the Principal Paying Agent or the Calculation Agent, as applicable, after excluding the highest and lowest such Reset Reference Government Bond Dealer Quotations; **provided, however, that** (A) if fewer than five but more than one Reset Reference Government Bond Dealer Quotations are received, the Reset Reference Bond Yield shall be equal to the arithmetic average of all such quotations, or (B) if only one Reset Reference Government Bond Dealer Quotation is received, the Reset Reference Bond Yield shall be equal to such quotation, or (C) if no Reset Reference Government Bond Dealer Quotations are received, the Reset Reference Bond Yield will be the Reset Reference Bond Rate for the immediately preceding Reset Period or, if none, the Initial Reference Rate;

"Reset Reference Bond Rate" means, in relation to any Reset Period, the rate per annum equal to the annual yield to maturity or interpolated yield to maturity (on the relevant day count basis) of the Reset Reference Bond, expressed as a percentage which equals the Reset Reference Bond Yield for the relevant Reset Determination Date;

"Reset Reference Government Bond Dealers" means five banks or other financial institutions that are (A) primary dealers in Relevant Government Bonds, or (B) market makers in pricing corporate bond issues denominated in the Specified Currency, in each case as selected by the Issuer and notified in writing to the Principal Paying Agent or the Calculation Agent, as applicable; and

"Reset Reference Government Bond Dealer Quotations" means, with respect to each Reset Reference Government Bond Dealer and any Reset Determination Date, the bid and offered yields to maturity or interpolated yields to maturity (on the relevant day count basis) for the Reset Reference Bond (expressed as a percentage) as at or around the Reset Determination Time on such Reset Determination Date, and, if relevant, on a dealing basis for settlement that is customarily used for such Reset Reference Bond at such time, quoted in writing to the Issuer by such Reset Reference Government Bond Dealer.

If the Reset Reference Rate specified in the applicable Pricing Supplement is the CMT Rate, unless otherwise specified in the applicable Pricing Supplement:

"Business Day" means a U.S. Government Securities Business Day (as defined in Condition 5.3(b)(iii)(A));

"CMT Rate" means in relation to any Reset Determination Date:

- (i) the Original Reset Reference Rate Payment Basis yield for U.S. Treasury Securities at "constant maturity" for a period of maturity which is equal or comparable to the duration

of the relevant Reset Period, as published in H.15 under the caption "Treasury constant maturities (nominal)", as that yield is displayed on such Reset Determination Date, on the Relevant Screen Page;

- (ii) if the yield referred to in paragraph (i) above is not published on the Relevant Screen Page on such Reset Determination Date, the Original Reset Reference Rate Payment Basis yield for U.S. Treasury Securities at "constant maturity" having a period to maturity which is equal or comparable to the duration of the relevant Reset Period as published in H.15 under the caption "Treasury constant maturities (nominal)" on such Reset Determination Date; or
- (iii) if neither the yield referred to in paragraph (i) above nor the yield referred to in paragraph (ii) above is published on such Reset Determination Date, the Reset Reference Bank Rate on such Reset Determination Date,

in each case, all as determined by the Principal Paying Agent or the Calculation Agent, as applicable;

"**H.15**" means the daily statistical release designated as H.15, or any successor publication, published by the Board of Governors of the Federal Reserve System at <http://www.federalreserve.gov/releases/H15> or any successor site or publication;

"**Original Reset Reference Rate Payment Basis**" has the meaning specified in the applicable Pricing Supplement;

"**Reference Bond Quotation**" means, with respect to each Reset Reference Bank and any Reset Determination Date, the rate of the Original Reset Reference Rate Payment Basis yield-to-maturity based on the secondary market bid price of the relevant Reset U.S. Treasury Security as determined by the Reset Reference Bank at approximately the Reset Determination Time on the Business Day following such Reset Determination Date;

"**Reset Reference Bank Rate**" means, with respect to any Reset Period and any Reset Determination Date, the rate (expressed as a percentage rate per annum and rounded, if necessary, to the fifth decimal place, with 0.000005 being rounded upwards) determined on the basis of the Reference Bond Quotations provided by the Reset Reference Banks to the Principal Paying Agent or the Calculation Agent, as applicable, at approximately the Reset Determination Time on the Business Day following such Reset Determination Date.

If at least three such Reference Bond Quotations are provided, the Reset Reference Bank Rate will be the arithmetic mean (rounded as aforesaid) of the Reference Bond Quotations provided, eliminating the highest quotation (or in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest). If only two Reference Bond Quotations are provided, the Reset Reference Bank Rate will be the arithmetic mean (rounded as aforesaid) of the Reference Bond Quotations provided. If fewer than two Reference Bond Quotations are provided, the Reset Reference Bank Rate for the relevant Reset Period will be the last observable Original Reset Reference Rate Payment Basis yield for U.S. Treasury Securities at "constant maturity" for a period of maturity which is equal or comparable to the duration of the relevant Reset Period, as published in H.15 under the caption "Treasury constant maturities (nominal)", as that yield is displayed on the Relevant Screen Page;

"**Reset Reference Banks**" means the principal office in the principal financial centre of the Specified Currency of five major banks which are primary U.S. Treasury Securities dealers or market makers in pricing corporate bond issues determined in U.S. dollars, as published on the Federal Reserve Bank of New York's website at <http://www.newyorkfed.org>, or any successor source; and

"**U.S. Treasury Securities**" means securities that are direct obligations of the United States Treasury, issued other than on a discount basis.

5.3 Interest on Floating Rate Notes

(a) Interest Payment Dates

Each Floating Rate Note bears interest from (and including) the Interest Commencement Date and such interest will be payable in arrear on either:

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

Such interest will be payable in respect of each Interest Period. In these Conditions, "**Interest Period**" means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date or the relevant payment date if the Notes become payable on a date other than an Interest Payment Date.

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

- (A) in any case where Specified Periods are specified in accordance with Condition 5.3(a)(ii) (*Interest - Interest on Floating Rate Notes – Interest Payment Dates – (ii)*) above, the Floating Rate Convention, such Interest Payment Date (a) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (ii) below shall apply *mutatis mutandis* or (b) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (i) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (ii) each subsequent Interest Payment Date shall be the last Business Day in the month which falls in the Specified Period after the preceding applicable Interest Payment Date occurred; or
- (B) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or
- (C) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or
- (D) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In these Conditions, "**Business Day**" means:

- (a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in each Additional Business Centre (other than TARGET2 System) specified in the applicable Pricing Supplement;
- (b) if TARGET2 System is specified as an Additional Business Centre in the applicable Pricing Supplement, a day on which the Trans-European Automated

Real-Time Gross Settlement Express Transfer (TARGET2) System (the "**TARGET2 System**") is open; and

- (c) either (1) 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 or (2) in relation to any sum payable in euro, a day on which the TARGET2 System is open.

(b) **Rate of Interest**

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

(i) ***ISDA Determination for Floating Rate Notes***

Where ISDA Determination is specified in the applicable Pricing Supplement as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any). For the purposes of this subparagraph (i), "**ISDA Rate**" for an Interest Period means a rate equal to the Floating Rate that would be determined by the Principal Paying Agent or the Calculation Agent, as applicable, under an interest rate swap transaction if the Principal Paying Agent or the Calculation Agent, as applicable, were acting as Calculation Agent (as defined in the ISDA Definitions (as defined below)) for that swap transaction under the terms of an agreement incorporating (i) if "2006 ISDA Definitions" is specified in the applicable Pricing Supplement, the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. ("**ISDA**") and as amended and updated as at the Issue Date of the first Tranche of the Notes; or (ii) if "2021 ISDA Definitions" is specified in the applicable Pricing Supplement, the latest version of the 2021 ISDA Interest Rate Derivatives Definitions as published by ISDA as at the Issue Date of the first Tranche of the Notes; (together, the "**ISDA Definitions**") and under which:

- (A) the Floating Rate Option is as specified in the applicable Pricing Supplement;
- (B) the Designated Maturity, if applicable, is a period specified in the applicable Pricing Supplement;
- (C) the relevant Reset Date is the day specified in the applicable Pricing Supplement;
- (D) if the Floating Rate Option is an Overnight Floating Rate Option, the Overnight Rate Compounding Method is one of the following as specified in the applicable Pricing Supplement:
 - (a) Compounding with Lookback;
 - (b) Compounding with Observation Period Shift; or
 - (c) Compounding with Lockout; and
- (E) if the Floating Rate Option is a Compounded Index Floating Rate Option, the Index Method is Compounded Index Method with Observation Period Shift as specified in the applicable Pricing Supplement.

In connection with the Overnight Rate Compounding Method, references in the ISDA Definitions to numbers or other items specified in the relevant confirmation shall be deemed to be references to the numbers or other items specified for such purpose in the applicable Pricing Supplement.

For the purposes of this subparagraph (i), **Floating Rate, Floating Rate Option, Designated Maturity, Reset Date, Overnight Floating Rate Option, Overnight Rate Compounding Method, Compounding with Lookback, Compounding with Observation Period Shift, Compounding with Lockout, Averaging with Lookback, Averaging with Observation Period Shift, Averaging with Lockout, Compounded Index Floating Rate Option, Index Method and Compounded Index Method with Observation Period Shift** 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.

Notwithstanding anything in the ISDA Definitions to the contrary, the Paying Agents will have no obligation to exercise any discretion (including in determining EURIBOR or the fallback rate), and to the extent the ISDA Definitions requires the Paying Agents to exercise any such discretion, the Issuer, will provide written direction to the Paying Agents specifying how such discretion should be exercised, and the Paying Agents will be entitled to conclusively rely on that direction and will be fully protected if it acts in accordance therewith.

(ii) ***Screen Rate Determination for Floating Rate Notes - Term Rate***

This Condition 5.3(b)(ii) applies where the applicable Pricing Supplement specifies both "*Screen Rate Determination*" and "*Term Rate*" to be "Applicable"

(A) The Rate of Interest for each Interest Period will, subject to Condition 5.4 (*Benchmark Discontinuation*), be either:

- (I) the offered quotation (if there is only one quotation on the Relevant Screen Page); or
- (II) 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 (or such replacement page on that service which displays the information) at the Specified Time in the Relevant Financial Centre on the Interest Determination Date in question plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any), all as determined by the Principal Paying Agent or the Calculation Agent, as applicable. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Principal Paying Agent or the Calculation Agent, as applicable, for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

(B) If the Relevant Screen Page is not available or if sub-paragraph (A)(I) above applies and no such offered quotation appears on the Relevant Screen Page or if sub-paragraph (A)(II) above applies and fewer than three such offered quotations appear on the Relevant Screen Page, in each case as at the time specified above, the Determination Agent shall, if applicable, request each of the Reference Banks to provide the Principal Paying Agent or the Calculation Agent, as applicable with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate as at approximately 11.00 a.m. (Brussels time, if the Reference Rate is EURIBOR) or (if otherwise specified) the Specified

Time in the Relevant Financial Centre (each as indicated in the applicable Pricing Supplement) on the Interest Determination Date in question. If two or more of the Reference Banks provide the Principal Paying Agent or the Calculation Agent, as applicable, with such offered quotations, the Rate of Interest for such Interest Period shall be the arithmetic mean (rounded as provided above) of such offered quotations (excluding, if four or more of the Reference Banks provide the Principal Paying Agent or the Calculation Agent, as applicable, with such quotations and the offered quotations of all such Reference Banks are not the same, the highest and lowest quotations and, if the highest quotation and/or the lowest quotation applies in respect of more than one such Reference Bank, excluding such highest and/or lowest quotation in respect of one such Reference Bank) plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any), all as determined by the Principal Paying Agent or the Calculation Agent, as applicable.

- (C) If on any Interest Determination Date only one or none of the Reference Banks provides the Principal Paying Agent or the Calculation Agent, as applicable, with such an offered quotation as provided in the preceding paragraph, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Calculation Agent determines as being either:
- (I) the arithmetic mean (rounded as provided above) of the rates, as communicated to the Principal Paying Agent or the Calculation Agent, as applicable at the request of the Determination Agent by the Reference Banks or any two or more of them, which such banks were offered, at approximately 11.00 a.m. (Brussels time, if the Reference Rate is EURIBOR) or (if otherwise specified) the Specified Time in the Relevant Financial Centre (each as indicated in the applicable Pricing Supplement) on the relevant Interest Determination Date (or if such date is not a Business Day, on the immediately preceding Business Day), deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in the Euro-zone inter-bank market (if the Reference Rate is EURIBOR) or otherwise the inter-bank market of the Relevant Financial Centre for the relevant Reference Rate, in each case plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any); or
 - (II) in the event that the Principal Paying Agent or the Calculation Agent, as applicable, can determine no such arithmetic mean, the lowest lending rate for lending amounts in the Specified Currency for a period equal to that which would have been used for the Reference Rate at which at approximately 11.00 a.m. (Brussels time, if the Reference Rate is EURIBOR) or (if otherwise specified) the Specified Time in the Relevant Financial Centre (each as indicated in the applicable Pricing Supplement) on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Issuer suitable for such purpose) informs the Principal Paying Agent or the Calculation Agent, as applicable, it is quoting to leading banks in the Euro-zone inter-bank market (if the Reference Rate is EURIBOR) or otherwise the inter-bank market of the Relevant Financial Centre, in each case plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any),

provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions, the Rate of Interest shall be:

- (I) that determined as at the last preceding Interest Determination Date on which the Rate of Interest was so determined (though substituting, where a different Margin, Maximum Rate of Interest and/or Minimum Rate of Interest is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin, Maximum Rate of Interest and/or Minimum Rate of Interest (as the case may be) relating to the relevant Interest Period in place of the Margin, Maximum Rate of Interest and/or Minimum Rate of Interest (as applicable) relating to that last preceding Interest Period) or;
- (II) if there is no such preceding Interest Determination Date, the initial Rate of Interest (but substituting, where a different Margin, Maximum Rate of Interest and/or Minimum Rate of Interest is/are to be applied to the relevant Interest Period from that which applied to the initial Interest Period, the Margin, Maximum Rate of Interest and/or Minimum Rate of Interest (as the case may be) relating to the relevant Interest Period in place of the Margin, Maximum Rate of Interest and/or Minimum Rate of Interest (as applicable) relating to that initial Interest Period) or, in the case of Notes with an Interest Basis that converts from a Fixed Rate to a Floating Rate, the Fixed Rate of Interest applicable to such Notes immediately prior to conversion of the Interest Basis.

"Reference Banks" means, in the context of Condition 5.3(b)(ii)(C)(I), those banks whose offered rates were used to determine the offered quotation referred to in such Condition when such offered quotation last appeared on the Relevant Screen Page and, in the context of Condition 5.3(b)(ii)(C)(II), those banks whose offered quotations last appeared on the Relevant Screen Page when no fewer than three such offered quotations appeared.

(iii) ***Screen Rate Determination for Floating Rate Notes – Overnight Rate - SOFR - Non-Index Determination***

This Condition 5.3(b)(iii) applies where the applicable Pricing Supplement specifies: (1) "Screen Rate Determination" and "Overnight Rate" to be "Applicable"; (2) "Compounded Daily SOFR" as the Reference Rate; and (3) "Index Determination" to be "Not Applicable".

(A) ***Compounded Daily SOFR***

Where this paragraph (A) applies, the Rate of Interest for an Interest Accrual Period will, subject to Condition 5.4 (*Benchmark Discontinuation*) and as provided below, be Compounded Daily SOFR with respect to such Interest Accrual Period plus or minus (as indicated in the applicable Pricing Supplement) the applicable Margin (if any), all as determined by the Principal Paying Agent or the Calculation Agent, as applicable.

"Compounded Daily SOFR" means, with respect to an Interest Accrual Period, the rate of return of a daily compound interest investment (with the daily U.S. dollars secured overnight financing rate as reference rate for the calculation of interest) as calculated by the Principal Paying Agent or the Calculation Agent, as applicable, as at the relevant Interest Determination Date in accordance with the following formula (and the resulting percentage will be rounded if necessary to the nearest fifth decimal place, with 0.000005 being rounded upwards):

$$\left[\prod_{i=1}^{d_o} \left(1 + \frac{SOFR_i \times n_i}{D} \right) - 1 \right] \times \frac{D}{d}$$

where:

d is the number of calendar days in the relevant Observation Period;

D is the number specified as such in the applicable Pricing Supplement (or, if no such number is specified, 360);

d_o means the number of U.S. Government Securities Business Days in the relevant Observation Period;

i is a series of whole numbers from one to "*d_o*", each representing the relevant U.S. Government Securities Business Day in chronological order from, and including, the first U.S. Government Securities Business Day in the relevant Observation Period;

"**New York Fed's Website**" means the website of the Federal Reserve Bank of New York (or a successor administrator of SOFR) or any successor source;

n_i for any U.S. Government Securities Business Day "*i*", means the number of calendar days from (and including) such U.S. Government Securities Business Day "*i*" up to (but excluding) the following U.S. Government Securities Business Day;

"**Observation Period**" means the period from (and including) the date falling "*p*" U.S. Government Securities Business Days prior to the first day of the relevant Interest Accrual Period to (but excluding) the date falling "*p*" U.S. Government Securities Business Days prior to (A) (in the case of an Interest Period) the Interest Payment Date for such Interest Period or (B) (in the case of any other Interest Accrual Period) the date on which the relevant payment of interest falls due;

p means the number of U.S. Government Securities Business Days specified as the "Observation Shift Period" in the applicable Pricing Supplement;

"**SOFR**" in respect of any U.S. Government Securities Business Day ("**USBDx**"), is a reference rate equal to the daily secured overnight financing rate as provided by the Federal Reserve Bank of New York, as the administrator of such rate (or any successor administrator of such rate) on the New York Fed's Website, in each case at or around 3.00 p.m. (New York City time) on the U.S. Government Securities Business Day immediately following such USBDx;

SOFR_i means the SOFR for the relevant U.S. Government Securities Business Day "*i*"; and

"**U.S. Government Securities Business Day**" means any day except for a Saturday, Sunday or a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities.

(B) *SOFR Unavailable*

Subject to Condition 5.4 (*Benchmark Discontinuation*), if, where any Rate of Interest is to be calculated pursuant to this Condition 5.3(b)(iii) (*Screen Rate Determination for Floating Rate Notes – Overnight Rate - SOFR - Non-Index Determination*), in respect of any U.S. Government Securities Business Day in respect of which an applicable SOFR is required to be determined, such SOFR is not available, such SOFR shall be the SOFR for the first preceding U.S. Government Securities Business Day in respect of which the SOFR was published on the New York Fed's Website.

In the event that the Rate of Interest cannot be determined in accordance with the foregoing provisions of this Condition 5.3(b)(iii) (*Screen Rate Determination for Floating Rate Notes – Overnight Rate - SOFR - Non-Index Determination*) but without prejudice to Condition 5.4 (*Benchmark Discontinuation*), the Rate of Interest shall be:

- (i) that determined as at the last preceding Interest Determination Date on which the Rate of Interest was so determined (though substituting, where a different Margin, Maximum Rate of Interest and/or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin, Maximum Rate of Interest and/or Minimum Rate of Interest (as the case may be) relating to the relevant Interest Accrual Period, in place of the Margin, Maximum Rate of Interest and/or Minimum Rate of Interest (as applicable) relating to that last preceding Interest Accrual Period); or
- (ii) if there is no such preceding Interest Determination Date, the initial Rate of Interest which would have been applicable to the Notes for the first scheduled Interest Period had the Notes been in issue for a period equal in duration to the first scheduled Interest Period but ending on (and excluding) the Interest Commencement Date (applying the Margin and, if applicable, any Maximum Rate of Interest and/or Minimum Rate of Interest, applicable to the first scheduled Interest Period),

in each case as determined by the Principal Paying Agent or the Calculation Agent, as applicable.

(iv) *Screen Rate Determination – Overnight Rate - SOFR - Index Determination*

This Condition 5.3(b)(iv) (*Screen Rate Determination – Overnight Rate - SOFR – Index Determination*) applies where the applicable Pricing Supplement specifies: (1) "Screen Rate Determination" and "Overnight Rate" to be "Applicable"; (2) "Compounded Daily SOFR" as the Reference Rate; and (3) "Index Determination" to be "Applicable".

- (A) The Rate of Interest for an Interest Accrual Period will, subject to Condition 5.4 (*Benchmark Discontinuation*) and as provided below, be the Compounded SOFR with respect to such Interest Accrual Period plus or minus (as indicated in the applicable Pricing Supplement) the applicable Margin (if any), all as determined by the Principal Paying Agent or the Calculation Agent, as applicable.

"**Compounded SOFR**" means, with respect to an Interest Accrual Period, the rate (expressed as a percentage and rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards)

determined by the Principal Paying Agent or the Calculation Agent, as applicable, in accordance with the following formula:

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

where:

d is the number of calendar days from (and including) the day in relation to which SOFR Index_{Start} is determined to (but excluding) the day in relation to which SOFR Index_{End} is determined;

"Relevant Number" is the number specified as such in the applicable Pricing Supplement (or, if no such number is specified, five);

"SOFR" means the daily secured overnight financing rate as provided by the SOFR Administrator on the SOFR Administrator's Website;

"SOFR Administrator" means the Federal Reserve Bank of New York (or a successor administrator of SOFR);

"SOFR Administrator's Website" means the website of the SOFR Administrator, or any successor source;

"SOFR Index", with respect to any U.S. Government Securities Business Day, means the SOFR index value as published by the SOFR Administrator as such index appears on the SOFR Administrator's Website at or around 3.00 p.m. (New York time) on such U.S. Government Securities Business Day (the **"SOFR Determination Time"**);

"SOFR Index_{Start}", with respect to an Interest Accrual Period, is the SOFR Index value for the day which is the Relevant Number of U.S. Government Securities Business Days preceding the first day of such Interest Accrual Period;

"SOFR Index_{End}", with respect to an Interest Accrual Period, is the SOFR Index value for the day which is the Relevant Number of U.S. Government Securities Business Days preceding (A) the Interest Payment Date for such Interest Accrual Period, or (B) such other date on which the relevant payment of interest falls due (but which by its definition or the operation of the relevant provisions is excluded from such Interest Accrual Period); and

"U.S. Government Securities Business Day" means any day except for a Saturday, Sunday or a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities.

If, as at any relevant SOFR Determination Time, the relevant SOFR Index is not published or displayed on the SOFR Administrator's Website by the SOFR Administrator, the Compounded SOFR for the applicable Interest Accrual Period for which the relevant SOFR Index is not available shall be "Compounded Daily SOFR" determined in accordance with Condition 5.3(b)(iii) (*Screen Rate Determination for Floating Rate Notes – Overnight Rate - SOFR - Non-Index Determination*) above as if "Index Determination" were specified in the applicable Pricing Supplement as being 'Not Applicable', and for these purposes the "Observation Shift Period" shall be deemed to be equal to the Relevant Number of U.S. Government Securities Business Days, as if such

alternative elections had been made in the applicable Pricing Supplement.

(v) **Screen Rate Determination – Overnight Rate - Compounded Daily €STR – Non-Index Determination**

This Condition 5.3(b)(v) (*Screen Rate Determination – Overnight Rate - Compounded Daily €STR – Non-Index Determination*) applies where the applicable Pricing Supplement specifies: (1) "Screen Rate Determination" and "Overnight Rate" to be "Applicable"; (2) "Compounded Daily €STR" as the Reference Rate; and (3) "Index Determination" to be "Not Applicable".

- (A) The Rate of Interest for an Interest Accrual Period will, subject to Condition 5.4 (*Benchmark Discontinuation*) and as provided below, be the Compounded €STR with respect to such Interest Accrual Period plus or minus (as indicated in the applicable Pricing Supplement) the applicable Margin (if any), all as determined by the Principal Paying Agent or the Calculation Agent, as applicable.

"**Compounded Daily €STR**" means, with respect to an Interest Accrual Period, the rate of return of a daily compound interest investment (with the daily euro short-term rate as reference rate for the calculation of interest) as calculated by the Principal Paying Agent or the Calculation Agent, as applicable, as at the relevant Interest Determination Date in accordance with the following formula (and the resulting percentage will be rounded if necessary to the nearest fifth decimal place, with 0.000005 being rounded upwards):

$$\left[\prod_{i=1}^{d_o} \left(1 + \frac{\text{€STR}_i \times n_i}{D} \right) - 1 \right] \times \frac{D}{d}$$

where:

the "**€STR reference rate**", in respect of any TARGET Business Day ("**TBD_x**"), is a reference rate equal to the daily euro short-term rate ("**€STR**") for such TBD_x as provided by the European Central Bank as the administrator of €STR (or any successor administrator of such rate) on the website of the European Central Bank (or, if no longer published on its website, as otherwise published by it or provided by it to authorised distributors and as then published on the Relevant Screen Page or, if the Relevant Screen Page is unavailable, as otherwise published by such authorised distributors) on the TARGET Business Day immediately following TBD_x (in each case, at the time specified by, or determined in accordance with, the applicable methodology, policies or guidelines, of the European Central Bank or the successor administrator of such rate);

"**€STR_i**" means the €STR reference rate for:

- (i) where "Lag" is specified as the Observation Method in the applicable Pricing Supplement, the TARGET Business Day falling "p" TARGET Business Days prior to the relevant TARGET Business Day "i"; or
- (ii) where "Observation Shift" is specified as the Observation Method in the applicable Pricing Supplement, the relevant TARGET Business Day "i".

- d*** is the number of calendar days in:
- (i) where "Lag" is specified as the Observation Method in the applicable Pricing Supplement, the relevant Interest Accrual Period; or
 - (ii) where "Observation Shift" is specified as the Observation Method in the applicable Pricing Supplement, the relevant Observation Period;

D is the number specified as such in the applicable Pricing Supplement (or, if no such number is specified, 360);

d_o means:

- (i) where "Lag" is specified as the Observation Method in the applicable Pricing Supplement, the number of TARGET Business Days in the relevant Interest Accrual Period; or
- (ii) where "Observation Shift" is specified as the Observation Method in the applicable Pricing Supplement, the number of TARGET Business Days in the relevant Observation Period;

i is a series of whole numbers from one to "*d_o*", each representing the relevant TARGET Business Day in chronological order from, and including, the first TARGET Business Day in:

- (i) where "Lag" is specified as the Observation Method in the applicable Pricing Supplement, the relevant Interest Accrual Period; or
- (ii) where "Observation Shift" is specified as the Observation Method in the applicable Pricing Supplement, the relevant Observation Period;

n_i for any TARGET Business Day "*i*", means the number of calendar days from (and including) such TARGET Business Day "*i*" up to (but excluding) the following TARGET Business Day;

"Observation Period" means the period from (and including) the date falling "*p*" TARGET Business Days prior to the first day of the relevant Interest Accrual Period to (but excluding) the date falling "*p*" TARGET Business Days prior to (A) (in the case of an Interest Period) the Interest Payment Date for such Interest Period or (B) (in the case of any other Interest Accrual Period) the date on which the relevant payment of interest falls due;

p means:

- (i) where "Lag" is specified as the Observation Method in the applicable Pricing Supplement, the number of TARGET Business Days specified as the "Lag Period" in the applicable Pricing Supplement; or
- (ii) where "Observation Shift" is specified as the Observation Method in the applicable Pricing Supplement, the number of TARGET Business Days specified as the "Observation Shift Period" in the applicable Pricing Supplement; and

"**TARGET Business Day**" means any day on which the TARGET2 System is open.

- (B) Subject to Condition 5.4 (*Benchmark Discontinuation*), if, where any Rate of Interest is to be calculated pursuant to Condition 5.3(b)(v)(A) above, in respect of any TARGET Business Day in respect of which an applicable €STR reference rate is required to be determined, such €STR reference rate is not made available on the Relevant Screen Page or has not otherwise been published by the relevant authorised distributors, then the €STR reference rate in respect of such TARGET Business Day shall be the €STR reference rate for the first preceding TARGET Business Day in respect of which €STR reference rate was published by the European Central Bank on its website, as determined by the Principal Paying Agent or the Calculation Agent, as applicable.

In the event that the Rate of Interest cannot be determined in accordance with the foregoing provisions of this Condition 5.3(b)(v) but without prejudice to Condition 5.4 (*Benchmark Discontinuation*), the Rate of Interest shall be:

- (i) that determined as at the last preceding Interest Determination Date on which the Rate of Interest was so determined (though substituting, where a different Margin, Maximum Rate of Interest and/or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin, Maximum Rate of Interest and/or Minimum Rate of Interest (as the case may be) relating to the relevant Interest Accrual Period, in place of the Margin, Maximum Rate of Interest and/or Minimum Rate of Interest (as applicable) relating to that last preceding Interest Accrual Period); or
- (ii) if there is no such preceding Interest Determination Date, the initial Rate of Interest which would have been applicable to the Notes for the first scheduled Interest Period had the Notes been in issue for a period equal in duration to the first scheduled Interest Period but ending on (and excluding) the Interest Commencement Date (applying the Margin and, if applicable, any Maximum Rate of Interest and/or Minimum Rate of Interest, applicable to the first scheduled Interest Period),

in each case as determined by the Principal Paying Agent or the Calculation Agent, as applicable.

- (vi) ***Interest Accrual Period***

As used herein, an "**Interest Accrual Period**" means (i) each Interest Period and (ii) any other period (if any) in respect of which interest is to be calculated, being the period from (and including) the first day of such period to (but excluding) the day on which the relevant payment of interest falls due (which, if the relevant Series of Notes becomes due and payable in accordance with Condition 10.1, shall be the date on which such Notes become due and payable).

- (c) **Minimum Rate of Interest and/or Maximum Rate of Interest**

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

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

(d) **Determination of Rate of Interest and calculation of Interest Amounts**

The Principal Paying Agent or the Calculation Agent, as applicable, 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.

The Principal Paying Agent or the Calculation Agent, as applicable, will calculate the amount of interest (the "**Interest Amount**") payable on the Floating Rate Notes for the relevant Interest Period by applying the Rate of Interest to the aggregate outstanding nominal amount of (a) the Notes represented by any Global Note or (b) any Definitive Notes (or, in each case, if they are Partly Paid Notes, the aggregate amount paid up) and 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 5.3:

- (i) if "Actual/Actual (ISDA)" or "Actual/Actual" is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (I) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (II) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);
- (ii) if "Actual/365 (Fixed)" is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 365;
- (iii) if "Actual/365 (Sterling)" is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;
- (iv) if "Actual/360" is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 360;
- (v) if "30/360", "360/360" or "Bond Basis" is specified in the applicable Pricing Supplement, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

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

where:

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

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

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

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

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

D₂ is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D₁ is greater than 29, in which case D₂ will be 30;

- (vi) if "30E/360" or "Eurobond Basis" is specified in the applicable Pricing Supplement, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

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

where:

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

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

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

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

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

D₂ is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D₂ will be 30;

- (vii) if "30E/360 (ISDA)" is specified in the applicable Pricing Supplement, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

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

where:

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

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

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

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

D₁ is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D₁ will be 30; and

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

(e) **Linear Interpolation**

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

"**Designated Maturity**" means, in relation to Screen Rate Determination, the period of time designated in the Reference Rate.

(f) **Notification of Rate of Interest and Interest Amounts**

This Condition 5.3(f) (*Notification of Rate of Interest and Interest Amounts*) applies where the applicable Pricing Supplement specifies both "*Screen Rate Determination*" and "*Term Rate*" to be "Applicable".

Except where the applicable Pricing Supplement specifies both "*Screen Rate Determination*" and "*Overnight Rate*" to be "Applicable", the Principal Paying Agent or the Calculation Agent, as applicable, 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 are for the time being listed and notice thereof to be published in accordance with Condition 13 (*Notices*) as soon as possible after their determination. 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 promptly be notified to each stock exchange on which the relevant Floating Rate Notes are for the time being listed and to the Noteholders in accordance with Condition 13 (*Notices*). 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 general business in London.

Where the applicable Pricing Supplement specifies both "*Screen Rate Determination*" and "*Overnight Rate*" to be "Applicable", the Principal Paying Agent or the Calculation Agent, as applicable, will cause the Rate of Interest and each Interest Amount for each Interest Accrual 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 are for the time being listed and notice thereof to be published in accordance with Condition 13 (*Notices*) as soon as possible after their determination but in no event later than the second Business Day thereafter. Each Rate of Interest, 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 relevant Interest Accrual Period. Any such amendment or alternative arrangements will promptly be notified to each stock exchange on which the relevant Floating Rate Notes are for the time being listed and to the Noteholders in accordance with Condition 13 (*Notices*).

(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 5.3 (*Interest - Interest on Floating Rate Notes*) by the Principal Paying Agent or the Calculation Agent, as applicable, shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Principal Paying Agent, the other Agents and all Noteholders and (in the absence of wilful default or bad faith) no liability to the Issuer, the Noteholders shall attach to the Principal Paying Agent or the Calculation Agent, as applicable, or the Trustee in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

5.4 **Benchmark Discontinuation**

This Condition 5.4 (*Benchmark Discontinuation*) applies in respect of each issue of Floating Rate Notes and Fixed Reset Notes unless "Benchmark Discontinuation" is specified in the applicable Pricing Supplement to be 'Not Applicable'.

If the applicable Pricing Supplement specifies "Benchmark Replacement" to be 'Applicable', the provisions of Condition 5.4(a) apply, together with the other provisions of this Condition 5.4 (other than Condition 5.3(b)).

If the applicable Pricing Supplement specifies "Benchmark Transition" to be 'Applicable', the provisions of Condition 5.4(b) apply, together with the other provisions of this Condition 5.4 (other than Condition 5.3(a)).

(a) *Benchmark Replacement*

If the Issuer determines that a Benchmark Event occurs in relation to an Original Reference Rate at any time when any Rate of Interest (or any component part thereof) remains to be determined by reference to such Original Reference Rate, then the following provisions shall apply.

(i) **Independent Adviser**

The Issuer shall use reasonable endeavours to appoint and consult with an Independent Adviser, as soon as reasonably practicable, with a view to the Issuer determining a Successor Rate, failing which an Alternative Rate (in accordance with Condition 5.4(a)(ii)) and, in either case, the applicable Adjustment Spread (in accordance with Condition 5.4(a)(iii)) and any Benchmark Amendments (in accordance with Condition 5.4(a)(iv)).

If, notwithstanding the Issuer's reasonable endeavours, the Issuer is unable to appoint and consult with an Independent Adviser in accordance with the foregoing paragraph, the Issuer shall nevertheless be entitled, acting in good faith and in a commercially reasonable manner, to make any and all determinations expressed to be made by the Issuer pursuant to this Condition 5.4(a), notwithstanding that such determinations are not made following consultation with an Independent Adviser. If, however, the Issuer is unable to determine a Successor Rate or an Alternative Rate and (in either case) the applicable Adjustment Spread and any Benchmark Amendments in accordance with this Condition 5.4(a), the provisions of Condition 5.4(f) below shall apply.

(ii) **Successor Rate or Alternative Rate**

If the Issuer, following consultation with such Independent Adviser (if appointed), determines in good faith that:

- (A) there is a Successor Rate, then such Successor Rate shall (as adjusted by the applicable Adjustment Spread determined as provided in Condition 5.4(a)(iii)) subsequently be used in place of the Original Reference Rate to determine the relevant Rate(s) of Interest (or the relevant component

part(s) thereof) for all relevant future payments of interest on the Notes (subject to the further operation of this Condition 5.4); or

- (B) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate shall (as adjusted by the applicable Adjustment Spread determined as provided in Condition 5.4(a)(iii)) subsequently be used in place of the Original Reference Rate to determine the relevant Rate(s) of Interest (or the relevant component part(s) thereof) for all relevant future payments of interest on the Notes (subject to the further operation of this Condition 5.4).

(iii) **Adjustment Spread**

If a Successor Rate or Alternative Rate is determined in accordance with the foregoing provisions, the Issuer, following consultation with the Independent Adviser (if appointed), will determine in good faith the Adjustment Spread to be applied to such Successor Rate or Alternative Rate (as the case may be) for each subsequent determination of a relevant Rate of Interest (or a relevant component part thereof) by reference to such Successor Rate or Alternative Rate (as applicable).

(iv) **Benchmark Amendments**

If any Successor Rate or Alternative Rate and (in either case) the applicable Adjustment Spread are determined in accordance with this Condition 5.4 and the Issuer, following consultation with the Independent Adviser (if appointed), determines in good faith (A) that amendments to the Terms and Conditions of the Notes, the Trust Deed and/or the Agency Agreement (including, without limitation, amendments to the definitions of Day Count Fraction, Business Days, Reset Determination Date, or Relevant Screen Page) are necessary to ensure the proper operation (having regard to prevailing market practice, if any) of such Successor Rate, Alternative Rate and (in either case) the applicable Adjustment Spread (such amendments, the "**Benchmark Amendments**") and (B) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition 5.4(c), without any requirement for the consent or approval of Noteholders, vary the Terms and Conditions of the Notes, the Trust Deed and/or the Agency Agreement to give effect to such Benchmark Amendments with effect from the date specified in such notice.

At the request of the Issuer, but subject to receipt by the Trustee and the Paying Agents of a certificate signed by two authorised signatories of the Issuer pursuant to Condition 5.4(c), the Trustee and the Paying Agents shall (at the Issuer's expense), without any requirement for the consent or approval of the Noteholders, be obliged to concur with the Issuer in effecting any Benchmark Amendments (including, *inter alia*, by the execution of a deed or agreement supplemental to or amending the Trust Deed and/or the Agency Agreement (as applicable)) and the Trustee and the Paying Agents shall not be liable to any party for any consequences thereof, **provided that** the Trustee and the Paying Agents shall not be obliged so to concur if in the sole opinion of the Trustee or any Paying Agent, doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend rights and/or the protective provisions afforded to the Trustee or the Paying Agents in the Terms and Conditions of the Notes, the Trust Deed and/or the Agency Agreement (including, for the avoidance of doubt, any supplemental trust deed and/or agency agreement) in any way.

In connection with any such variation in accordance with this Condition 5.4, the Issuer shall comply with the rules of any stock exchange on which the Notes are for the time being listed or admitted to trading.

(v) **Definitions**

As used in this Condition 5.4(a):

"Adjustment Spread" means either a spread (which may be positive, negative or zero), or the formula or methodology for calculating a spread, in either case, which is to be applied to the Successor Rate or the Alternative Rate (as the case may be), being the spread, formula or methodology which:

- (A) in the case of a Successor Rate, is formally recommended, or formally provided as an option for parties to adopt, in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body;
- (B) in the case of an Alternative Rate (or in the case of a Successor Rate where (A) above does not apply), the Issuer, following consultation with the Independent Adviser (if appointed) and acting in good faith, determines is in customary market usage (or reflects an industry-accepted rate, formula or methodology) in the international debt capital market for transactions which reference the Original Reference Rate, where such rate has been replaced by the Alternative Rate (or, as the case may be, the Successor Rate); or
- (C) if no such recommendation or option has been made (or made available) under (A) above and if the Issuer, following consultation with the Independent Adviser (if appointed) determines there is no such spread, formula or methodology in customary market usage or which is industry-accepted under (B) above, the Issuer, in its discretion, following consultation with the Independent Adviser (if appointed) and acting in good faith and in a commercially reasonable manner, determines to be appropriate having regard to the objective, so far as is reasonably practicable in the circumstances and solely for the purposes of this paragraph (C), of reducing or eliminating any economic prejudice or benefit (as the case may be) to the Noteholders;

"Alternative Rate" means an alternative benchmark or screen rate which the Issuer, following consultation with the Independent Adviser (if appointed), determines in accordance with this Condition 5.4 has replaced the Original Reference Rate in customary market usage, or is an industry-accepted rate, in the international debt capital markets for the purposes of determining rates of interest (or the relevant component part thereof) for a commensurate interest period and in the same Specified Currency as the Notes;

"Benchmark Event" means, with respect to an Original Reference Rate, any one or more of the following:

- (A) the Original Reference Rate ceasing to exist or to be published or administered on a permanent or indefinite basis;
- (B) the making of a public statement by the administrator of the Original Reference Rate that it has ceased or will cease to publish the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate);
- (C) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate has been or will be permanently or indefinitely discontinued;
- (D) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate will be prohibited from being used, is no longer (or will no longer be)

representative of its underlying market or that its use will be subject to restrictions or adverse consequences, in each case in circumstances where the same shall be applicable to the Notes; or

- (E) it has or will prior to the next Interest Determination Date or Reset Determination Date, as applicable, become unlawful for the Issuer, the Principal Paying Agent, the Calculation Agent, or any Paying Agent to calculate any payments due to be made to any Noteholder using the Original Reference Rate (including, without limitation, under the Regulation (EU) 2016/1011 as that Regulation applies in the European Union and/or as it applies in the United Kingdom in the form retained as domestic law in the United Kingdom under the European Union (Withdrawal) Act 2018, as amended, if applicable),

provided that in the case of paragraphs (B) to (D) above, the Benchmark Event shall occur on:

- (i) in the case of (B) above, the date of the cessation of the publication of the Original Reference Rate;
- (ii) in the case of (C) above, the discontinuation of the Original Reference Rate; or
- (iii) in the case of (D) above, the date on which the Original Reference Rate is prohibited from use, is deemed no longer to be representative or becomes subject to restrictions or adverse consequences (as applicable),

and not (in any such case) the date of the relevant public statement (unless the date of the relevant public statement coincides with the relevant date in (i), (ii) or (iii) above, as applicable);

"Independent Adviser" means an independent financial institution of international repute or an independent adviser of recognised standing with appropriate expertise appointed by the Issuer at its own expense and approved in writing by the Trustee;

"Original Reference Rate" means the benchmark or screen rate (as applicable) originally specified for the purpose of determining the relevant Rate of Interest (or any relevant component part(s) thereof) on the Notes (**provided that** if, following one or more Benchmark Events, such originally specified Reference Rate (or any Successor Rate or Alternative Rate which has replaced it) has been replaced by a (or a further) Successor Rate or Alternative Rate and a Benchmark Event subsequently occurs in respect of such Successor Rate or Alternative Rate, the term "Original Reference Rate" shall be deemed to include any such Successor Rate or Alternative Rate);

"Relevant Nominating Body" means, in respect of a benchmark or screen rate (as applicable):

- (A) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or
- (B) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (i) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (ii) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (iii) a group of the aforementioned central banks or other supervisory authorities or (iv) the Financial Stability Board or any part thereof; and

"Successor Rate" means a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body.

(b) *Benchmark Transition*

If the Issuer determines that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred in relation to an Original Reference Rate at any time when any Rate of Interest (or any component part thereof) remains to be determined by reference to such Original Reference Rate, then the following provisions shall apply.

(i) **Independent Adviser**

The Issuer shall use reasonable endeavours to appoint and consult with an Independent Adviser, as soon as reasonably practicable, with a view to the Issuer determining the Benchmark Replacement which will replace such Original Reference Rate for all purposes relating to the Notes in respect of all determinations on such date and for all determinations on all subsequent dates (subject to any subsequent application of this Condition 5.4(b) with respect to such Benchmark Replacement) and any Benchmark Replacement Conforming Changes.

Any Benchmark Replacement so determined by the Issuer shall have effect for any subsequent determination of any relevant Rate of Interest (subject to any further application of this Condition 5.4(b) with respect to such Benchmark Replacement), subject, if any associated Benchmark Replacement Conforming Changes are required in connection therewith, to such Benchmark Replacement Conforming Changes becoming effective in accordance with the following provisions.

If, notwithstanding the Issuer's reasonable endeavours, the Issuer is unable to appoint and consult with an Independent Adviser in accordance with the foregoing paragraph, the Issuer shall nevertheless be entitled, acting in good faith and in a commercially reasonable manner, to make any and all determinations expressed to be made by the Issuer pursuant to this Condition 5.4(b), notwithstanding that such determinations are not made following consultation with an Independent Adviser. If, however, the Issuer is unable to determine a Benchmark Replacement in accordance with this Condition 5.4(b), the provisions of Condition 5.4(f) below shall apply.

(ii) **Benchmark Replacement Conforming Changes**

If the Issuer, following consultation with the Independent Adviser (if appointed), considers it is necessary to make Benchmark Replacement Conforming Changes, the Issuer shall, in consultation with the Independent Adviser (if appointed), determine the terms of such Benchmark Replacement Conforming Changes, and shall, subject to giving notice in accordance with Condition 5.4(c) below (but without any requirement for the consent or approval of Noteholders), vary these Conditions, the Trust Deed and/or the Agency Agreement to give effect to such Benchmark Replacement Conforming Changes with effect from the date specified in such notice.

At the request of the Issuer, but subject to receipt by the Trustee and the Paying Agents of a certificate signed by two authorised signatories of the Issuer pursuant to Condition 5.4(c), the Trustee and the Paying Agents shall (at the expense of the Issuer), without any requirement for the consent or approval of the Noteholders, be obliged to concur with the Issuer in effecting any Benchmark Replacement Conforming Changes (including, *inter alia*, by the execution of a deed or an agreement supplemental to or amending the Trust Deed and/or the Agency Agreement (as applicable)) and the Trustee and the Paying Agents shall not be liable to any party for any consequences thereof, **provided that** the Trustee shall not be obliged so to concur if in the sole opinion of the Trustee or any Paying

Agent, doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend rights and/or the protective provisions afforded to the Trustee or the Paying Agents in these Conditions, the Trust Deed or the Agency Agreement (including, for the avoidance of doubt, any supplemental trust deed and/or agency agreement) in any way.

In connection with any such variation in accordance with this Condition 5.4(b), the Issuer shall comply with the rules of any stock exchange on which the Notes are for the time being listed or admitted to trading.

(iii) **Definitions**

As used in this Condition 5.4(b):

"Benchmark Replacement" means the first alternative set forth in the order below that can be determined by the Issuer as of the Benchmark Replacement Date:

- (i) the sum of: (a) the alternate rate of interest that has been selected or recommended by the Relevant Governmental Body as the replacement for the Original Reference Rate for the applicable Corresponding Tenor and (b) the Benchmark Replacement Adjustment;
- (ii) the sum of: (a) the ISDA Fallback Rate and (b) the Benchmark Replacement Adjustment; or
- (iii) the sum of: (a) the alternate rate of interest that has been selected by the Issuer as the replacement for the Original Reference Rate for the applicable Corresponding Tenor giving due consideration to any industry-accepted rate of interest as a replacement for the then-current benchmark for U.S. dollar-denominated floating rate notes at such time and (b) the Benchmark Replacement Adjustment;

"Benchmark Replacement Adjustment" means the first alternative set forth in the order below that can be determined by the Issuer as of the Benchmark Replacement Date:

- (i) the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected or recommended by the Relevant Governmental Body for the applicable Unadjusted Benchmark Replacement;
- (ii) if the applicable Unadjusted Benchmark Replacement is equivalent to the ISDA Fallback Rate, the ISDA Fallback Adjustment; or
- (iii) the spread adjustment (which may be a positive or negative value or zero) that has been selected by the Issuer giving due consideration to any industry-accepted spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the then-current benchmark with the applicable Unadjusted Benchmark Replacement for U.S. dollar-denominated floating rate notes at such time;

"Benchmark Replacement Conforming Changes" means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to any Interest Period, Interest Accrual Period, the timing and frequency of determining rates and making payments of interest, rounding of amounts or tenors, and other administrative matters) that the Issuer (in consultation with the Independent Adviser, if appointed) decides may be appropriate to reflect the adoption of such Benchmark Replacement in a manner substantially consistent with market practice (or, if the Issuer decides that

adoption of any portion of such market practice is not administratively feasible or if the Issuer determines that no market practice for use of the Benchmark Replacement exists, in such other manner as the Issuer (in consultation with the Independent Adviser, if appointed) determines is reasonably necessary);

"Benchmark Replacement Date" means the earliest to occur of the following events with respect to the Original Reference Rate (including the daily published component used in the calculation thereof):

- (i) in the case of clause (i) or (ii) of the definition of "Benchmark Transition Event", the later of (a) the date of the public statement or publication of information referenced therein and (b) the date on which the administrator of the Original Reference Rate permanently or indefinitely ceases to provide the Original Reference Rate (or such component); or
- (ii) in the case of clause (iii) of the definition of "Benchmark Transition Event," the date of the public statement or publication of information referenced therein.

For the avoidance of doubt, if the event that gives rise to the Benchmark Replacement Date occurs on the same day as, but earlier than (where the Rate of Interest is to be determined pursuant to Condition 5.4(b)(ii)) the Specified Time or (in any other case) the customary or scheduled time for publication of the relevant reference rate in accordance with the then-prevailing operational procedures of the administrator of such reference rate or, as the case may be, of the other relevant information service publishing such reference rate, on, the relevant Interest Determination Date, the Benchmark Replacement Date will be deemed to have occurred prior to such time for such determination;

"Benchmark Transition Event" means the occurrence of one or more of the following events with respect to the Original Reference Rate (including the daily published component used in the calculation thereof):

- (i) a public statement or publication of information by or on behalf of the administrator of the Original Reference Rate (or such component) announcing that such administrator has ceased or will cease to provide the Original Reference Rate (or such component), permanently or indefinitely, **provided that**, at the time of such statement or publication, there is no successor administrator that will continue to provide the Original Reference Rate (or such component); or
- (ii) a public statement or publication of information by the regulatory supervisor for the administrator of the Original Reference Rate (or such component), the central bank for the currency of the Original Reference Rate (or such component), an insolvency official with jurisdiction over the administrator for the Original Reference Rate (or such component), a resolution authority with jurisdiction over the administrator for the Original Reference Rate (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for the Original Reference Rate, which states that the administrator of the Original Reference Rate (or such component) has ceased or will cease to provide the Original Reference Rate (or such component) permanently or indefinitely, **provided that**, at the time of such statement or publication, there is no successor administrator that will continue to provide the Original Reference Rate (or such component); or
- (iii) a public statement or publication of information by the regulatory supervisor for the administrator of the Original Reference Rate announcing that the Original Reference Rate is no longer representative;

"Corresponding Tenor" means, with respect to a Benchmark Replacement, a tenor (including overnight) having approximately the same length (disregarding business day adjustment) as the applicable tenor for the Original Reference Rate;

"Independent Adviser" means an independent financial institution of international repute or an independent adviser of recognised standing with appropriate expertise appointed by the Issuer at its own expense and approved in writing by the Trustee;

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

"ISDA Fallback Rate" means the rate that would apply for derivative transactions referencing the ISDA Definitions to be effective upon the occurrence of an index cessation date with respect to the Original Reference Rate for the applicable tenor excluding the applicable ISDA Fallback Adjustment;

"Original Reference Rate" means the benchmark or screen rate (as applicable) originally specified for the purpose of determining the relevant Rate of Interest (or any relevant component part(s) thereof) on the Notes (**provided that** if, following one or more Benchmark Transition Events, such originally specified benchmark or screen rate (or any benchmark used in any Benchmark Replacement which has replaced it (the **"Replacement Benchmark"**)) has been replaced by a (or a further) Replacement Benchmark and a Benchmark Transition Event subsequently occurs in respect of such Replacement Benchmark, the term "Original Reference Rate" shall be deemed to include any such Replacement Benchmark);

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

"Unadjusted Benchmark Replacement" means the Benchmark Replacement excluding the Benchmark Replacement Adjustment.

(c) *Notices, etc.*

The Issuer shall notify the Trustee, the Agent, Principal Paying Agent or the Calculation Agent, as applicable, the Paying Agents and, in accordance with Condition 13 (*Notices*), the Noteholders, promptly of any Successor Rate, Alternative Rate, Adjustment Spread and/or Benchmark Replacement, and the specific terms of any Benchmark Amendments or Benchmark Replacement Conforming Changes (as applicable), determined under this Condition 5.4. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments or Benchmark Replacement Conforming Changes (as applicable), if any.

No later than notifying the Trustee and the Paying Agents of the same, the Issuer shall deliver to the Trustee and the Paying Agents a certificate signed by two authorised signatories:

- (i) confirming (x) that a Benchmark Event or a Benchmark Transition Event (as applicable) has occurred, (y) the Successor Rate or Alternative Rate and (in either case) the applicable Adjustment Spread or, as the case may be, the Benchmark Replacement and (z) the specific terms of the Benchmark Amendments or Benchmark Replacement Conforming Changes (if any), as applicable, in each case as determined in accordance with the provisions of this Condition 5.4;
- (ii) certifying that the Benchmark Amendments or Benchmark Replacement Conforming Changes (as applicable) are necessary to ensure the proper operation

of (as applicable) (A) such Successor Rate or Alternative Rate and (in either case) the applicable Adjustment Spread or (B) such Benchmark Replacement; and

- (iii) certifying that (i) the Issuer has duly consulted with an Independent Adviser with respect to each of the matters above or, if that is not the case, (ii) explaining, in reasonable detail, why the Issuer has not done so.

The Trustee and the Paying Agents shall be entitled to rely on such certificate (without inquiry and without liability to any person) as sufficient evidence thereof. The Successor Rate, Alternative Rate, Benchmark Replacement, Adjustment Spread, Benchmark Amendments and/or Benchmark Replacement Conforming Changes (if any), as applicable, specified in such certificate will (in the absence of manifest error in the determination thereof and without prejudice to the Trustee's ability to rely on such certificate as aforesaid) be binding on the Issuer, the Trustee, the Agent, Principal Paying Agent or the Calculation Agent, as applicable, the Paying Agents and the Noteholders.

(d) *Survival of Original Reference Rate*

Without prejudice to the Issuer's obligations under the provisions of this Condition 5.4, the Original Reference Rate and the fallback provisions provided for in Condition 5.3 will continue to apply unless and until the Principal Paying Agent or the Calculation Agent, as applicable, has been notified, in accordance with Condition 5.4(c), of (as the case may be):

- (i) the Successor Rate or the Alternative Rate (as the case may be), and (in either case) the Adjustment Spread and Benchmark Amendments (if any) determined in accordance with Condition 5.4(a); or
- (ii) the Benchmark Replacement and Benchmark Replacement Conforming Changes (if any) determined in accordance with Condition 5.4(b).

(e) *Restriction on Independent Adviser and Issuer liability*

An Independent Adviser appointed pursuant to this Condition 5.4 shall act in good faith.

In the absence of bad faith or fraud, neither the Issuer nor any Independent Adviser shall have any liability whatsoever to the Trustee, the Paying Agents, the Agent, the Principal Paying Agent or the Calculation Agent, as applicable, or the Noteholders for any determination made by the Issuer or the Independent Adviser or (in the case of the Independent Adviser) for any advice given to the Issuer in connection with any determination made by the Issuer pursuant to this Condition 5.4.

(f) *Fallbacks*

If, following the occurrence of:

- (i) a Benchmark Event; or
- (ii) a Benchmark Transition Event (and its related Benchmark Replacement Date),

in respect of the Original Reference Rate, on the immediately following Interest Determination Date or Reset Determination Date (as applicable):

- (A) (in the case of (i) above) no Successor Rate or Alternative Rate (as applicable) is determined pursuant to Condition 5.4(a) or (as the case may be) a Successor Rate or Alternative Rate (as applicable) is determined, but no Adjustment Spread is determined pursuant to Condition 5.4(a); or
- (B) (in the case of (ii) above) no Benchmark Replacement is determined in accordance with Condition 5.4(b),

then the benchmark or screen rate (as applicable) applicable as at the last preceding Interest Determination Date or Reset Determination Date (as the case may be) will continue to apply for the purposes of determining such Rate of Interest on such Interest Determination Date or Reset Determination Date (as the case may be), with the effect that the fallback provisions provided in Condition 5.3(b) will continue to apply to such determination.

In such circumstances, the Issuer will be entitled (but not obliged), at any time thereafter, to elect to re-apply the provisions of this Condition 5.4, *mutatis mutandis*, on one or more occasions until:

- (x) (in the case of (i) above) a Successor Rate or Alternative Rate and (in either case) the applicable Adjustment Spread and any Benchmark Amendments; or
- (y) (in the case of (ii) above) the Benchmark Replacement and any Benchmark Replacement Conforming Changes,

have been determined and notified in accordance with this Condition 5.4 (and, until such determination and notification (if any), the fallback provisions provided in Condition 5.3(b) will continue to apply).

The Issuer's intention is that, in circumstances where the Issuer has been unable to determine (as applicable) (i) a Successor Rate or Alternative Rate (as applicable) and (in either case) the Adjustment Spread or (ii) the Benchmark Replacement pursuant this Condition 5.4, it will elect to re-apply such provisions if and when, in its sole determination, there have been such subsequent developments (whether in applicable law, market practice or otherwise) as would enable the Issuer successfully to apply such provisions and determine (as applicable) (a) a Successor Rate or Alternative Rate (as applicable) and (in either case) the applicable Adjustment Spread and the applicable Benchmark Amendments (if any) or (b) the Benchmark Replacement and the applicable Benchmark Replacement Conforming Changes (if any).

(g) **Preparation in anticipation of a Benchmark Event or a Benchmark Transition Event**

If the Issuer anticipates that a Benchmark Event or a Benchmark Transition Event, as applicable, will or may occur, nothing in these Conditions shall prevent the Issuer (in its sole discretion) from taking, prior to the occurrence of such Benchmark Event or a Benchmark Transition Event, such actions as it considers expedient in order to prepare for applying the provisions of this Condition 5.4 (including, without limitation, appointing and consulting with an Independent Adviser, and seeking to identify any Successor Rate, Alternative Rate, Adjustment Spread, Benchmark Amendments, Benchmark Replacement and/or Benchmark Replacement Conforming Changes, as applicable), **provided that** no Successor Rate, Alternative Rate, Adjustment Spread, Benchmark Amendments, Benchmark Replacement and/or Benchmark Replacement Conforming Changes will take effect until the relevant Benchmark Event, or the relevant Benchmark Transition Event and its related Benchmark Replacement Date, as applicable, has occurred.

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 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.

6. PAYMENTS

6.1 Method of payment

Subject as provided below:

- (a) payments in a Specified Currency other than euro will be made by credit or transfer to an account in the relevant Specified Currency maintained by the payee with a bank in the principal financial centre of the country of such Specified Currency; and
- (b) 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.

Payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment or other laws and regulations to which the Issuer or its Agents are subject, but without prejudice to the provisions of Condition 8 (*Taxation*) and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the **Code**) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto.

6.2 Payments in respect of the Notes

Payments of principal (other than instalments of principal prior to the final instalment) in respect of each Note (whether or not in global form) will be made against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the Note at the specified office of the Registrar or any of the Paying Agents. Such payments will be made by transfer to the Designated Account (as defined below) of the holder (or the first named of joint holders) of the Note appearing in the register of holders of the Notes maintained by the Registrar (the "**Register**") (i) where in global form, at the close of the business day (being for this purpose a day on which Euroclear and Clearstream, Luxembourg are open for business) before the relevant due date, and (ii) where in definitive form, at the close of business on the third business day (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar is located) before the relevant due date. For these purposes, "**Designated Account**" means the account maintained by a holder with a Designated Bank and identified as such in the Register and "**Designated Bank**" means (in the case of payment in a Specified Currency other than euro) a bank in the principal financial centre of the country of such Specified Currency and (in the case of a payment in euro) any bank which processes payments in euro.

Payments of interest and payments of instalments of principal (other than the final instalment) in respect of each Note (whether or not in global form) will be made by transfer on the due date to the Designated Account of the holder (or the first named of joint holders) of the Note appearing in the Register (i) where in global form, at the close of the business day (being for this purpose a day on which Euroclear and Clearstream, Luxembourg are open for business) before the relevant due date, and (ii) where in definitive form, at the close of business on the fifteenth day (whether or not such fifteenth day is a business day) before the relevant due date (the "**Record Date**"). Payment of the interest due in respect of each Note on redemption and the final instalment of principal will be made in the same manner as payment of the principal amount of such Note.

No commissions or expenses shall be charged to the holders by the Registrar in respect of any payments of principal or interest in respect of the Notes.

All amounts payable to DTC or its nominee as registered holder of a Global Note in respect of Notes denominated in a Specified Currency other than U.S. dollars shall be paid by transfer by the Registrar to an account in the relevant Specified Currency of the Exchange Agent on behalf of DTC or its nominee for conversion into and payment in U.S. dollars unless the participant in DTC with an interest in the Notes has elected to receive any part of such payment in that Specified Currency, in the manner specified in the Agency Agreement and in accordance with the rules and procedures for the time being of DTC.

None of the Issuer, the Trustee or the Agents will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the

Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

6.3 **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 or DTC as the beneficial holder of a particular nominal amount of Notes represented by such Global Note must look solely to Euroclear, Clearstream, Luxembourg or DTC, as the case may be, for their share of each payment so made by the Issuer to, or to the order of, the holder of such Global Note.

6.4 **Payment Day**

If the date for payment of any amount in respect of any Note 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 9 (*Prescription*)) 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):
 - (i) in the case of Notes in definitive form only, in the relevant place of presentation; and
 - (ii) in each Additional Financial Centre (other than TARGET2 System) specified in the applicable Pricing Supplement;
- (b) if TARGET2 System is specified as an Additional Financial Centre in the applicable Pricing Supplement, a day on which the TARGET2 System is open;
- (c) either (1) 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 or (2) in relation to any sum payable in euro, a day on which the TARGET2 System is open; and
- (d) in the case of any payment in respect of a Global Note denominated in a Specified Currency other than U.S. dollars and registered in the name of DTC or its nominee and in respect of which an accountholder of DTC (with an interest in such Global Note) has not elected to receive any part of such payment in a Specified Currency other than U.S. dollars, a day on which commercial banks are not authorised or required by law or regulation to be closed in New York City.

6.5 **Interpretation of principal and interest**

Any reference in the 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 (*Taxation*) 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; and

- (e) 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 the 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 (*Taxation*) 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 will be redeemed by the Issuer at its Final Redemption Amount specified in the applicable Pricing Supplement in the relevant Specified Currency on the Maturity Date specified in the applicable Pricing Supplement.

7.2 Redemption upon a Tax Event

Subject to Condition 7.8 (*Early Redemption Amounts*), the Issuer may, at its option and subject to having obtained the prior approval of the Central Bank, and having given not less than the minimum period nor more than the maximum period of notice specified in the applicable Pricing Supplement to the Trustee and the Principal Paying Agent and, in accordance with Condition 13 (*Notices*), the Noteholders (which notice shall be irrevocable), redeem all, but not some only, of the Notes then outstanding at any time (if this Note is not a Floating Rate Note) or on any Interest Payment Date (if this Note is a Floating Rate Note) if as a result of any change or clarification in, or amendment to, the laws or regulations of a Tax Jurisdiction (as defined in Condition 8 (*Taxation*)) or any change or clarification in the application or official interpretation of such laws or regulations, which change, clarification or amendment becomes effective on or after the date on which agreement is reached to issue the most recent Tranche of the Notes 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 (*Taxation*) and such obligation cannot be avoided by the Issuer taking reasonable measures available to it (a "**Tax Event**") **provided that** 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 (i) a certificate signed by two directors of the Issuer stating that the above requirement to pay additional amounts will apply on the next Interest Payment Date and cannot be avoided by the Issuer taking reasonable measures available to it and (ii) 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 the change, amendment or clarification 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.

Notes redeemed pursuant to this Condition 7.2 (*Redemption upon a Tax Event*) will be redeemed at their Early Redemption Amount referred to in Condition 7.8 (*Early Redemption Amounts*) below together (if appropriate) with interest accrued to (but excluding) the date of redemption.

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

If Issuer Call is specified as being applicable in the applicable Pricing Supplement, the Issuer may, at its option and subject (if required by Applicable Banking Regulations) to having obtained the prior approval of the Central Bank, and having given not less than the minimum period nor more than the maximum period of notice specified in applicable Pricing Supplement to the Trustee and the Principal Paying Agent and, in accordance with Condition 13 (*Notices*), the Noteholders (which notice 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 and at the Optional Redemption Amount(s) 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 not

more than the Maximum Redemption Amount, in each case as may be specified in the applicable Pricing Supplement.

In the case of a partial redemption of Notes, the Notes to be redeemed ("**Redeemed Notes**") will (i) in the case of Redeemed Notes represented by Definitive Notes, be selected individually by drawing of lots, not more than 30 days prior to the date fixed for redemption and (ii) in the case of Redeemed Notes represented by a Global Note, be selected in accordance with the rules of Euroclear and/or Clearstream, Luxembourg (on a pro rata basis by way of pool factor), and/or DTC (in the case of DTC, on the basis of a pro rata pass-through distribution of principal). 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 13 (*Notices*) not less than 15 days prior to the date fixed for redemption.

7.4 **Redemption at the option of the Issuer (Make-whole)**

If Make-Whole Redemption is specified as being applicable in the applicable Pricing Supplement, the Issuer may, having given not less than the minimum period nor more than the maximum period of notice specified in applicable Pricing Supplement to the to the Trustee and the Principal Paying Agent and, in accordance with Condition 13 (*Notices*), the holders of Notes (which notice shall be irrevocable and shall specify the date fixed for redemption (the "**Make-whole Redemption Date**")), redeem all or some only of the Notes then outstanding on any Make-whole Redemption Date and at the Make-whole Redemption Amount together, if appropriate, with interest accrued to (but excluding) the relevant Make-whole Redemption Date. Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount and 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 (the "**Redeemed Notes**") will (i) in the case of Redeemed Notes represented by Definitive Notes, be selected individually by drawing of lots, not more than 30 days prior to the Make-whole Redemption Date and (ii) in the case of Redeemed Notes represented by a Global Note, be selected in accordance with the rules of Euroclear and/or Clearstream, Luxembourg (on a pro rata basis by way of pool factor), and/or DTC (in the case of DTC, on the basis of a pro rata pass-through distribution of principal). 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 13 (*Notices*) not less than 15 days prior to the Make-whole Redemption Date.

For the purposes of this Condition 7.4 (*Redemption at the option of the Issuer (Make-whole)*):

"**Make-whole Redemption Amount**" means (A) the outstanding principal amount of the relevant Note or (B) if higher than (A), the sum, as determined by the Calculation Agent, of the present values of the remaining scheduled payments of principal and interest on the Notes to be redeemed (not including any portion of such payments of interest accrued to the date of redemption) discounted to the Make-whole Redemption Date on an annual basis (calculated on the basis of the applicable Day Count Fraction in respect of the calculation of an amount of interest in accordance with Condition 5.1 (*Interest on Fixed Rate Notes*) or Condition 5.3 (*Interest on Floating Rate Notes*), as the case may be) at the Reference Rate plus the Make-whole Redemption Margin specified in the applicable Pricing Supplement;

"**CA Selected Bond**" means a government security or securities (which, if the Specified Currency is euro, will be a German *Bundesobligationen*) selected by the Calculation Agent as having a maturity comparable to the remaining term of the Notes to be redeemed that would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of such Notes;

"**Calculation Agent**" means a leading investment, merchant or commercial bank or other independent institution with appropriate expertise appointed by the relevant Issuer for the purposes of calculating the Make-whole Redemption Amount, and notified to the holders of Notes in accordance with Condition 13 (*Notices*);

"**Make-whole Mid-Swap Rate Quotations**" means the bid and offered rates for the semi-annual or annual, as applicable, fixed leg (calculated on the day count basis customary for fixed rate

payments in the Specified Currency), of a fixed-for-floating interest rate swap transaction in the Specified Currency with a term equal to the remaining term of the Notes or the applicable swap rates for the next shorter and next longer periods of time where the Reference Swap Rate is to be calculated by reference to linear interpolation commencing in each case on the Make-whole Redemption Date and in a Representative Amount with an acknowledged dealer of good credit in the swap market, where the floating leg (in each case calculated on the day count basis customary for floating rate payments in the Specified Currency), is equivalent to the Rate of Interest that would apply in respect of the Notes if (a) Screen Rate Determination was specified in the applicable Pricing Supplement as the manner in which the Rate of Interest is to be determined, (b) the Reference Rate was the Floating Leg Reference Rate and (c) the Make-whole Relevant Screen Page was the Floating Leg Screen Page or, if not so specified in the applicable Pricing Supplement or the Floating Leg Reference Rate is not so available on such Make-whole Relevant Screen Page, where such floating leg is equivalent to the rate, as determined by the Calculation Agent (or failing which the Issuer, in consultation with the Calculation Agent) acting in a commercially reasonable manner and by reference to such sources as it determines appropriate, customarily used for setting rates comparable to the applicable rates for the fixed leg of such a fixed-for-floating interest rate swap transaction;

"Make-whole Reference Bank Rate" means, in relation to the Make-whole Redemption Date, the percentage determined on the basis of the arithmetic mean of the applicable Make-whole Mid-Swap Rate Quotations provided by the Reference Banks at approximately 11.00 in the principal financial centre of the Specified Currency on the Reference Rate Determination Date. The Calculation Agent will request the principal office of each of the Reference Banks to provide a quotation of its rate(s). If at least three quotations are provided, the applicable rate for the Make-whole Redemption Date will be the arithmetic mean of the quotations, eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest). If only two quotations are provided, it will be the arithmetic mean of the quotations provided. If only one quotation is provided, it will be the quotation provided. If no quotations are provided, the Calculation Agent (or failing which the Issuer, in consultation with the Calculation Agent), acting in a commercially reasonable manner, shall determine such rate at such time and by reference to such sources as it determines appropriate;

"Reference Bond" means (A) if CA Selected Bond is specified in the applicable Pricing Supplement, the relevant CA Selected Bond or (B) if CA Selected Bond is not specified in the applicable Pricing Supplement, the security specified in the applicable Pricing Supplement, **provided that** if the Calculation Agent advises the Issuer that, for reasons of illiquidity or otherwise, the relevant security specified is not appropriate for such purpose, such other central bank or government security as the Calculation Agent may, with the advice of Reference Market Makers, determine to be appropriate;

"Reference Bond Price" means the price for the Reference Bond (expressed as a percentage of its principal amount) specified in the applicable Pricing Supplement appearing on the Relevant Make-whole Screen Page at the Relevant Make-whole Determination Time or, if no such Relevant Make-whole Screen Page is specified or such price does not appear on the Relevant Make-whole Screen Page at the Relevant Make-whole Determination Time, such price as is published in such other Make-whole Reference Source specified in the applicable Pricing Supplement at or around the Relevant Make-whole Determination Time or, if no such Make-whole Reference Source is specified or such price is not so published (i) the average of five Reference Market Maker Quotations for the relevant Make-whole Redemption Date, after excluding the highest and lowest Reference Market Maker Quotations, (ii) if the Calculation Agent obtains fewer than five, but more than one, such Reference Market Maker Quotations, the average of all such quotations, or (iii) if only one such Reference Market Maker Quotation is obtained, the amount of the Reference Market Maker Quotation so obtained;

"Reference Market Maker Quotations" means, with respect to each Reference Market Maker and any Make-whole Redemption Date, the average, as determined by the Calculation Agent, of the bid and asked prices for the Reference Bond (expressed in each case as a percentage of its principal amount) quoted in writing to the Calculation Agent at the Quotation Time specified in the applicable Pricing Supplement on the Reference Rate Determination Date specified in the applicable Pricing Supplement;

"Reference Market Makers" means five brokers or market makers of securities such as the Reference Bond selected by the Calculation Agent or such other five persons operating in the market for securities such as the Reference Bond as are selected by the Calculation Agent in consultation with the Issuer;

"Reference Bond Rate" means, with respect to any Make-whole Redemption Date, the rate per annum equal to the equivalent yield to maturity of the Reference Bond appearing on the Relevant Make-whole Screen Page at the Relevant Make-whole Determination Time, or, if no such Relevant Make-whole Screen Page is specified or such yield does not appear on the Relevant Make-whole Screen Page at the Relevant Make-whole Determination Time, such yield as is published in such other Make-whole Reference Source specified in the applicable Pricing Supplement at or around the Relevant Make-whole Determination Time or, if no such Make-whole Reference Source is specified or such yield is not so published, calculated using a price for the Reference Bond (expressed as a percentage of its principal amount) equal to the Reference Bond Price for such Make-whole Redemption Date. The Reference Bond Rate will be calculated on the Reference Rate Determination Date specified in the applicable Pricing Supplement;

"Reference Rate" means either the Reference Bond Rate or the Reference Swap Rate as specified in the applicable Pricing Supplement;

"Reference Swap Rate" means the rate per annum equal to the yield to maturity that would result from a calculation of such yield based on the rate, expressed as a percentage, for the Make-whole Redemption Date of, in the case of semi-annual or annual Interest Payment Dates, the semi-annual or annual swap rate, respectively for swap transactions in the Specified Currency maturing on the Maturity Date or if, in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of the Notes an interpolated rate would be utilised, the rate calculated by the Calculation Agent by straight line linear interpolation by reference to the two semi-annual or annual swap rates, as applicable, one of which shall be the applicable swap rate for the period of time for which rates are available next shorter than the length of the remaining term of the Notes and the other of which shall be the applicable swap rate for the period of time for which rates are available next longer than the length of the remaining term of the Notes **provided however that** if there is no rate available for a period of time next shorter or, as the case may be, next longer, then the Calculation Agent (or failing which the Issuer, in consultation with the Calculation Agent), acting in good faith and in a commercially reasonable manner, shall determine such rate at such time and by reference to such sources as it determines appropriate, which rate in each case appears on the Relevant Make-whole Screen Page as of approximately 11.00 a.m. in the principal financial centre of the Specified Currency on the Reference Rate Determination Date specified in the applicable Pricing Supplement. If such rate does not appear on the Relevant Make-whole Screen Page, the Reference Swap Rate for the Make-whole Redemption Date will be the Make-whole Reference Bank Rate for the remaining term of the Notes or the next shorter and next longer such rates as applicable;

"Relevant Make-whole Screen Page" means the display page on the relevant service as specified in the applicable Pricing Supplement or such other page as may replace it on that information service, or on such other equivalent information service as determined by the Calculation Agent, for the purpose of displaying equivalent or comparable rates to the (A) yield to maturity or specified price of the Reference Bond or (B) relevant swap rates for swap transactions in the Specified Currency with an equivalent maturity to the Maturity Date, as the case may be, or, in the case of (B), the next shorter and next longer such rates as applicable;

"Reference Banks" means five leading swap dealers in the interbank market for swap transactions in the Specified Currency with an equivalent maturity to the remaining term of the Notes or the next shorter and next longer such rates as applicable, as selected by the Calculation Agent in consultation with the Issuer; and

"Representative Amount" means an amount that is representative for a single transaction in the relevant market at the relevant time.

7.5 **Redemption at the Option of the Issuer (Issuer Maturity Call)**

If Issuer Maturity Call is specified as being applicable in the applicable Pricing Supplement, then the Issuer may, having given not less than the minimum period nor more than the maximum period of notice specified in applicable Pricing Supplement to the to the Trustee and the Principal Paying Agent and, in accordance with Condition 13 (*Notices*), the Noteholders (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem all (but not some only) of the Notes then outstanding at any time during the period commencing on (and including) the First Issuer Maturity Call Date to (but excluding) the Maturity Date, at the Final Redemption Amount specified in the applicable Pricing Supplement, together (if appropriate) with interest accrued but unpaid to (but excluding) the date of redemption. Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount and not more than the Maximum Redemption Amount, in each case as may be specified in the applicable Pricing Supplement.

In the case of a partial redemption of Notes, the Notes to be redeemed ("**Redeemed Notes**") will (i) in the case of Redeemed Notes represented by Definitive Notes, be selected individually by drawing of lots, not more than 30 days prior to the date fixed for redemption and (ii) in the case of Redeemed Notes represented by a Global Note, be selected in accordance with the rules of Euroclear and/or Clearstream, Luxembourg (on a pro rata basis by way of pool factor), and/or DTC (in the case of DTC, on the basis of a pro rata pass-through distribution of principal). 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 13 (*Notices*) not less than 15 days prior to the date fixed for redemption.

7.6 **Change of Control Put**

If (a) Change of Control Put is specified as being applicable in the applicable Pricing Supplement and (b) at any time while this Note remains outstanding, a Change of Control Put Event occurs, the holder of each Note will have the option (the "**Change of Control Put Option**") (unless, prior to the giving of the Change of Control Put Event Notice (as defined below), the Issuer gives notice of its intention to redeem the Notes under Condition 7.2 (*Redemption upon a Tax Event*) to require the Issuer to redeem or, at the Issuer's option, to purchase or procure the purchase of this Note on the Change of Control Redemption Date (as defined below), at the Change of Control Redemption Amount together with (or, where purchased, together with an amount equal to) accrued interest (if applicable) to (but excluding) the Change of Control Redemption Date.

Promptly upon the Issuer becoming aware that a Change of Control Put Event has occurred, the Issuer shall, and upon the Trustee becoming so aware (the Issuer having failed to do so) the Trustee may, give notice (a "**Change of Control Put Event Notice**") to the holders of Notes in accordance with Condition 13 (*Notices*) specifying the nature of the Change of Control Put Event, the circumstances giving rise to it and the procedure for exercising the Change of Control Put Option.

To exercise the Change of Control Put Option:

- (a) if this Note is in definitive form and held outside Euroclear and Clearstream, Luxembourg, the holder of this Note must deliver, at the specified office of the Registrar at any time during normal business hours of the Registrar falling within the period (the "**Change of Control Put Period**") of 30 days after that on which the Change of Control Put Event Notice is given, a duly completed and signed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent or, as the case may be, the Registrar (a "**Change of Control Put Exercise Notice**") and in which the holder must specify a bank account to which payment is to be made under this Condition and the nominal amount thereof to be redeemed and, if less than the full nominal amount of the Notes so surrendered is to be redeemed, an address to which a new Note in respect of the balance of such Notes is to be sent subject to and in accordance with the provisions of Condition 2.2 (*Transfers of Definitive Notes*); and
- (b) if this Note is represented by a Global Note or is in definitive form and held through Euroclear, Clearstream, Luxembourg or DTC, the holder of this Note must, within the Change of Control Put Period, give notice to the Principal Paying Agent of such exercise in accordance with the standard procedures of Euroclear, Clearstream, Luxembourg and

DTC (which may include notice being given on such holder's instruction by Euroclear, Clearstream, Luxembourg, DTC or any common depositary, as the case may be, for them to the Principal Paying Agent by electronic means) in a form acceptable to Euroclear, Clearstream, Luxembourg and DTC from time to time.

The Issuer shall redeem or, at its option, purchase (or procure the purchase of) the Notes in respect of which the Change of Control Put Option has been validly exercised on the Change of Control Redemption Date.

Any Change of Control Put Exercise Notice or other notice given in accordance with the standard procedures of Euroclear, Clearstream, Luxembourg and DTC given by a holder of any Note pursuant to this Condition 7.6 (*Change of Control Put*) shall be irrevocable except (i) with the prior consent of the Issuer or (ii) where, prior to the due date of redemption, an Event of Default has occurred and the Trustee has accelerated the Notes, in which event such holder, at its option, may elect by notice to the Issuer to withdraw the Change of Control Put Exercise Notice or such other notice and instead to treat its Notes as being forthwith due and payable pursuant to Condition 10.

The Trustee is under no obligation to ascertain whether a Change of Control Put Event or Change of Control or any event which could lead to the occurrence of or could constitute a Change of Control Put Event or Change of Control has occurred and, until it shall have actual knowledge or notice pursuant to the Trust Deed to the contrary, the Trustee may assume that no Change of Control Put Event or Change of Control or other such event has occurred.

For the purposes of this Condition 7.6 (*Change of Control Put*):

- (a) A "**Change of Control**" shall be deemed to have occurred when a person or persons, acting together, acquire Control of the Issuer;
- (b) A "**Change of Control Put Event**" shall be deemed to have occurred when a Change of Control occurs and, immediately prior to the commencement of the Change of Control Period, the Notes:
 - (i) have been assigned at the invitation of the Issuer from any Rating Agency: (x) an investment grade credit rating (Baa3 by Moody's, BBB- by S&P, BBB- by Fitch, or equivalent, or better), and such rating from any Rating Agency is, within the Change of Control Period, either downgraded to a non-investment grade credit rating (Ba1 by Moody's, BB+ by S&P, BB+ by Fitch or equivalent, or worse) or withdrawn and is not within such Change of Control Period subsequently (in the case of a downgrade) upgraded to an investment grade credit rating by such Rating Agency or (in the case of withdrawal) re-assigned by such Rating Agency or replaced by an investment grade credit rating from any other Rating Agency; or (y) a non-investment grade credit rating (Ba1 by Moody's, BB+ by S&P, BB+ by Fitch or equivalent, or worse), and such rating from any Rating Agency is within such Change of Control Period downgraded by one or more notches (for illustration, Ba1 to Ba2 being one notch) and is not within such Change of Control Period subsequently upgraded to the credit rating assigned to the Notes immediately prior to the commencement of the Change of Control Period or better by such Rating Agency, **provided that** if, immediately prior to the commencement of the Change of Control Period, the Notes are assigned a rating from more than one Rating Agency, at least one of which is investment grade, then subparagraph (x) will apply; or
 - (ii) have not been assigned a credit rating at the invitation of the Issuer from any Rating Agency and a Negative Rating Event also occurs within the Change of Control Period.

If the rating designations employed by any Rating Agency are changed from those which are described in this Condition, the Issuer shall determine the rating designations of the Rating Agency (as appropriate) as are most equivalent to the prior rating designations of the Rating Agency and this Condition shall be read accordingly;

- (c) "**Change of Control Period**" means the period (i) commencing on the date of the first public announcement of the relevant Change of Control, and (ii) ending on the date which is 90 days after the date on which the relevant Change of Control occurs;
- (d) "**Change of Control Redemption Date**" means the tenth day after the date of expiry of the Change of Control Put Period;
- (e) "**Control**" means (i) the acquisition or control of more than 50 per cent. of the Voting Rights of the Issuer; or (ii) the right to appoint and/or remove all or the majority of the members of the Issuer's board of directors or other governing body, in each case, whether obtained directly or indirectly, and whether obtained by the ownership of share capital, by the possession of Voting Rights, by contract, trust or otherwise;
- (f) a "**Negative Rating Event**" shall be deemed to have occurred at any time if at such time there is no credit rating assigned to the Notes by any Rating Agency at the invitation of the Issuer and (i) the Issuer does not, either prior to, or not later than 21 days after, the occurrence of the Change of Control seek, and thereafter throughout the Change of Control Period use all reasonable endeavours to obtain, a credit rating of the Notes or (ii) if the Issuer does so seek and use such endeavours, it is unable to obtain such a credit rating that is an investment grade rating by the end of the Change of Control Period;
- (g) "**Rating Agency**" means any of the following rating agencies: S&P Global Ratings Europe Limited (**S&P**) or Moody's Investors Service Ltd (**Moody's**) or any of their respective successors or any other rating agency of equivalent international standing specified from time to time by the Issuer; and
- (h) "**Voting Rights**" means the right generally to vote at a general meeting of shareholders of the Issuer, in respect of any person other than the Issuer the right generally to vote at a general meeting of the shareholders of that person (in each case, irrespective of whether or not, at the time, stock of any other class or classes shall have, or might have, voting power by reason of the happening of any contingency).

7.7 **Redemption at the option of the Noteholders (Investor Put)**

If Investor Put is specified as being applicable in the applicable Pricing Supplement, upon the holder of any Note giving to the Issuer in accordance with Condition 13 (*Notices*) not less than the minimum period nor more than the maximum period of notice specified in the applicable Pricing Supplement, the Issuer will, upon the expiry of such notice, redeem such Note on the Optional Redemption Date and at the Optional Redemption Amount together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date.

To exercise the right to require redemption of this Note the holder of this Note must, if this Note is in definitive form and held outside Euroclear and Clearstream, Luxembourg, deliver, at the specified office of the Registrar at any time during normal business hours of the Registrar falling within the notice period, a duly completed and signed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent or, as the case may be, the Registrar (a "**Put Notice**") and in which the holder must specify a bank account to which payment is to be made under this Condition and the nominal amount thereof to be redeemed and, if less than the full nominal amount of the Definitive Notes so surrendered is to be redeemed, an address to which a new Definitive Note in respect of the balance of such Definitive Notes is to be sent subject to and in accordance with the provisions of Condition 2.2 (*Transfers of Definitive Notes*).

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

Any Put Notice or other notice given in accordance with the standard procedures of Euroclear, Clearstream, Luxembourg and DTC by a holder of any Note pursuant to this Condition 7.7 (*Redemption at the option of the Noteholders (Investor Put)*) shall be irrevocable except (i) with the prior consent of the Issuer or (ii) where, prior to the due date of redemption, an Event of Default has occurred and the Trustee has accelerated the Notes, in which event such holder, at its option, may elect by notice to the Issuer to withdraw the Put Notice or such other notice and instead to treat its Notes as being forthwith due and payable pursuant to Condition 10.

7.8 **Early Redemption Amounts**

For the purpose of Conditions 7.2 (*Redemption upon a Tax Event*) above and Condition 10 (*Events of Default and Enforcement*):

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

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

where:

"RP" means the Reference Price;

"AY" means the Accrual Yield expressed as a decimal; and

"y" means the Day Count Fraction specified in the applicable Pricing Supplement which will be either (i) 30/360 (in which case the numerator will be equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360) or (ii) Actual/360 (in which case the numerator will be equal to the -actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360) or (iii) Actual/365 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 365).w

7.9 **Purchases**

The Issuer may purchase or otherwise acquire Notes in any manner and at any price in the open market or otherwise. Subject to applicable law, such Notes may be held, reissued, resold or, at the option of the Issuer, surrendered to any Paying Agent and/or the Registrar for cancellation.

7.10 **Cancellation**

All Notes which are redeemed will forthwith be cancelled. All Notes so cancelled and any Notes purchased and cancelled pursuant to Condition 7.9 (*Purchases*) above shall be forwarded to the Principal Paying Agent and cannot be reissued or resold.

7.11 **Late payment on Zero Coupon Notes**

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to Condition 7.1, 7.2, 7.3, 7.4, 7.5, 7.6 or 7.7 above or upon its becoming due and repayable as provided in Condition 10 (*Events of Default*) 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 7.8(b) above as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date which is the earlier of:

- (a) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and
- (b) five days after the date on which the full amount of the moneys payable in respect of such Zero Coupon Notes has been received by the Principal Paying Agent or the Registrar or the Trustee and notice to that effect has been given to the Noteholders in accordance with Condition 13 (*Notices*).

8. **TAXATION**

All payments of principal and interest in respect of the Notes by or on behalf of the Issuer will be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of any Tax Jurisdiction unless such withholding or deduction is required by law. In such event, the Issuer will pay such additional amounts as shall be necessary in order that the net amounts received by the holders of the Notes 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, 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:

- (a) presented for payment in Mauritius; or
- (b) the holder of which is liable for such taxes or duties in respect of such Note by reason of the holder having some connection with a Tax Jurisdiction other than the mere holding of such Note; or
- (c) 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 6.4 (*Payment Day*)).

Notwithstanding any other provision of these Conditions, in no event will the Issuer be required to pay any additional amounts in respect of the Notes for, or on account of, any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the Code (commonly referred to as FATCA) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any treaties, laws, regulations or agreements thereunder, or any official guidance or interpretations thereof, or any law implementing an intergovernmental approach thereto.

As used herein:

- (i) "**Tax Jurisdiction**" means the Republic of Mauritius or any political subdivision or any authority thereof or therein having power to tax or any other jurisdiction or any political subdivision or any authority thereof or therein having power to tax to which payments made by the Issuer of principal and interest on the Notes become generally subject; and
- (ii) the "**Relevant Date**" means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Trustee or the Principal Paying Agent or the Registrar, as the case may be, 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 13 (*Notices*).

9. **PRESCRIPTION**

The Notes will become void unless claims in respect of principal and/or interest are made 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 (*Taxation*)) therefor.

10. EVENTS OF DEFAULT AND ENFORCEMENT

10.1 Events of Default

The Trustee at its discretion may, and if so requested in writing by the holders of at least one-quarter in nominal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution shall (subject in each case to being indemnified and/or secured and/or pre-funded to its satisfaction), (but in the case of the happening of any of the events described in paragraphs 10.1(b) to 10.1(d) (other than the winding up or dissolution of the Issuer), 10.1(f) to (h) and (i) inclusive below, only if the Trustee shall have certified in writing to the Issuer that such event is, in its opinion, materially prejudicial to the interests of the holders of the Notes), give notice in writing to the Issuer that each Note is, and each 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 in the Specified Currency of any principal or interest due in respect of the Notes or any of them and the default continues for a period of 7 days in the case of principal and 14 days in the case of interest; or
- (b) if the Issuer fails to perform or observe any of its other obligations under these 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 next following the service by the Trustee on the Issuer of notice requiring the same to be remedied; or
- (c) if (i) any Indebtedness for Borrowed Money (as defined below) of the Issuer or any of its Material Subsidiaries becomes due and repayable prematurely by reason of an event of default (however described); (ii) the Issuer or any of its Material Subsidiaries fails to make any payment in respect of any Indebtedness for Borrowed Money on the due date for payment as extended by any originally applicable grace period; (iii) any security given by the Issuer or any of its Material Subsidiaries for any Indebtedness for Borrowed Money becomes enforceable and steps are taken to enforce the same; or (iv) default is made by the Issuer or any of its Material Subsidiaries in making any payment due under any guarantee and/or indemnity given by it in relation to any Indebtedness for Borrowed Money of any other person, **provided that** the amount of Indebtedness for Borrowed Money referred to in (i), (ii) or (iii) above and/or the amount payable under any guarantee and/or indemnity referred to in (iv) above, individually or in the aggregate exceeds U.S.\$50,000,000 (or its equivalent in any other currency or currencies); or
- (d) if the aggregate amount of final non-appealable unsatisfied judgments, orders or arbitration awards against the Issuer or any of its Material Subsidiaries exceeds U.S.\$75,000,000 (or its equivalent in any other currency) and such judgments, orders and/or arbitration awards are not discharged, satisfied and/or stayed within 30 days or, if later, the date therein specified for payment; or
- (e) if any order is made by any competent court or resolution passed for the winding up or dissolution of the Issuer or any of its Material Subsidiaries, save for the purposes of reorganisation on terms previously approved in writing by the Trustee or by an Extraordinary Resolution; or
- (f) if the Issuer or any of its Material Subsidiaries ceases or threatens to cease to carry on the whole or a substantial part of its business, otherwise than (a) in the case of a Material Subsidiary of the Issuer only, for the purposes of or pursuant to an amalgamation, reorganisation or restructuring whilst solvent or arm's length disposal or (b) 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 Material Subsidiaries stops or threatens to stop 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

- (g) if (i) proceedings are initiated against the Issuer or any of its Material 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 Material Subsidiaries or, as the case may be, in relation to the whole or a substantial part of the undertaking or assets of any of them, or an encumbrancer takes possession of the whole or a substantial 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 a substantial part of the undertaking or assets of any of them and (ii) in any case (other than the appointment of an administrator) is not discharged within 14 days; or
- (h) if the Issuer or any of its Material Subsidiaries initiates or consents to judicial proceedings relating to itself under any applicable liquidation, insolvency, composition, reorganisation or other similar laws (including the obtaining of a moratorium) or makes a conveyance or assignment for the benefit of, or enters into any composition or other arrangement with, its creditors generally (or any class of its creditors) or any meeting is convened to consider a proposal for an arrangement or composition with its creditors generally (or any class of its creditors); or
- (i) if any event occurs which, under the laws of any relevant jurisdiction, has or may have, in the Trustee's opinion, an analogous effect to any of the events referred to in paragraphs (d) to (h) above; or
- (j) any action, condition or thing at any time required to be taken, fulfilled or done in order (i) to enable the Issuer lawfully to enter into, exercise its rights and perform and comply with its obligations under and in respect of the Notes and the Trust Deed, (ii) to ensure that those obligations are legal, valid, binding and enforceable and (iii) to make the Notes and the Trust Deed admissible in evidence in the courts of the Republic of Mauritius is not taken, fulfilled or done; or
- (k) it is or will become unlawful for the Issuer to perform or comply with any of its obligations under or in respect of the Notes or the Trust Deed.

10.2 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 and the Notes, but it shall not be bound to take any such proceedings or any other action in relation to the Trust Deed or the Notes unless (a) it shall have been so directed by an Extraordinary Resolution or so requested in writing by the holders of at least one-quarter in nominal amount of the Notes then outstanding and (b) it shall have been indemnified and/or secured and/or pre-funded to its satisfaction.

No Noteholder shall be entitled to proceed directly against the Issuer unless the Trustee, having become bound so to proceed, (i) fails so to do within a reasonable period, or (ii) is unable for any reason so to do, and the failure or inability shall be continuing.

10.3 Definitions

For the purposes of these Conditions:

- (a) "**Indebtedness for Borrowed Money**" means any indebtedness (whether being principal, premium, interest or other amounts) for or in respect of any borrowed money or any liability under or in respect of any loan, any (revolving) credit facility, any acceptance or acceptance credit or any notes, bonds, debentures, debenture stock, loan stock or other securities; and
- (b) "**Material Subsidiary**" means at any time a Subsidiary of the Issuer:
 - (i) whose gross revenues (consolidated in the case of a Subsidiary which itself has Subsidiaries) or whose total assets (consolidated in the case of a Subsidiary which

itself has Subsidiaries) represent in each case (or, in the case of a Subsidiary acquired after the end of the financial period to which the then latest audited consolidated accounts of the Issuer and its Subsidiaries relate, are equal to) not less than 10 per cent. of the consolidated gross revenues, or, as the case may be, consolidated total assets, of the Issuer and its Subsidiaries taken as a whole, all as calculated respectively by reference to the then latest audited accounts (consolidated or, as the case may be, unconsolidated) of such Subsidiary and the then latest audited consolidated accounts of the Issuer and its Subsidiaries, **provided that:** in the case of a Subsidiary of the Issuer acquired after the end of the financial period to which the then latest audited consolidated accounts of the Issuer and its Subsidiaries relate, the reference to the then latest audited consolidated accounts of the Issuer and its Subsidiaries for the purposes of the calculation above shall, until consolidated accounts for the financial period in which the acquisition is made have been prepared and audited as aforesaid, be deemed to be a reference to such first-mentioned accounts as if such Subsidiary had been shown in such accounts by reference to its then latest relevant audited accounts, adjusted as deemed appropriate by the Issuer;

- (ii) to which is transferred the whole or substantially the whole of the undertaking and assets of a Subsidiary of the Issuer which immediately prior to such transfer is a Material Subsidiary, **provided that** the transferor Subsidiary shall upon such transfer forthwith cease to be a Material Subsidiary and the transferee Subsidiary shall cease to be a Material Subsidiary pursuant to this subparagraph (b)(ii) on the date on which the consolidated accounts of the Issuer and its Subsidiaries for the financial period current at the date of such transfer have been prepared and audited as aforesaid but so that such transferor Subsidiary or such transferee Subsidiary may be a Material Subsidiary on or at any time after the date on which such consolidated accounts have been prepared and audited as aforesaid by virtue of the provisions of subparagraph (b)(i) above or, prior to or after such date, by virtue of any other applicable provision of this definition; or
- (iii) to which is transferred an undertaking or assets which, taken together with the undertaking or assets of the transferee Subsidiary, generated (or, in the case of the transferee Subsidiary being acquired after the end of the financial period to which the then latest audited consolidated accounts of the Issuer and its Subsidiaries relate, generate gross revenues equal to) not less than 10 per cent. of the consolidated gross revenues, or represent (or, in the case aforesaid, are equal to) not less than 10 per cent. of the consolidated total assets, of the Issuer and its Subsidiaries taken as a whole, all as calculated as referred to in subparagraph (b)(i) above, **provided that** the transferor Subsidiary (if a Material Subsidiary) shall upon such transfer forthwith cease to be a Material Subsidiary unless immediately following such transfer its undertaking and assets generate (or, in the case aforesaid, generate gross revenues equal to) not less than 10 per cent. of the consolidated gross revenues, or its assets represent (or, in the case aforesaid, are equal to) not less than 10 per cent. of the consolidated total assets, of the Issuer and its Subsidiaries taken as a whole, all as calculated as referred to in subparagraph (b)(i) above, and the transferee Subsidiary shall cease to be a Material Subsidiary pursuant to this subparagraph (b)(iii) on the date on which the consolidated accounts of the Issuer and its Subsidiaries for the financial period current at the date of such transfer have been prepared and audited but so that such transferor Subsidiary or such transferee Subsidiary may be a Material Subsidiary on or at any time after the date on which such consolidated accounts have been prepared and audited as aforesaid by virtue of the provisions of subparagraph (b)(i) above or, prior to or after such date, by virtue of any other applicable provision of this definition.

10.4 Reports

A report by two Directors of the Issuer (whether or not addressed to the Trustee) that in their opinion a Subsidiary of the Issuer is or is not or was or was not at any particular time or throughout any specified period a Material Subsidiary may be relied upon by the Trustee without further

enquiry or evidence and, if relied upon by the Trustee, shall, in the absence of manifest error, be conclusive and binding on all parties.

11. **REPLACEMENT OF NOTES**

Should any Note be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Registrar upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Notes must be surrendered before replacements will be issued.

12. **AGENTS**

The initial Agents are set out above. If any additional Paying Agents are appointed in connection with any Series, the names of such Paying Agents will be specified in Part B of the applicable Pricing Supplement.

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

- (a) so long as the Notes are listed on any stock exchange or admitted to listing by any other relevant authority, there will at all times be a Paying Agent and a Transfer Agent, which may be the Registrar, with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange or other relevant authority;
- (b) there will at all times be a Principal Paying Agent and a Registrar;
- (c) so long as any of the Global Notes payable in a Specified Currency other than U.S. dollars are held through DTC or its nominee, there will at all times be an Exchange Agent with a specified office in New York City; and
- (d) so long as any of the Global Notes are held through DTC or its nominee, there will at all times be a Paying Agent in New York City.

Notice of any variation, termination, appointment or change in Paying Agents will be given to the Noteholders promptly by the Issuer in accordance with Condition 13 (*Notices*).

In acting under the Agency Agreement, the 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 Noteholder. 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. **NOTICES**

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

Until such time as any Definitive Notes are issued, there may, so long as any Global Notes representing the Notes are held in their entirety on behalf of Euroclear and/or Clearstream, Luxembourg and/or DTC, be substituted for such publication in such newspaper(s) or such websites or such mailing the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg and/or DTC for communication by them to the holders of the Notes and, in addition, for so long as any Notes are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will be

published on the website of the relevant stock exchange or relevant authority. Any such notice shall be deemed to have been given to the holders of the Notes on the day on which the said notice was given to Euroclear and/or Clearstream, Luxembourg and/or DTC.

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

14. **MEETINGS OF NOTEHOLDERS, MODIFICATION, WAIVER AND SUBSTITUTION**

The Trust Deed contains provisions for convening meetings (including by way of conference call or by use of a videoconference platform) of the Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Notes 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 five 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 or the Trust Deed (including modifying the date of maturity of the Notes or any date for payment of interest thereon, reducing or cancelling the amount of principal or the rate of interest payable in respect of the Notes or altering the currency of payment of the Notes), the quorum shall be one or more persons holding or representing not less than two-thirds in nominal amount of the Notes for the time being outstanding, or at any adjourned such meeting one or more persons holding or representing not less than one-third in nominal amount of the Notes for the time being outstanding. The Trust Deed provides that (i) a resolution passed at a meeting duly convened and held in accordance with the Trust Deed by a majority consisting of not less than three-fourths of the votes cast on such resolution, (ii) a resolution in writing signed by or on behalf of the holders of not less than three-fourths in nominal amount of the Notes for the time being outstanding or (iii) consent given by way of electronic consents through the relevant clearing system(s) in accordance with the rules of the relevant clearing system (in a form satisfactory to the Trustee) by or on behalf of the holders of not less than three-fourths in nominal amount of the Notes for the time being outstanding, shall, in each case, be effective as an Extraordinary Resolution of the Noteholders. An Extraordinary Resolution passed by the Noteholders will be binding on all the Noteholders, whether or not they are present at any meeting, and whether or not they voted on the resolution.

Subject (if required by Applicable Banking Regulations) to having given prior notice to, or having obtained the prior approval of, the Central Bank, the Trustee may agree, without the consent of the Noteholders, 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 error or an error which, in the opinion of the Trustee, is proven. Any such modification shall be binding on the Noteholders and any such modification shall be notified to the Noteholders in accordance with Condition 13 (*Notices*) 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 or determination), 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 whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise for individual Noteholders (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 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 except to the extent already provided for in Condition 8 (*Taxation*) and/or any undertaking or covenant given in addition to, or in substitution for, Condition 8 (*Taxation*) 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 and the Trust Deed of another company, being a Subsidiary of the Issuer, subject to (i) the Notes being unconditionally and irrevocably guaranteed by the Issuer, (ii) the Trustee being satisfied that the interests of the Noteholders will not be materially prejudiced by the substitution and (iii) certain other conditions set out in the Trust Deed being complied with.

15. **INDEMNIFICATION OF THE TRUSTEE AND TRUSTEE CONTRACTING WITH THE ISSUER**

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

The Trust Deed also contains provisions pursuant to which the Trustee is entitled, *inter alia*, (a) to enter into business transactions with the Issuer and/or any of its Subsidiaries and to act as trustee for the holders of any other securities issued or guaranteed by, or relating to, the Issuer and/or any of its Subsidiaries, (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 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.

16. **FURTHER ISSUES**

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

17. **CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999**

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

18. **GOVERNING LAW AND SUBMISSION TO JURISDICTION**

18.1 **Governing law**

The Trust Deed, the Agency Agreement, the Notes and any non-contractual obligations arising out of or in connection with the Trust Deed, the Agency Agreement and the Notes shall be governed by, and construed in accordance with, English law.

18.2 **Submission to jurisdiction**

(a) Subject to Condition 18.2(c) below, the English courts have exclusive jurisdiction to settle any dispute arising out of or in connection with the Trust Deed and/or the Notes, including any dispute as to their existence, validity, interpretation, performance, breach or termination or the consequences of their nullity and any dispute relating to any non-contractual obligations arising out of or in connection with the Trust Deed and/or the Notes (a **Dispute**) and accordingly each of the Issuer and the Trustee and any Noteholders in relation to any Dispute submits to the exclusive jurisdiction of the English courts.

- (b) For the purposes of this Condition 18.2, the Issuer waives any objection to the English courts on the grounds that they are an inconvenient or inappropriate forum to settle any Dispute.
- (c) To the extent allowed by law, the Trustee and the Noteholders may, in respect of any Dispute or Disputes, take (i) proceedings in any other court with jurisdiction; and (ii) concurrent proceedings in any number of jurisdictions.

18.3 Appointment of Process Agent

The Issuer irrevocably appoints Law Debenture Corporate Services Limited at 8th Floor, 100 Bishopsgate, London, EC2N 4AG, United Kingdom as its agent for service of process in any proceedings before the English courts in relation to any Dispute and agrees that, in the event of Law Debenture Corporate Services Limited being unable or unwilling for any reason so to act, it will immediately appoint another person as its agent for service of process in England in respect of any Dispute. The Issuer agrees that failure by a process agent to notify it of any process will not invalidate service. Nothing herein shall affect the right to serve process in any other manner permitted by law.

18.4 Other documents

The Issuer has in the Trust Deed and Agency Agreement submitted to the jurisdiction of the English courts and appointed an agent for service of process in terms substantially similar to those set out above.

USE OF PROCEEDS

The net proceeds from each issue of Notes will be applied by the Issuer for its general corporate purposes. If, in respect of an issue, there is a particular identified use of proceeds, this will be stated in the applicable Pricing Supplement.

SELECTED FINANCIAL INFORMATION

The following tables set forth selected historical financial information derived from the Financial Statements and are presented in Mauritian rupee and included elsewhere in this Offering Circular. See "Presentation of Financial Information".

Prospective investors should read the following summary financial and other information in conjunction with the information contained the Financial Statements and the related notes thereto.

Statement of financial position as at 30 June:

	2022	2021
	<i>MUR million</i>	
ASSETS		
Cash and cash equivalents.....	64,594	101,154
Derivative financial instruments.....	438	1,035
Loans to and placements with banks.....	23,934	40,869
Loans and advances to customers.....	306,648	256,750
Investment securities.....	222,823	183,560
Investment in subsidiary.....	118	118
Investments in associates.....	5,569	5,820
Intangible assets.....	1,896	1,462
Property, plant and equipment.....	4,951	5,211
Deferred tax assets.....	1,804	1,189
Post employee benefit asset.....	-	1,218
Other assets.....	31,742	27,155
Total assets.....	664,517	625,541
LIABILITIES AND SHAREHOLDER'S EQUITY		
Deposits from banks.....	11,318	21,656
Deposits from customers.....	481,103	453,828
Derivative financial instruments.....	497	1,406
Other borrowed funds.....	92,755	74,626
Subordinated liability.....	684	875
Current tax liabilities.....	1,148	1,031
Post employee benefit liability.....	460	-
Other liabilities.....	9,799	8,823
Total liabilities.....	597,764	562,245
Shareholder's equity		
Stated capital.....	8,880	8,880
Retained earnings.....	48,161	45,343
Other components of equity.....	9,712	9,073
Total equity.....	66,753	63,296
Total equity and liabilities.....	664,517	625,541
CONTINGENT LIABILITIES.....	120,441	117,712

Statement of profit or loss for the year ended 30 June:

	2022	2021
	<i>MUR million</i>	
Interest income using the effective interest method.....	16,470	15,628
Interest expense.....	(2,537)	(1,938)
Net interest income	13,933	13,690
Fee and commission income.....	7,233	4,934
Fee and commission expense.....	(2,057)	(1,068)
Net fee and commission income	5,176	3,866
Other income		
Profit arising from dealing in foreign currencies.....	1,717	1,227
Net (loss)/gain from equity financial instruments carried at fair value through profit or loss.....	(291)	611
Dividend income.....	79	36
Net gain from other financial instruments carried at fair value.....	163	165
Other operating income.....	77	148
	1,745	2,187
Operating income	20,854	19,743
Non-interest expense		
Salaries and human resource development.....	(4,143)	(3,834)
Depreciation of property, plant and equipment.....	(527)	(556)
Amortisation of intangible assets.....	(430)	(321)
Other.....	(2,243)	(2,017)
	(7,343)	(6,728)
Operating profit before impairment	13,511	13,015
Net impairment of financial assets.....	(3,392)	(4,601)
Operating profit	10,119	8,414
Share of profit of associates.....	475	337
Profit before tax	10,594	8,751
Income tax expense.....	(1,646)	(1,355)
Profit for the year	8,948	7,396
Earnings per share (Rs)	10.08	10.73

Statement of comprehensive income for the year ended 30 June:

	<u>2022</u>	<u>2021</u>
	<i>MUR million</i>	
Profit for the year	8,948	7,396
Other comprehensive income/(expense):		
Items that will not be reclassified to profit or loss:		
Net fair value gain/(loss) on equity instruments	124	111
Reclassification adjustments on disposal of equity investments at fair value	-	(1)
Share of other comprehensive income of associates	24	-
Remeasurement of defined benefit pension plan, net of deferred tax	(1,529)	2,108
	<u>(1,381)</u>	<u>2,218</u>
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translating foreign operations	(360)	576
Reclassification adjustments on disposal of debt investments at fair value	7	-
Net fair value gain/(loss) on debt instruments	(23)	(108)
	<u>(376)</u>	<u>468</u>
Other comprehensive income/(expense) for the year	(1,757)	2,686
Total comprehensive income for the year	7,191	10,082

DESCRIPTION OF THE ISSUER'S BUSINESS

OVERVIEW

The Issuer, The Mauritius Commercial Bank Limited ("**MCB Ltd**"), is the wholly-owned subsidiary of MCB Investment Holding Limited, itself a wholly-owned subsidiary of MCB Group Limited (together with the Issuer, the "**MCB Group**").

The Issuer was incorporated in Mauritius on the 18 August 1955 as a public limited liability company domiciled in Mauritius and is regulated by the BoM and under the laws of Mauritius. The Issuer also holds Business Registration Card C07000934 issued by the Companies Division of the Government of Mauritius with registered office at 9-15 Sir William Newton Street, Port Louis, 1112-07, Mauritius.

The Issuer operates a universal banking business model and offers retail banking, business banking, corporate and institutional banking, as well as private banking and wealth management services. The Issuer is headquartered in Port Louis, Mauritius. As at the date of this Offering Circular, the Issuer is present in 8 countries and employs over 3,000 people.

The Issuer is the oldest and largest banking institution in Mauritius while having an increasing presence regionally. The Issuer has a subsidiary in Madagascar, The Mauritius Commercial Bank (Madagascar) SA, which operates independently from the Issuer and is not consolidated in the Issuer's financial statements, and a presence in Mozambique, Réunion Island, Mayotte, and Paris through its associates, notably Société Générale Moçambique and Banque Française Commerciale Océan Indien (BFCOI). The Issuer also has representative/advisory offices in Johannesburg, Nairobi, Paris and Dubai. The Issuer is also currently awaiting approval for the establishment of a representative office in Nigeria in view of its business dealings in the country and the commercial opportunities in West Africa. In September 2021, the Issuer's representative office license in Dubai was upgraded to the status of an advisory office with a Dubai Financial Services Authority category 4 license. The Issuer has a wide network of around 400 correspondent banks globally, including around 100 banks in Africa.

Through its multiple service delivery channels, the Issuer provides its clients in Mauritius, regionally and internationally, with financial solutions and dedicated advice to meet their ambitions. For individual customers, the Issuer offers everyday banking services, payments services, financing solutions as well as wealth management solutions. For corporates and institutions, the Issuer offers financing solutions including structured project financing, trade finance services as well as transactional banking, payments and cash solutions, securities services and, global markets and treasury management services.

The Issuer interacts with its customers and clients through a combination of physical and electronic channels. It is also increasingly expanding its digital footprint through its low-touch solutions such as contactless payments and the MCB Juice mobile banking application which has some 400,000 subscribers. The Issuer was the first institution in Mauritius to launch a dedicated mobile banking app for small and medium enterprises ("**SMEs**") in June 2020. Through its Digital Transformation Programme, MCB seeks to embed automation and technology in its operations in order to enhance the banking experience of its customers on the back of reviewed end-to-end customer journeys i.e. from on-boarding/origination to service delivery/disbursement.

The Issuer undertakes its operations through four principal business segments: retail banking, business banking, corporate and institutional banking, and private banking and wealth management.

As at 30 June 2022, the Issuer, which is the main subsidiary of MCB Group, had total assets of MUR 664,517 million (compared to MUR 625,541 million as at 30 June 2021) of which net loans and advances to customers were MUR 306,648 million. Net profits were MUR 8,948 million for the year ended June 2022 (2021: MUR 7,396 million).

KEY INFORMATION

The following table presents two years of selected key information of the Issuer. Prospective investors should read the following information in conjunction with the annual financial statements, which are incorporated by reference herein.

	As at and for the year ended	
	30 June 2022	30 June 2021
Statement of Profit or Loss (MUR million)		
Operating income	20,854	19,743
Operating profit before impairment.....	13,511	13,015
Operating profit.....	10,119	8,414
Profit before tax	10,594	8,751
Profit for the year	8,948	7,396
Statement of financial position (MUR million)		
Total assets.....	664,517	625,541
Total loans (net)	324,856	272,864
Investment securities	222,823	183,560
Total deposits	492,421	475,484
Subordinated liabilities.....	684	875
Other borrowed funds.....	92,755	74,626
Shareholders' funds	66,753	63,296
Performance ratios (per cent.)		
Return on average total assets	1.4	1.3
Return on average equity.....	13.8	12.7
Return on average Tier 1 capital.....	14.6	13.4
Non-interest income to operating income.....	33.2	30.7
Loans to deposits ratio.....	68.5	60.2
Cost to income ratio	35.2	34.1
Capital adequacy ratios (per cent.)		
BIS risk adjusted ratio.....	17.2	16.8
of which Tier 1	16.3	15.8
Asset quality		
Non-performing loans (MUR million)*	12,384	9,871
Gross NPL ratio (per cent.)	3.4	3.2

Capital adequacy ratios are based on Basel III

** Excluding interest in suspense.*

COMPETITION

Mauritius

The banking industry in Mauritius comprises 19 banking institutions, of which 6 are locally-owned, 10 are foreign-owned subsidiaries and 3 are branches of international banks (based on the latest BoM Financial Stability Report data available as at December 2021). According to the World Economic Forum's Global Competitiveness Report 2019, Mauritius is ranked 27th worldwide in terms of its financial system and 29th with respect to domestic credit to the private sector. Mauritius is also ranked 1st in Africa and 45th among 132 countries worldwide in the Global Innovation Index 2022. MCB Group features as the only Mauritian institution in the top 25 African banks and retained its leading position in East Africa, according to the July 2022 edition of The Banker Top 1000 World Banks.

As per the BoM website, the domestic banking sector assets stood at MUR 2,118 billion as at 31 August 2022 compared to MUR 1,956 billion as at 31 August 2021. The Issuer's main competitors include the SBM Bank (Mauritius) Ltd., Absa Bank (Mauritius) Limited and AfrAsia Bank Limited. These banks, including the Issuer and HSBC Ltd. (Mauritius Branch) (involved mostly in domestic activities), have been identified by the BoM as domestic systemically important banks in Mauritius.

The Issuer is the leading banking institution in Mauritius and has maintained its leadership position in the domestic banking sector, notably with respect to corporate and retail loans, credit facilities approved under the government-backed SME financing scheme, student loans approved by the Issuer under normal banking terms and the government guarantee scheme as well as rupee deposits. As at 30 June 2022, the Issuer held a market share of 57 per cent. with respect to cards in circulation in Mauritius and remained a market leader with regard to the provision of mobile banking services.

The Issuer is the largest bank in Mauritius with total assets of MUR 664,517 million as at June 2022, followed by SBM Bank (Mauritius) Ltd, AfrAsia Bank Limited (based on March 2022 financial statements) and Absa Bank (Mauritius) Limited. The key competitors of the Issuer across business lines in the domestic market are SBM Bank (Mauritius) Ltd and Absa Bank (Mauritius) Limited. AfrAsia Bank Limited is more focused on specific segments such as wealth management and the global business segment.

During the year ended 30 June 2022, the Issuer recorded the highest operating results and net profit of banking institutions in Mauritius for its financial year ended 30 June 2022, with SBM Bank (Mauritius) Ltd and Absa Bank (Mauritius) Limited ranked next (figures pertain to their respective financial year end). Net interest income represented the main source of revenue for these three institutions while AfrAsia Bank Limited had a higher share of non-interest income given its business model.

Africa / Rest of the World

The Issuer has pursued its international growth agenda and established its market positioning by selectively focusing on business avenues in areas where it has built expertise over time and leveraging its representative/advisory offices, MCB Group entities as well as partnerships with external parties, while also tapping into a wide network of correspondent banks worldwide. Its representative/advisory offices help to reinforce coverage and relationships with clients as well as capture potential commercial opportunities and gather market intelligence. Its network of correspondent banks helps to reinforce the Issuer's position as an intermediary bank facilitating trade between Africa, Asia and the rest of the world by offering services such as the establishment of correspondent relationships, setting up of credit lines, trade, payments and treasury services. The Issuer is also an active promoter of the MCB Group's "Bank of Banks" initiative, which consists of providing adapted strategic and operational solutions to financial institution counterparts, notably those operating in Africa. The value proposition of the Issuer includes trade finance, payments, investment solutions and securities services as well as global market offerings.

HISTORY

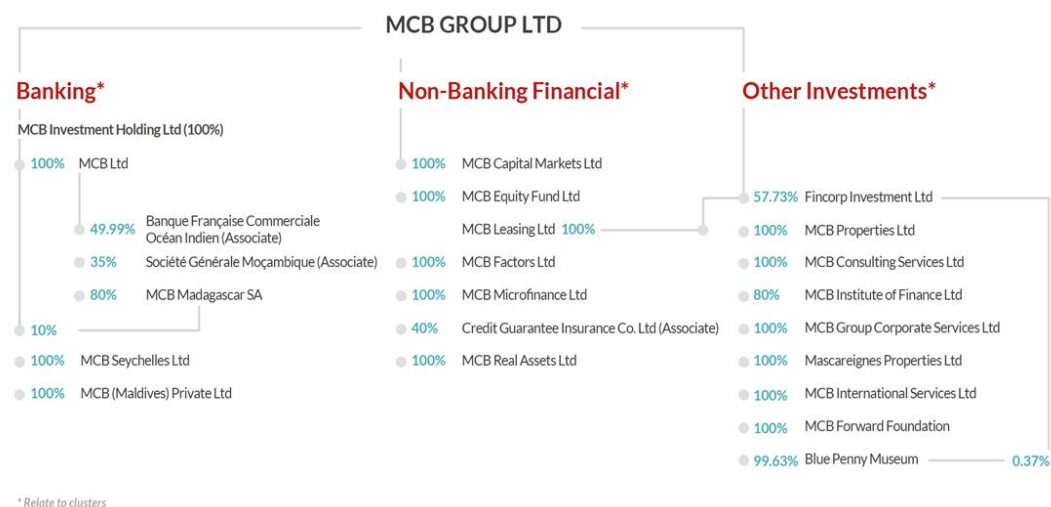
The Issuer was founded in 1838 as "La Banque Commerciale de Maurice" by several domestic traders headed by James Blyth. It began trading in 1838, with authorised capital of GBP 100,000. In 1839, Queen Victoria granted a royal charter to the newly established bank for a period of 20 years under the name "The Mauritius Commercial Bank". The charter was renewed every 20 years until 1955, when the Issuer became a limited liability company. In 1949, Lloyds TSB, a UK-based financial services group, became a shareholder of the Issuer. From 1991 to 1999, the Issuer expanded its presence to Paris, Réunion Island, Mayotte, Seychelles, Madagascar and Mozambique. In 2008, the Issuer expanded its international operations in the Maldives and through a representative office in Johannesburg. In 2014 and 2019, the Issuer also opened representative offices in Nairobi and Dubai, respectively.

In April 2014, the Issuer was restructured and MCB Group was created as an ultimate holding company. The Issuer's shares were exchanged, on a one-for-one basis, for shares in MCB Group. MCB's ordinary shares were delisted, while MCB Group's shares were listed on the Stock Exchange of Mauritius. In addition, the Issuer's shares held by MCB Group were exchanged for shares in MCB Investment Holding Limited, which was incorporated as an intermediate holding company for MCB Group's banking investments. The Issuer is the main subsidiary of MCB Group contributing 84 per cent. of its net profit for the year ended, and 89 per cent. of its total assets as at, 30 June 2022.

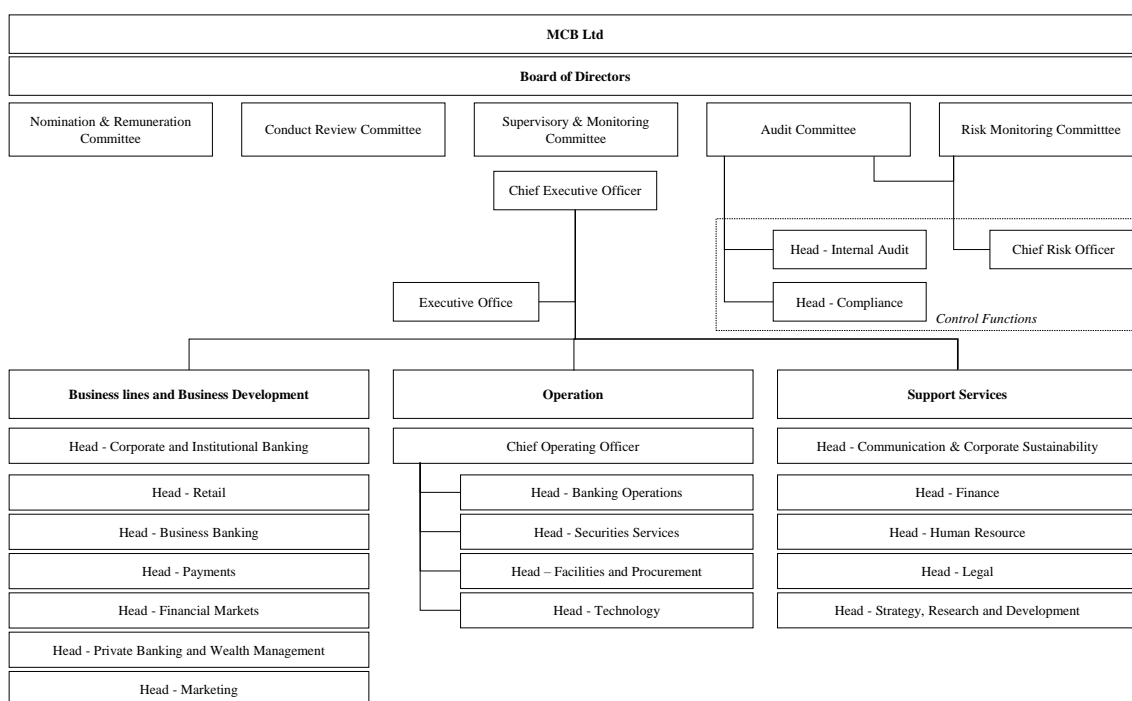
MCB Group's shares are the most traded stocks on the Stock Exchange of Mauritius, representing around 45 per cent. of market turnover in the financial year ended 30 June 2022. Moreover, MCB Group has the largest market capitalisation on the Stock Exchange of Mauritius, with a share of around 27 per cent. as of 30 June 2022. MCB Group's shares are also one of the contributors to the Stock Exchange of Mauritius Sustainability Index and MCB Group been awarded an MSCI ESG rating, both providing a benchmarking measure against a set of internationally recognised environmental, social and governance criteria. As at 30 June 2022, MCB Group had adequate capital and liquidity buffers, at similar levels with the Issuer.

CORPORATE STRUCTURE AND MAJOR ORDINARY SHAREHOLDERS

Structure of MCB Group



Structure of the Issuer



Shareholders

The Issuer is a wholly-owned subsidiary of MCB Investment Holding Limited, itself a wholly-owned subsidiary of MCB Group. The latter acts as the ultimate holding company of MCB Group's entities, following a restructuring exercise in 2014 to separate its banking and non-banking operations.

As at 30 June 2022, the outstanding ordinary issued capital of MCB Group amounted to MUR 3.1 billion (approximately U.S.\$70 million), comprising 240.6 million ordinary shares. The table below shows the 10 largest shareholders as well as the ownership of ordinary share capital by type as at 30 June 2021 and 30 June 2022.

S. No	10 Largest Shareholders	per cent. Holdings as at	
		30 June 2021	30 June 2022
1	National Pensions Fund	7.3	7.3

S. No	10 Largest Shareholders	per cent. Holdings as at	
		30 June 2021	30 June 2022
2	State Insurance Company of Mauritius Ltd.	3.2	3.5
3	Swan Life Ltd.	3.3	3.4
4	Promotion and Development Limited	3.0	3.0
5	BNYM SA/NV A/C Eastspring Investments SICAV-FIS	2.0	1.5
6	MUA Life Ltd.	1.2	1.2
7	The Mauritius Commercial Bank Ltd. Superannuation Fund.	1.2	1.2
8	National Savings Fund..... SSL C/O SSB Boston A/C Russell Investment Company	1.0	1.0
9	PLC	0.9	0.9
10	New Mauritius Hotels Group Superannuation Fund	0.8	0.8

Category	As at			
	30 June 2021		30 June 2022	
	No. of Shareholders (%)	No. of Shares per cent. Holding	No. of Shareholders (%)	No. of Shares per cent. Holding
Individuals.....	94.6	46.3	94.8	50.9
Pension and Provident Funds	0.4	14.0	0.4	14.8
Investment and Trust Companies	0.7	12.9	0.6	10.2
Insurance and Assurance Companies	0.1	8.7	0.1	5.6
Other Corporate Bodies.....	4.2	18.1	4.1	18.5
Total	100.0	100.0	100.0	100.0

STRATEGY

The Issuer's operating results have been underpinned by its diversification strategy and business model, with dedicated initiatives executed across its three strategic pillars, namely: (i) extending its frontiers; (ii) delivering a world-class customer experience through digital channels and solutions; and (iii) nurturing its values and delivering on its brand promise, as described below.

Since the year ending 30 June 2019, the Issuer has embarked on a strategy to become more international, digital and sustainable. The Issuer's long-term goal is to position itself as a strong and innovative regional financial provider. Domestically, the Issuer aims to consolidate its prime position as a universal bank. Regionally, the Issuer aims to strengthen its positioning across specific segments as a specialist bank and offering expertise in the areas it specialises in.

The Issuer's strategic pillars are explained in more detail below.

Extending the Issuer's frontiers

This relates to consolidating the Issuer's domestic positioning and pursuing its regional diversification agenda by exploring new growth avenues.

Domestically, the Issuer aims to further affirm its leadership status and reinforce its contribution to the socio-economic development of Mauritius. Alongside continuous support to the development and modernisation of key sectors, spanning Manufacturing, Tourism, Property Development and Financial Services amongst others, the Issuer seeks to facilitate the transition to a greener economy and promotion of responsible entrepreneurship to enhance domestic production and resilience.

Furthermore, the Issuer is accelerating its digital transformation to be the dominant digital bank in Mauritius whilst assisting Mauritius in its transformation towards a cash-lite economy through the rapid adoption and utilisation of digital channels and solutions.

The Issuer intends to pursue its regional diversification with Africa remaining its main market. To realise its growth ambitions, the Issuer intends to increasingly leverage and further promote the Mauritian jurisdiction as a base for accessing opportunities in Africa and the rest of the world. The Issuer seeks to capitalise on and contribute to the strategic positioning of the Mauritian International Financial Centre ("IFC") which has the ambition of being a hub for attracting, managing, structuring and channelling trade and investments into the Africa continent by building on the intrinsic strengths and preferential market access of Mauritius in Africa and Asia in particular.

More specifically, the Issuer aims to reinforce its position as an established financial partner and product specialist.

To uphold its specialised finance activities, the Issuer will continue to build on its established brand and track record to further entrench its positioning within the energy and commodities sector, while gradually building an African power and infrastructure franchise. The Issuer has, over time, developed expertise in providing tailored finance solutions across the downstream, midstream and upstream segments of the energy and commodities value chain. It plans to maintain its involvement as leading key provider of financing for the importation of oil and gas into jurisdictions across the Indian Ocean and Africa to support socio-economic development in those jurisdictions and to further position itself as a privileged partner for direct and joint financing in the region. With regard to its power and infrastructure activities, the Issuer aims to support its clients in their infrastructure investments, including energy projects contributing to the transition towards cleaner energy and improving the electrification rate on the continent.

The Issuer also aspires to deepen relationships with regional and international corporates including major multinational corporations and private equity funds, leveraging an enhanced go-to-market approach, targeted value proposition and a strong network of intermediaries and partners.

In parallel, the Issuer will continue developing stronger business networks towards consolidating its syndication offering and strengthening its positioning as lead arranger with financial institutions for dedicated deals.

Additionally, the Issuer aims to diversify its revenue base towards driving a more sustainable, balanced and higher return business mix. To this end, the Issuer is expanding its footprint internationally and providing a wide range of sophisticated investment solutions and dedicated advisory services to high net worth clients and wealth institutions, including external asset managers. In addition, the Issuer is enhancing its transactional value proposition by bolstering its global markets offerings, cash management and trade solutions.

As it continues its expansion beyond Mauritius, the Issuer will capitalise on its strategically positioned representative/advisory offices, which play a pivotal role in reinforcing client coverage and relationships across the region.

Delivering a world-class customer experience through digital channels and solutions

This encompasses embedding digital innovation and technology as a key enabler of enriched customer service quality and relationships.

Key initiatives put into place have helped the Issuer improve its range of innovative digital solutions across different segments and to redefine and digitise the end-to-end customer experience. In addition, the Issuer has upgraded its digital channels onto a leading omni-channel platform, providing customers with a seamless digital solution.

In line with the Issuer's ambitions to "deliver a world-class customer experience through digital", the Issuer has launched a review of its payments business, with the objective of reinforcing its position as a strong and innovative payment provider domestically and in the region.

Furthermore, the Issuer made headway in leveraging data as a strategic asset, with the rollout of its first analytics-enabled digital platform to drive customer value, provide insights, manage risk and strengthen its compliance framework. The Data Business Unit has been set up and through the use of advanced analytics, it provides support to (i) Relationship Executives in the retail segment to advise clients on potential products adapted to their profiles through enhanced segmentation; (ii) improve anti-money laundering ("AML") monitoring processes by leveraging machine learning to improve alerts and help reduce false positives; (iii) develop credit scoring models with a view to supporting the digitalisation of lending processes (specifically for small and medium-sized enterprises ("SMEs") and unsecured lending); and (iv) the deployment of various digital dashboards to improve analytics and inform decision making.

To underpin its digital transformation journey, the Issuer has been continuously upgrading its IT systems and infrastructure to enhance operational efficiency levels and improve customer service quality.

Nurturing the Issuer's values and delivering on its brand promise

This encompasses strengthening the Issuer's franchise and cementing the organisation as a positive brand, while entrenching sustainability in its operations.

The Issuer has remained committed to delivering a positive economic, social, environmental and cultural impact, through its ongoing actions amidst the COVID-19 pandemic. In line with its 'Success Beyond Numbers' philosophy, which is aligned with its operating framework, the Issuer aims to promote a sustainable domestic economy, preserving Mauritius' environmental and cultural heritage, and supporting individual and collective well-being.

The Issuer supports responsible entrepreneurship to help enhance domestic production and resilience in Mauritius. In parallel, the Issuer has taken key commitments and set ambitious targets in favour of gender equality and the fight against climate change.

As the Issuer consolidates its business domestically and grows its regional footprint, it aims to reinforce its position as a sustainable financier, embedding sustainability further into its business. The Issuer is focused on developing a clear sustainable finance strategy and framework, and the provision of adapted financial solutions for its customers, as the Issuer accompanies them in their transition to carbon neutrality and towards a greener economy.

The Issuer's remuneration, corporate governance, ethics and sustainability committee has been endowed with a sub-committee on corporate sustainability to assist in the monitoring of its corporate sustainability agenda and its implementation across the organisation.

Building sustainable capabilities to support growth ambitions

This encompasses maintaining the Issuer's internal capabilities in order to reinforce its ability for growth. In this respect, the Issuer has deployed a comprehensive talent management plan as part of its HR transformation initiative aimed at fostering the engagement, proficiency, advancement and well-being of its employees.

To ensure balanced business growth and enhance its resilience notably to emerging risks, the Issuer aims to continue strengthening its risk management framework through robust governance and internal controls, continuous enhancements to its internal platforms and processes, and reinforced awareness across the organisation.

In parallel, the Issuer has undertaken several business transformation and realignment initiatives to enhance its operating models. For example, the Corporate and Institutional Banking Strategic Business Unit ("**SBU**") has been restructured based on a reviewed customer segmentation model aimed at strengthening business development capabilities and better supporting the Issuer's international expansion and the positioning of Mauritius as an international financial centre.

The Issuer's Private Banking and Wealth Management SBU also undertook a transformation aimed at reinforcing its strategic positioning and better addressing the needs of its growing and increasingly diverse client base across markets. At product level, a new 'Financial Markets' SBU was recently created with the Global Markets and Treasury Management strategy being realigned with a view to further developing client solutions across asset classes, while simultaneously creating a cross-asset trading culture and optimising the balance sheet management across all banking operations. Furthermore, a new Payments SBU came into operation this year to provide greater focus on innovation capabilities, an enriched payments value proposition and cross-selling opportunities.

The Issuer has also proceeded with the reorganisation of some of its risk and compliance functions. Given its growing importance and complexity, the compliance function which formerly sat within the Permanent Control function has been reorganised as a stand-alone unit and is being expanded. With regard to the Permanent Control SBU, it has been integrated within the Risk SBU to cater for permanent supervision, operational and information risks. The Risk SBU is now reorganised under four functions, namely, Financial Risk, Permanent Supervision, Operational and Information Risks, Credit Management and Debt Restructuring and Recovery.

BUSINESS OF THE ISSUER

The Issuer operates four principal business segments: retail banking, business banking, corporate and institutional banking and private banking and wealth management.

Retail banking

Through retail banking, the Issuer services (i) junior, youth and young professional segments and (ii) mass and mass affluent individual customers.

Specifically, the Issuer caters for the day-to-day and lifetime needs of its individual customers. In addition to lending and deposit facilities, adapted account packages are offered to individual customers across age groups. The Issuer offers digital and innovative payments solutions to help its clients manage their money on-the-go with convenience. Customers are able to carry out their banking transactions via multiple channels and platforms. Furthermore, in collaboration with other MCB Group entities, clients can benefit from investment solutions such as investment plans (e.g. education and retirements plans) and investment funds from MCB Capital Markets Ltd, which are tailored to their specific circumstances.

As at 30 June 2022, despite the difficult operating environment, the average retail loan portfolio and deposits continued to increase. However, growth in gross operating margin was impacted by pressures on interest margins.

Business banking

Through business banking, the Issuer services micro, small and medium enterprises ("**MSMEs**") with turnover below MUR 100 million (approximately U.S.\$2.3 million) and mid-market enterprises ("**MMEs**") with turnover between MUR 100 million (approximately U.S.\$2.3 million) and MUR 250 million (approximately U.S.\$5.7 million). The Issuer provides MSMEs and MMEs with tailored solutions to meet their growth strategy and accompany them throughout their business development cycle. The Issuer offers cash flow solutions and tailor-made business banking products and services to the companies that are adapted to their needs.

The Issuer has cemented its positioning as a leading service provider for MSMEs and MMEs in Mauritius. The Issuer is ranked 1st amongst the 12 participating banks in respect of credit facilities outstanding under the government-backed SME financing scheme, with a corresponding market share of 46.1 per cent. during the December 2011 to June 2022 period.

Notwithstanding a lower than expected growth in the Issuer's loan book amidst the uncertain economic context, the financial performance of the Issuer continued to improve as a result of considerable growth in non-interest income. The latter was driven by higher fee income and forex profits, partly linked to a pick-up in business activities after the reopening of the country's borders.

Corporate and institutional banking

The Issuer supports corporate and institutional clients in Mauritius, regionally and beyond. These include: (i) large corporates based in Mauritius as well as corporates operating in the countries in which the MCB Group maintains a presence; (ii) foreign clients with structured finance needs; (iii) entities within the energy and commodities fields (notably traders, refineries and other such parties); (iv) global business groups, funds, trusts and foundations as well as other entities using the Mauritian IFC as a gateway for doing business or investing abroad, notably in Africa; (v) private equity firms; (vi) investment and asset management companies; (vii) government bodies; and (viii) financial institutions.

The Issuer assists domestic large corporate and institutional clients by offering them financing and transactional solutions and dedicated advice to meet their growth and capacity building ambitions. It also attends to the needs of diverse customer segments doing business within and into Africa, and in other jurisdictions. The Issuer provides specialised finance solutions, which include structured commodity trade financing and project financing, across the downstream, midstream and upstream segments of the energy and commodities value chain, while also gradually developing its power and infrastructure franchise. Additionally, it supports international corporates and funds by providing financing, transactional and investment solutions tailored to the specific needs of each business activity. In line with its "Africa Forward Together" brand and the "Bank of Banks" initiative, the Issuer is also continuously collaborating with other financial institutions to help improve their value offering and build stronger and meaningful partnerships.

For the financial year ended 30 June 2022, the lending portfolio increased on the back of the sustained growth registered in the Issuer's international loan book, in particular within its Specialised Finance segment, linked to Energy & Commodities financing. This contributed to a positive growth in net interest income in spite of lower yields whilst a significant growth was recorded in non-interest income, mainly arising from increased fee and commission income from trade finance and payment activities.

Private Banking and Wealth Management ("PBWM")

The PBWM business segment services resident and non-resident affluent and high-net worth individuals, as well as external asset managers, including financial intermediaries, such as fiduciaries, family offices and financial advisors.

The Issuer provides tailored solutions geared towards safeguarding the growth and transfer of the assets of its clients, both domestically and abroad. In particular, it is dedicated to providing day-to-day banking and financial solutions as well as a range of wealth management and advisory services to meet client needs.

The Issuer acts as a direct point of contact for attending to the needs of external asset managers, both domestically and internationally. It also offers custodian services as well as real time execution services across asset classes through its open architecture and transactional banking services.

For the financial year ended 30 June 2022, investable assets maintained a positive growth despite the difficult market conditions which, however, adversely impacted gross operating margin.

Segmental Analysis

Total gross loans of the Issuer comprise loans and advances to customers and loans to banks, with the latter accounting for only 5.5 per cent. of the total book as at 30 June 2022. The domestic loan book accounted for 44 per cent. of total gross loans as at 30 June 2022 and is split between the corporate segment with a share of 71 per cent. and the individual segment with a share of 29 per cent. The international loan book mainly comprised loans and advances to corporates. Total gross loans registered year-on-year growth of 17.8 per cent. to reach MUR 337 billion as at 30 June 2022. This performance was driven by a significant expansion in the international loan book, mainly linked to energy and commodities' clients while rupee depreciation also impacted on loan growth. At the domestic level, the overall loan portfolio remained relatively stable at MUR 147 billion for the financial year ended 30 June 2022. On the back of difficult market conditions, the retail domestic segment loan portfolio increased by 3.5 per cent. for the financial year ended 30 June 2022, with mortgages increasing at a higher rate of 6.9 per cent. Whilst the domestic corporate loan book contracted slightly, exposure of the Issuer through corporate notes increased. Holdings of corporate notes rose by 29 per cent. to MUR 27.8 billion for the financial year ended 30 June 2022.

Assets	Assets Breakdown				
	Cash and Cash Equivalents	Net Loans to and Placements with Banks	Net Loans and Advances to Customers	Investment Securities	Others
	<i>MUR million</i>				
Jun-21.....	101,154	40,869	256,750	183,560	43,208
Jun-22.....	64,594	23,934	306,648	222,823	46,518
Loans and Advances to Customers	Exposures		Mix		
	30 June 2021	30 June 2022	30 June 2021	30 June 2022	
Credit cards.....	821	912	0.3	0.3	
Mortgages.....	32,177	34,336	11.9	10.8	
Other retail loans.....	10,118	9,260	3.8	2.9	
Corporate customers.....	123,015	120,129	45.6	37.7	
Governments.....	244	-	0.1	-	
Entities outside Mauritius.....	103,395	153,883	38.3	48.3	
	269,770	318,520	100.0	100.0	

Loans and Advances to Customers (30 June 2021)	Exposures		Mix	
	Domestic	Foreign-sourced	Domestic	Foreign-sourced
	<i>MUR million</i>		<i>(%)</i>	
Credit cards	804	17	0.5	0.0
Mortgages	31,020	1,157	21.1	0.9
Other retail loans	9,280	838	6.3	0.7
Corporate customers	105,708	17,307	72.0	14.1
Governments	-	244	0.0	0.2
Entities outside Mauritius	-	103,395	0.0	84.1
	146,812	122,958	100.0	100.0

Loans and Advances to Customers (30 June 2022)	Exposures		Mix	
	Domestic	Foreign-sourced	Domestic	Foreign-sourced
	<i>MUR million</i>		<i>(%)</i>	
Credit cards	896	16	0.6	0.0
Mortgages	33,162	1,174	22.5	0.7
Other retail loans	8,487	773	5.8	0.5
Corporate customers	104,879	15,250	71.1	8.9
Governments	-	-	0.0	0.0
Entities outside Mauritius	-	153,883	0.0	89.9
	147,424	171,096	100.0	100.0

Loans and Advances to Customers	Exposures		Mix	
	30 June 2021	30 June 2022	30 June 2021	30 June 2022
	<i>MUR million</i>		<i>(%)</i>	
Euro	30,402	26,512	11.3	8.3
USD	120,149	174,088	44.5	54.7
MUR	118,615	117,231	44.0	36.8
Other	604	689	0.2	0.2
	269,770	318,520	100.0	100.0

Analysis of Loans and Advances by Sector

Loans and Advances to Customers	As at 30 June 2021					
	Gross Loans	Non-Performing Loans*	12 Months ECL	Lifetime ECL (Not Credit Impaired)	Lifetime ECL (Credit Impaired)	Total Provision
	<i>MUR million</i>					
Agriculture and fishing	7,379	1,164	127	13	1,181	1,321
Manufacturing	12,902	497	164	271	278	713
<i>of which EPZ</i>	<i>2,040</i>	<i>158</i>	<i>22</i>	<i>152</i>	<i>138</i>	<i>312</i>
Tourism	30,012	694	458	1,626	136	2,220
Transport	8,130	72	49	175	64	288
Construction	17,365	1,249	277	14	851	1,142
Financial and business services	52,518	1,079	637	248	703	1,588
Traders	63,270	1,653	402	515	1,267	2,184
Personal	42,260	1,223	150	41	462	653
<i>of which credit cards</i>	<i>779</i>	<i>21</i>	<i>13</i>	<i>1</i>	<i>18</i>	<i>32</i>
<i>of which housing</i>	<i>32,177</i>	<i>797</i>	<i>54</i>	<i>18</i>	<i>260</i>	<i>332</i>
Professional	1,369	131	11	5	78	94
Foreign governments	244	0	0	0	0	0
Global Business Licence holders	19,770	1,809	208	1,216	568	1,992
Others	14,551	198	194	589	42	825
Total	269,770	9,769	2,677	4,713	5,630	13,020

* Non performing loans excludes interest in suspense on loans.

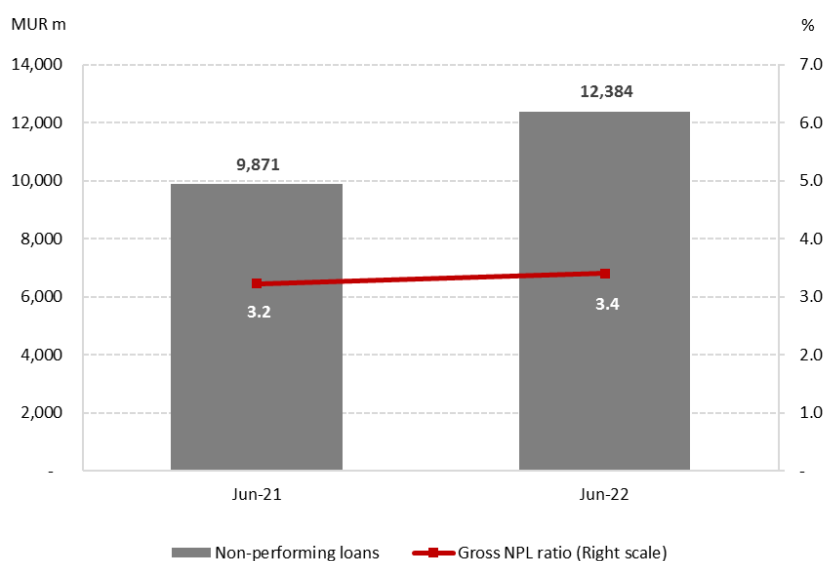
As at 30 June 2022

Loans and Advances to Customers	Gross Loans	Non-Performing Loans*	12 Months ECL	Lifetime ECL (Not Credit Impaired)	Lifetime ECL (Credit Impaired)	Total Provision
<i>MUR million</i>						
Agriculture and fishing.....	7,592	664	120	131	440	691
Manufacturing.....	19,731	303	175	207	131	513
<i>of which EPZ.....</i>	<i>2,027</i>	<i>1</i>	<i>32</i>	<i>133</i>	<i>-</i>	<i>165</i>
Tourism.....	32,274	125	887	1,427	36	2,350
Transport.....	5,247	18	174	1	7	182
Construction	13,368	574	226	17	330	573
Financial and business services.....	30,775	247	329	167	111	607
Traders.....	123,043	1,869	579	383	934	1,896
Personal.....	43,736	903	219	65	368	652
<i>of which credit cards.....</i>	<i>866</i>	<i>23</i>	<i>10</i>	<i>1</i>	<i>21</i>	<i>32</i>
<i>of which housing.....</i>	<i>34,336</i>	<i>643</i>	<i>94</i>	<i>27</i>	<i>212</i>	<i>333</i>
Professional.....	1,002	83	12	1	58	71
Global Business Licence holders	16,175	7,414	142	25	3,080	3,247
Others.....	25,577	184	385	615	90	1,090
Total.....	318,520	12,384	3,248	3,039	5,585	11,872

* Non performing loans excludes interest in suspense on loans.

Please note that figures are not strictly comparable with prior years due to a sector change of some clients during financial year ended 30 June 2022.

Asset Quality



Liabilities and Equity (MUR million)

Liabilities and Equity Breakdown

	30 June 2021	30 June 2022
Deposits from banks.....	21,656	11,318
Deposits from customers.....	453,828	481,103
Total borrowings.....	75,501	93,439
Other liabilities.....	11,260	11,904
Equity.....	63,296	66,753

Deposits From Customers

	Deposits		Mix	
	30 June 2021	30 June 2022	30 June 2021	30 June 2022
	<i>MUR million</i>		<i>(%)</i>	
Retail.....	234,154	255,266	52	53
Corporate.....	219,551	225,733	48	47
Government.....	123	104	0.03	0.02

Deposits From Customers	Deposits		Mix	
	30 June 2021	30 June 2022	30 June 2021	30 June 2022
	453,828	481,103	100.0	100.0

Deposits represent the Issuer's principal source of funding and mostly comprise demand and savings deposits, which represented 91 per cent. of the total deposits as at 30 June 2022. Total deposits increased by 3.6 per cent. to reach MUR 492.4 billion as at 30 June 2022, as compared to MUR 475.5 billion as at 30 June 2021. While rupee-denominated deposits grew by 8.3 per cent., foreign currency deposits decreased by 1.4 per cent. As at 30 June 2022, foreign currency deposits (essentially in USD and EUR) accounted for 47 per cent. of total deposits and were primarily linked to the corporate segment whereas rupee deposits are mainly sourced from the retail banking segment. 'Other borrowed funds' went up by 24.3 per cent. to MUR 92.8 billion as at 30 June 2022, as compared to MUR 74.6 billion as at 30 June 2021, in line with funding initiatives undertaken by the Issuer to support its international business activities and accounted for 16 per cent. of the Issuer's funding base as at 30 June 2022.

Deposits From Customers (30 June 2021)	Deposits		Mix	
	Domestic	Foreign-Sourced	Domestic	Foreign-Sourced
	MUR million		(%)	
Retail.....	205,134	29,020	71	17
Corporate	81,693	137,858	28	83
Government.....	123	0	0.04	0.00
	286,950	166,878	100.0	100.0

Deposits From Customers (30 June 2022)	Deposits		Mix	
	Domestic	Foreign-Sourced	Domestic	Foreign-Sourced
	MUR million		(%)	
Retail.....	224,764	30,502	70	19
Corporate	95,190	130,543	30	81
Government.....	104	0	0.03	0.00
	320,058	161,045	100.0	100.0

Deposits From Customers	Deposits		Mix	
	30 June 2021	30 June 2022	30 June 2021	30 June 2022
	MUR million		(%)	
Euro.....	44,048	44,522	10	9
USD	144,928	162,839	32	34
MUR	242,070	262,134	53	54
Other	22,782	11,608	5	2
	453,828	481,103	100.0	100.0

Borrowings (MUR million)	As at the year ended	
	30 June 2021	30 June 2022
	Borrowings from banks.....	74,626
<i>in Mauritius</i>	24,158	9,961
<i>Abroad</i>	50,468	82,794
Subordinated liability	875	684
Total	75,501	93,439

Borrowings from banks (MUR million)	Maturity			
	On Demand or < 1 year	> 1 year but < 3 years	> 3 years	Total
	30 June 2021	43,844	17,154	13,628
30 June 2022	24,181	57,962	10,612	92,755

Financial Assets and Liabilities (MUR million)	As at the year ended 30 June 2021						
	Up to 1 month	1-3 months	3-6 months	6-12 months	1-3 years	> 3 years	Non-maturity items
	Financial assets	167,291	46,646	37,487	37,406	124,495	186,228

As at the year ended 30 June 2021							
Financial Assets and Liabilities (MUR million)	Up to 1 month	1-3 months	3-6 months	6-12 months	1-3 years	> 3 years	Non- maturity items
Financial liabilities	444,552	14,369	6,986	46,334	25,713	14,394	3,393

As at the year ended 30 June 2022							
Financial Assets and Liabilities (MUR million)	Up to 1 month	1-3 months	3-6 months	6-12 months	1-3 years	> 3 years	Non- maturity items
Financial assets	129,561	41,470	48,058	45,561	157,520	204,856	91,821
Financial liabilities	524,745	14,309	16,218	10,143	71,871	11,721	3,689

IMPACT OF EXTERNAL SHOCKS

The Issuer has remained exposed to a challenging and volatile external environment. The COVID-19 pandemic impacted its employees, customers and other stakeholders across markets. While it exerted pressures on operational as well as forex liquidity and funding risks at the onset of the pandemic, the Issuer in particular faced heightened credit risk. Russia's invasion of Ukraine in February 2022 has caused significant disruption, instability and volatility in global markets, as well as higher inflation and lower growth. Although the Issuer has very limited economic exposure to Ukraine and Russia, this conflict is having indirect adverse effects on the domestic economic performance of key markets amidst the rise in input costs that is feeding into heightened inflationary pressures. With regard to the banking and financial sector specifically, a recent survey carried out by the BoM showed that the direct exposure of the banking sector to these economies is not significant. Moreover, a stress test exercise undertaken by the BoM indicated that the banking sector maintains prudent capital and liquidity buffers to absorb plausible macroeconomic shocks. The Issuer is closely monitoring the oil market specifically, taking necessary steps to ensure it remains within its risk appetite limits while continuing to support its clients.

The increased credit risk triggered by the pandemic led to the Issuer adopting a prudent approach by increasing provisioning levels through Expected Credit Losses ("ECL").

During the financial year ended 30 June 2022, the Issuer adjusted its credit models to reflect the evolution of the macroeconomic variables and market dynamics. For its retail portfolio, with a view to providing an additional buffer for further risk mitigation and maintaining an adequate coverage ratio, the Issuer applied an additional overlay with the ECL standing at MUR 714 million as at June 2022. Regarding its wholesale portfolio, for each quarterly assessment and in light of the prevailing conditions, the Issuer conducted an individual analysis of clients with an exposure amount of MUR 100 million or more. The outcomes were reflected, where deemed necessary and appropriate, in the clients' internal ratings (and thus in their 12-month Probability of Default) by means of rating overlays. In some cases, where the Issuer judged that the staging of the client was not reflective of the significance of the increase in credit risk, it proceeded with staging overlays (i.e. moving some clients of Stage 1 to Stage 2). In extreme cases where the Issuer found that the calculated ECL was insufficient, it applied an additional buffer in line with its conservative approach. As at June 2022, ECL for the wholesale portfolio stood at MUR 6,927 million. Total ECL reached MUR 7,644 million as at 30 June 2022. For its part, specific provisions as at 30 June 2022 stood at MUR 5,585 million. The ECL coverage ratio, pertaining to Stage 1 and Stage 2 loans and advances only, stood at 2.0 per cent. whilst the specific coverage ratio, computed as a percentage of Stage 3 exposures, was of 36.1 per cent. as at 30 June 2022.

As a result, the Issuer's impairment charges stood at MUR 3,392 million for the financial year ended 30 June 2022, declining by 26.3 per cent. from the level recorded in the financial year 2021, with the cost of risk in relation to loans and advances standing at 0.91 per cent. for the financial year ended 30 June 2022.

Considerations related to Expected Credit Losses

Described below is the evolution of the different ECL-related stages.

- **Stage 1:** 12-month ECL: Financial assets for which credit risk has not significantly increased since initial recognition.

- **Stage 2:** Lifetime ECL: Financial assets for which credit risk has significantly increased/deteriorated since initial recognition. However, there is still no objective evidence of impairment.
- **Stage 3:** Incurred loss: Financial assets which have defaulted but have not yet reached write-off.

To determine whether there has been a significant increase in credit risk or credit deterioration, quantitative and qualitative information is taken into account, based on the Issuer's historical customer experience and credit risk assessment. A financial asset is credit impaired and is classified as being at Stage 3 when (i) contractual payments or accounts in excess are past due by more than 90 days; and/or (ii) other quantitative and qualitative factors indicate that the obligor is unlikely to honour its credit obligations.

MCB segments its financial assets into nine portfolios for ECL calculation, which are described as follows:

Retail

- This portfolio includes (i) housing loans; (ii) other secured loans; (iii) unsecured and revolving facilities and (iv) SMEs.
- Model parameters are calculated on a portfolio-based approach, i.e. facilities having homogeneous characteristics are assumed to have similar risk behaviours and can reasonably be assigned same parameter values.

Wholesale

- This portfolio includes (i) corporate; (ii) financial institutions; (iii) sovereign; (iv) project finance, and (v) energy and commodities.
- The Issuer uses a combination of internal models and external benchmarking for the calculation of its model parameters. Internal historical default rates and losses have been used to calibrate probability of default and loss given default respectively. For portfolios where the Issuer has historically experienced low or no default, external benchmarking has been used for calibrating corresponding ECL parameters. As for exposure at default calculation, either amortisation schedules or historical data and regulatory credit conversion factors have been used as exposure at default ratios.

The tables below describe the ECL analysis by portfolio type.

ECL Analysis	30 June 2021			30 June 2022		
	Retail Portfolios	Wholesale Portfolios	Total	Retail Portfolios	Wholesale Portfolios	Total
	<i>MUR million</i>					
Stage 1						
Exposures.....	49,870	585,873	635,743	51,316	684,284	735,600
Expected Credit Losses	220	3,410	3,630	319	4,283	4,602
Coverage ratio (per cent.).....	0.4	0.6	0.6	0.6	0.6	0.6
Stage 2						
Exposures.....	874	34,835	35,709	843	16,383	17,226
Expected Credit Losses	475	4,344	4,819	395	2,644	3,039
Coverage ratio (per cent.).....	54.3	12.5	13.5	46.8	16.1	17.6
Stage 3						
Exposures.....	1,912	7,857	9,769	1,211	11,173	12,384
Incurred losses .	575	3,209	3,784	358	3,964	4,321
Coverage ratio (per cent.).....	30.1	40.8	38.7	29.6	35.5	34.9

ECL analysis for Retail portfolios

Year ended 30 June 2021					
Retail Portfolios (MUR million)	Housing Loans	SME	Unsecured and Revolving	Other Unsecured Loans	Total
Stage 1					
Exposures	31,377	8,983	4,734	4,776	49,870
Expected Credit Losses.....	54	48	100	18	220
Coverage ratio (per cent.)	0.2	0.5	2.1	0.4	0.4
Stage 2					
Exposures	427	189	99	159	874
Expected Credit Losses.....	223	102	68	82	475
Coverage ratio (per cent.)	52.2	54.0	68.7	51.6	54.3
Stage 3					
Exposures	797	642	187	286	1,912
Incurring losses	208	210	104	53	575
Coverage ratio (per cent.)	26.1	32.7	55.6	18.5	30.1
Year ended 30 June 2022					
Retail Portfolios (MUR million)	Housing Loans	SME	Unsecured and Revolving	Other Unsecured Loans	Total
Stage 1					
Exposures	33,522	8,668	4,477	4,649	51,316
Expected Credit Losses.....	96	80	91	52	319
Coverage ratio (per cent.)	0.3	0.9	2.0	1.1	0.6
Stage 2					
Exposures	582	78	86	97	843
Expected Credit Losses.....	248	38	62	47	395
Coverage ratio (per cent.)	42.6	48.7	72.1	48.5	46.9
Stage 3					
Exposures	643	296	124	148	1,211
Incurring losses	179	75	79	25	358
Coverage ratio (per cent.)	27.8	25.3	63.7	16.9	29.6

ECL analysis for Wholesale portfolios

Year ended 30 June 2021						
Wholesale portfolios (MUR million)	Sovereign	Financial Institutions	Project Finance	Energy & Commodities	Corporate	Total
Stage 1						
Exposures	170,653	131,252	8,380	130,152	145,436	585,873
Expected Credit Losses.....	38	319	299	312	2,442	3,410
Coverage ratio (per cent.)	0.0	0.2	3.6	0.2	1.7	0.6
Stage 2						
Exposures	-	-	-	6,946	27,889	34,835
Expected Credit Losses.....	-	-	-	473	3,871	4,344
Coverage ratio (per cent.)	-	-	-	6.8	13.9	12.5
Stage 3						
Exposures	128	3	295	1,014	6,417	7,857
Incurring losses	3	1	253	626	2,326	3,209
Coverage ratio (per cent.)	2.3	33.3	85.8	61.7	36.2	40.8
Year ended 30 June 2022						
Wholesale portfolios (MUR million)	Sovereign	Financial Institutions	Project Finance	Energy & Commodities	Corporate	Total
Stage 1						
Exposures	262,503	48,985	8,537	193,208	171,051	684,284
Expected Credit Losses.....	102	515	172	358	3,136	4,283
Coverage ratio (per cent.)	0.0	1.1	2.0	0.3	1.8	0.6
Stage 2						
Exposures	-	-	421	3,974	11,989	16,384
Expected Credit Losses.....	-	-	85	357	2,202	2,644
Coverage ratio (per cent.)	-	-	20.2	9.0	18.4	16.1
Stage 3						
Exposures	71	-	-	1,647	9,455	11,173

Wholesale portfolios (MUR million)	Year ended 30 June 2022					Total
	Sovereign	Financial Institutions	Project Finance	Energy & Commodities	Corporate	
Incurring losses	7	-	-	754	3,203	3,964
Coverage ratio (per cent.)	9.9	-	-	45.8	33.9	35.5

(i) Incurred losses do not include interest in suspense on loans and overdrafts.

(ii) Figures exclude investments fair valued through other comprehensive income.

INSURANCE

The Issuer has a robust risk management framework in place and has contracted various insurance policies, which provide a wide coverage against the insurable risks to which the Issuer is exposed. This includes Banker's Blanket Cover, Professional Indemnity and Cyber Liability policies, amongst others.

INFORMATION GOVERNANCE

The Issuer places significant emphasis on the confidentiality, integrity and availability of information. It ensures that a robust framework is maintained to protect its information asset and uphold the security and performance of information and information technology ("IT") systems. The board is responsible for setting up and regularly reviewing relevant policies and for ensuring that they are appropriately implemented. In this respect, access to information is only available to authorised parties, under the "least privilege" principle i.e. confidentiality of information is notably ensured through the principle in place that data should only be accessible to authorised users and users should not have more access permissions than they need for their position. Physical and logical access controls are in place at all times with staff being regularly made aware of relevant requirements. The Issuer continues to invest heavily in technology and cybersecurity to enhance its operational resilience with significant investments monitored by the board. During the year ended 30 June 2022, the Issuer undertook several initiatives to uphold the robustness of its cyber and information security framework. This included organising awareness sessions for staff on cybersecurity risks and reinforcing system capabilities, by deploying various information security tools and controls and leveraging external expertise and subject matter specialists. The Issuer's cyber resilience has also been enhanced through the build-up of incident response capabilities. Furthermore, the Issuer's internal audit function independently assesses the suitability of the Issuer's information and IT policies.

PROPERTY AND INTELLECTUAL PROPERTY

The logos of "MCB" and "MCB Group" are relevant to the offering and have been duly registered with the Industrial Property Office in Mauritius.

The Issuer is the owner of a number of immovable properties, comprising, amongst others, of its head office, a number of branches across Mauritius and Rodrigues, an archives building, as well as a data centre. The MCB Group also owns the Blue Penny Museum, which is an art and history museum that is wholly dedicated to Mauritius.

LITIGATION

The Issuer has been party to proceedings against it during the financial year ending 30 June 2022, including the following material cases:

- Saint Aubin Ltée (and others) v The Mauritius Commercial Bank Limited:

The plaintiffs allege that the Issuer has provided financings to them without adequate assessments of whether they were able to meet their obligations pursuant to those financings. The plaintiffs have pleaded for an order decreeing the different loans and facilities provided to the plaintiffs to be null, and for a judgment ordering the Issuer to pay to the plaintiffs the sum of MUR 5 billion as damages for the prejudice suffered. The Issuer is defending the matter. This matter has been lodged before the Supreme Court of Mauritius. The matter is still at the level of pleadings and has not yet moved forward for trial.

- *Michael Stoffberg v The Mauritius Commercial Bank Limited:*

This matter has been lodged before the Supreme Court of Mauritius and it relates to three transfers effected from an account in the name of a trust, which was under the trusteeship of the plaintiff. The account was held with the Issuer and the plaintiff alleges that the payments were not authorised by the plaintiff. The quantum of the claim against the Issuer is U.S.\$16,415,150.50, and the Issuer is resisting these proceedings. The matter is still at the level of pleadings and has not yet moved forward to trial.

- *AA Capital International Limited (acting as trustee of Jonquille Trust) (and others) v The Mauritius Commercial Bank Limited:*

In a matter which has been lodged before the Supreme Court of Mauritius, AA Capital International Limited avers the account of Jonquille Trust was held with the Issuer and managed by the office bearers of a former trustee. It is contented that transfers totalling GBP 3,314,999 were illegally transferred from its account, on the instructions of the former trustee, in an alleged breach of the Issuer's contractual and regulatory obligations towards the plaintiffs. The plaintiffs are praying for a judgment for the Issuer to make good the said sum of GBP 3,314,999, together with economic prejudice of GBP 1,500,000, and moral damages of GBP 1,000,000. The matter is still at the level of pleadings and has not yet moved forward to trial.

In addition, the Issuer is engaged in various legal, competition and regulatory matters both in the Republic of Mauritius and a number of other jurisdictions which arise in the ordinary course of business from time to time. As at the date of this Offering Circular, the Issuer does not expect the ultimate resolution of any of these other matters to have a material adverse effect on its financial position.

The Issuer is involved in legal proceedings which arise in the ordinary course of business, including (but not limited to) disputes in relation to contracts, securities, debt collection, consumer credit, fraud, money laundering, employment and other statutory issues.

The Issuer is also subject to enquiries and examinations, requests for information, audits, investigations and legal and other proceedings by regulators, governmental and other public bodies in connection with (but not limited to) consumer protection measures, compliance with legislation and regulation, wholesale trading activity and other areas of banking and business activities in which the Issuer is or has been engaged.

MANAGEMENT AND GOVERNANCE

THE ISSUER'S BOARD OF DIRECTORS

The Issuer is led by the board of directors (the "**Board**"), which has a collective responsibility for the leadership, oversight and long-term success of the organisation. The Issuer operates within a clearly defined governance framework, which enables delegation of authority and clear lines of responsibility while allowing the Board to retain effective control. The Board is supported by five committees, each mandated to provide counsel, recommendations and specific expert guidance on matters affecting the Issuer's activities. Acting on the direction set by the Board, the leadership team of the Issuer (the "**Leadership Team**") is entrusted with the operational management of the business, with their performance and effectiveness closely monitored against set objectives and policies.

The Board defines the Issuer's purpose, strategy and values and determines all matters relating to the directions, policies, practices, management and operations of the Issuer. The Board thereafter ensures that the Issuer is managed in accordance with its directions and delegations. The methods through which the Board exercises its powers and discharges its responsibilities are set out in the board charter (the "**Board Charter**") of the Issuer, which is available for consultation on its website (www.mcb.mu).

Approval of the Board is specifically required for, amongst other important matters, modifying the Issuer's constitution, issuing fresh capital or buying back its own shares, declaring dividends, acquiring or divesting sizeable stakes in subsidiaries or associates, making appointments of senior officers, and establishing the remuneration of executive and non-executive directors and the chief executive.

The Board is assisted by various board committees described below under "*Board Committees*". This includes the Audit Committee ("**AC**"), the Risk Monitoring Committee ("**RMC**"), the Nomination and Remuneration Committee ("**NRC**"), the Conduct Review Committee ("**CRC**") and the Supervisory & Monitoring Committee ("**SMC**"). The role of these committees is to facilitate the discharge of the Board's responsibilities and provide in-depth focus on specific areas. In fulfilling their role of providing oversight and guidance, chairpersons of board committees escalate all significant matters affecting the affairs and reputation of the Issuer to the Board.

Meetings

The Board Charter requires that Board meetings be conducted at least on a quarterly basis and the Board maintains a scheduled programme of meetings for each year. In general, meetings are convened so that directors are able to attend and participate in person. In case personal attendance by a director is not possible, they can still join the meeting by video conference. For the financial year ended 30 June 2022, the Board has resumed holding onsite meetings whilst adhering to the COVID-19 social distancing measures, with the possibility for directors to also participate virtually.

Directors receive Board papers in advance to facilitate discussions and help make informed decisions at the meetings. All materials for Board meetings are uploaded on a secure portal, which can be accessed by directors on tablet devices. The Chairperson manages the Board meetings while the Company Secretary attends Board meetings and prepares minutes to record deliberations and decisions taken during meetings. Members of the Leadership Team and/or external advisors are sometimes invited to attend meetings to discuss topical issues identified by the Board.

The Board is assisted by MCB Group Corporate Services Ltd ("**MCBGCS**"), the Issuer's company secretary. MCBGCS provides guidance to Board members on fiduciary duties, corporate governance requirements and practices as well as the execution of their duties. All Board members have unhindered access to their services in all aspects of the Board's mandate and the operations of the Issuer.

Composition

As per the Board Charter, the Board shall consist of a minimum of five and a maximum of twelve directors including the Chief Executive Officer and be composed of at least 40 per cent. independent directors. The Chairperson of the Board must be an independent or a non-executive director. In case the Chairperson is not an independent director, the Board shall comprise at least 50 per cent. of independent directors in line with BoM Guidelines. The Board, assisted by the Nomination and Remuneration Committee, regularly reviews the Board size and composition, including the independence status of the non-executive directors. The last annual meeting was held in December 2021.

As at the date of this Offering Circular, the Board comprises 8 members, including 1 executive director, 2 non-executive directors and 5 independent non-executive directors.

Name	Year Elected/ Appointed	Born	Position
Jean-François DESVAUX DE MARIGNY	2018	30/07/1954	Chairman, Non-executive Director
Alain LAW MIN	2015	29/11/1959	Chief Executive Officer, Executive Director
Uday K. GUJADHUR	2017	28/02/1955	Independent Non-Executive Director
Philippe LEDESMA	2017	02/05/1958	Independent Non-Executive Director
Su Lin ONG	2019	04/09/1960	Independent Non-Executive Director
Simon WALKER	2020	09/03/1961	Independent Non-Executive Director
Marie Rosiane Johanne JOSEPH	2022	23/07/1981	Independent Non-Executive Director
Jean Michel NG TSEUNG	2015	26/12/1967	Non-Executive Director

Recent changes to the Board

Mrs. Marie Rosiane Johanne JOSEPH was appointed on the Board on 20 January 2022.

DIRECTOR PROFILES

Jean-François DESVAUX DE MARIGNY (Chairperson)

Non-Executive Director

Date of first appointment: April 2013 as Executive Director (until his retirement in June 2015); December 2018 as Non-Executive Director

Qualifications: Chartered Accountant (UK)

Skills and experience: Jean-François has accumulated wide-ranging experience in the banking and financial sector, having worked as an auditor in Europe for several years before joining MCB in 1986. During his career at MCB, he has shouldered various high-level responsibilities in his capacity as Head of Finance, Company Secretary and Deputy Chief Executive, amongst others. He has participated actively in the development of MCB's regional network and was also involved in the launch of the Stock Exchange of Mauritius in 1989. He was an Executive Director of MCB Ltd from 2013 to 2015, when he retired. He is currently a director of several companies within the MCB Group.

Board Committee memberships: Nomination and Remuneration Committee (Chairperson); Supervisory and Monitoring Committee (Chairperson); Risk Monitoring Committee

Alain LAW MIN

Chief Executive Officer

Date of first appointment: August 2015

Qualifications: BA (Honours in Economics, Chartered Accountant and MBA (UK))

Skills and experience: Prior to being appointed Chief Executive Officer in 2017, Alain was the Head of the Retail SBU, responsible for the Affluent, Individual, Small and Medium Enterprises business customer segments, the multi-channel distribution, including the branch network, as well as the 'Retail Product' and 'Operations and Service' units. He started his career at MCB Ltd in 1995 as Head of Projects and he successfully launched the leasing, factoring and private banking services while also being responsible for Structured Project finance within the Corporate Banking division. He acted as Project Director for the Business Process Re-engineering exercise initiated with Accenture in 2001. Before joining MCB, he was Senior Manager at De Chazal Du Mée's Consulting division, specialising in financial and strategy consulting. He is currently a director of MCB Forward Foundation, a subsidiary of MCB Group Ltd and a member of the MCB Group Corporate Sustainability Committee (a sub-committee of MCB Group Remuneration, Corporate Governance, Ethics and Sustainability Committee). He was the Chairperson of the Mauritius Bankers Association Ltd for two consecutive years until June 2021.

Board Committee memberships: Supervisory and Monitoring Committee; Risk Monitoring Committee; Nomination and Remuneration Committee

Uday GUJADHUR

Independent Non-Executive Director

Date of first appointment: December 2017

Qualifications: Chartered Certified Accountant (UK)

Skills and experience: Uday has over 40 years of professional experience in the fields of auditing, taxation, consulting and structuring. He has been involved in advising both local and international firms in various business sectors, including investment funds seeking listing on the Stock Exchange of Mauritius. Between 1986 and 1994, he carried out several audits of companies and projects financed by the World Bank and African Development Bank in African countries. Until October 2008, he was the Chief Executive Officer, director and shareholder of a major Trust and Fiduciary company in Mauritius. He was a member of the Consultative committee set up by the Government of Mauritius to advise on the reforms to the non-banking financial services sector in 2000, which led to the setting up of the Financial Services Commission and the enactment of a new legal and regulatory framework in 2001. He is the Founder member of the International Fiscal Association (IFA) (Mauritius branch) and currently serves as an independent non-executive director of companies including investment funds and entities listed on the Stock Exchange of Mauritius. He is a resident director of Essar Capital (Mauritius) Limited and the Honorary Consul of Georgia. He is also a member of the Institute of Directors (UK) and a Fellow of the Mauritius Institute of Directors.

Board Committee memberships: Audit Committee (Chairperson); Conduct Review Committee

Philippe LEDESMA

Independent Non-Executive Director

Date of first appointment: August 2015

Qualifications: Master's Degree (DESS and DJCE) in Business and Company Law (France)

Skills and experience: Philippe has more than 35 years of practice as a tax and business law adviser for governments, international financial institutions, banks and private groups in various countries. He has a dual experience both as an in-house lawyer and as a lawyer within large consultancy groups. He specialises in mergers and acquisitions, restructuring and privatisation processes, drafting of new legal frameworks, negotiation and drafting of commercial agreements as well as in tax planning, particularly through offshore vehicles registered in Mauritius. Among his many assignments, he has been involved as a leading counsel for investments in hotel and real estate industries in Mauritius, privatisation of a state owned company in Madagascar, studying the feasibility of a transatlantic airline company and, in consortium with the Stock Exchange of Mauritius, the setting up of a regional stock exchange common to the Member States of the Central African Economic and Monetary Community (CEMAC). Previously, Philippe has been a foreign trade advisor for France and President of the corresponding section in Mauritius.

Board Committee memberships: Risk Monitoring Committee; Nomination and Remuneration Committee

Su Lin ONG

Independent Non-Executive Director

Date of first appointment: November 2019

Qualifications: BA (Hons) in Economics and Chartered Accountant (UK)

Skills and experience: Su Lin has 37 years of professional experience in Audit and Advisory services. She trained as a Chartered Accountant in London with Deloitte, Haskins & Sells where she worked for 8 years before joining Coopers & Lybrand Mauritius (which subsequently became PwC) as a Partner in the Consulting Division. She has also been a Partner in De Chazal Du Mée Consulting (local partner of Accenture), specialising in digitalisation and systems integration and a director at KPMG Advisory, specialising in audit and risk management. She was the Chairperson of KPMG's CSR Committee and is a past President of the Society of Chartered Accountants in Mauritius. Throughout her career, she has worked with major local and international companies across industries. She sits as an independent non-executive director on several Boards in Mauritius.

Board Committee memberships: Conduct Review Committee (Chairperson); Audit Committee

Simon WALKER

Independent Non-Executive Director (Non-Resident)

Date of first appointment: June 2020

Qualifications: BSc (Hons) in Geography (UK), Associate of the Chartered Institute of Bankers (UK), Fellow of Australasian Institute of Banking & Finance (Australia) and Executive MBS (Brazil)

Skills and experience: Simon built a diversified international career in the financial services industry, having worked for HSBC Holdings plc for nearly 30 years. Over this period, he has shouldered an array of senior executive positions within the group, acting namely as Country Manager, Deputy CEO, Head of Group Audit amongst others, in its various offices worldwide. Thereafter, he had a three-year stint as Regional General Manager for Europe at Qatar National Bank SAQ in London until the end of 2015. Prior to his retirement in 2019, he was the Founder and CEO of Silver Sparkle Ltd, a web portal company in the educational support services field. Simon also held external positions in various institutions, acting as either director or board member.

Board Committee memberships: Risk Monitoring Committee (Chairperson); Nomination and Remuneration Committee

Jean Michel NG TSEUNG

Non-Executive Director

Date of first appointment: August 2015

Qualifications: BA (Hons) in Mathematics and Chartered Accountant (UK)

Skills and experience: Jean Michel joined MCB Ltd in January 2004 and was Head of Corporate Banking of MCB until July 2015, when he was appointed Chief Executive Officer of MCB Investment Holding Limited. He trained as a Chartered Accountant with Arthur Andersen in London before becoming Partner and Head of the Audit and Business Advisory Department of De Chazal Du Mée and, subsequently, of Ernst & Young in Mauritius. He is currently the Chief Executive Designate and Executive Director of MCB Group Ltd and a Board member of several companies within the MCB Group Ltd namely, MCB Investment Holding Limited, MCB Seychelles, MCB Maldives, MCB Madagascar, Banque Française Commerciale Océan Indien and MCB Leasing Ltd. He also sits on the Supervisory and Monitoring Committee and Risk Monitoring Committee of MCB Group Ltd. Moreover, he is a member of the Group's Corporate Sustainability Committee (a sub-committee of the Group's Remuneration, Corporate Governance, Ethics and Sustainability Committee).

Board Committee memberships: Risk Monitoring Committee

Marie Rosiane Johanne JOSEPH

Independent Non-Executive Director

Date of first appointment: January 2022

Qualifications: LLB English and French Law (UK), 'Maîtrise en Droits français et anglais' (France) and Diploma in Legal Practice (UK)

Skills and experience: Johanne Joseph is a tax lawyer practising at the Mauritian bar and the founder of Prism Chambers, a boutique tax law firm in Mauritius. She is also a practising solicitor of England & Wales since 2007. She has worked for many years in London, initially at a Magic Circle law firm Linklaters LLP and thereafter as an in-house lawyer at JPMorgan Chase Bank N.A. She has significant experience in tax legislation in the UK, Mauritius and a number of African countries and routinely advises multinational and domestic clients on their contentious and transactional tax issues. She assists clients in connection with audits, investigations and assessments by the Mauritius Revenue Authority and appears for her clients before the Assessment Review Committee and the Supreme Court of Mauritius on tax-related matters. She sits on the Tax Committee of Mauritius Finance and regularly lectures on Tax law at the Université de Paris 2 Panthéon-Assas University. She is also a Director of MCB Leasing Ltd, a subsidiary of MCB Group Ltd.

Board Committee memberships: Audit Committee, Conduct Review Committee

EXECUTIVES

The Leadership Team is responsible for the conduct of business and it has the responsibility to operate within the strategic framework, risk appetites and policies set by the Board while adhering to regulatory requirements. To this end, various committees involving the Issuer's senior officers are in place to deliberate on key issues for informed decision making. Business executives assist the Chief Executive Officer to manage the day-to-day running of the Issuer's business and affairs. Oversight and monitoring of the various risk areas within the business are exercised through dedicated standing committees, namely the Executive Credit Committee, Country Risk Committee, Asset and Liability Committee, Information and Operational Risk Committee and Compliance, Anti-Money Laundering and Legal Committee.

The table below sets out the name, year of birth, current position and year of first employment of the executives (the "**Executives**").

Name	Born	Year of First Executives' Employment	Position
Alain Law Min	1958	2015	Chief Executive Officer, Executive Director
Vincent Chatard	1964	2015	Chief Operating Officer
Thierry Hebraud	1962	2019	Head of Corporate and Institutional Banking
Bhavish Naeck	1971	2015	Head of Finance
Frederic Papocchia	1974	2016	Chief Risk Officer
Mike Sophie	1969	2018	Head of Human Resources
Parikshat Tulsidas	1978	2021	Head of Financial Markets

Alain Law Min

As above in "Director Profiles".

Vincent Chatard

Chief Operating Officer

Qualifications: Master of Science in Engineering (France) and MBA (France)

Skills and experience: Vincent was appointed Chief Operating Officer in September 2015 and since February 2018, he is also steering the Digital Transformation Programme. He has accumulated wide-ranging experience in the banking sector, having occupied a number of senior executive positions in international banks. He spent 7 years working for Crédit Lyonnais International before joining KPMG France as a Management Consultant in 1995. In 1997, he was appointed as Head of Information Technology and Organisation of Banque Robeco France (a Personal Banking Unit of the Rabobank Group). From 2000 to 2008, he was appointed Chief Information Officer and Senior Vice-President Business Development of ING Direct, to establish the units in both France and the UK. From 2008 to 2011, he launched and was the Chief Operating Officer of BforBank, the direct banking unit of Crédit Agricole. He then acted as Chief Operating Officer, Chief Business Development Officer and Executive Board Director of MeDirect Bank, a privately owned investment and wealth bank operating in Malta and Belgium prior to joining MCB Ltd.

Thierry Hebraud

Head of Corporate and Institutional Banking

Qualifications: Diplôme d'Etudes Supérieures de Commerce, Administration et Finance (France)

Skills and experience: Thierry joined MCB Ltd in October 2019 as Head of Corporate and Institutional Banking, with the responsibility to oversee the SBU's coverage teams namely 'Global and International Corporates', 'Specialised Finance', 'Mauritian and Regional Corporates' and 'Financial Institutions and Syndication', alongside other supporting units such as 'Global Transaction Banking', 'Credit Analysis and Structuring', 'Middle Office' and 'Business Development'. Prior to joining MCB, he accumulated extensive experience in Corporate and Investment Banking over the last 35 years, holding leading positions within Crédit Agricole Group in Eastern and Central Europe, Asia, and North Africa.

Bhavish Naeck

Head of Finance

Qualifications: BSc (Honours) in Economics with specialisation in Accounting and Finance and Fellow Chartered Accountant (UK)

Skills and experience: Bhavish, who is the first MCB Foundation scholar, spent some years in Singapore, working in the Audit and Business Advisory division of Deloitte and as Financial Controller at JDA Asia, a subsidiary of a listed NASDAQ entity. After a stint at Sun Resorts, he joined MCB in May 2000 as Manager – Investment Administration and then worked as Project Leader on the Business Process Re-engineering project in 2001. He heads the Finance SBU since 2014 and was Project Sponsor on a Finance Transformation Project with the aim of better responding to stakeholders' expectations in the light of the growing internal, external and technological changes. He is responsible for the provision of internal and external financial/regulatory reports, a team of finance business partners and a number of strategic finance functions. He is Chairperson of the Asset & Liability Committee and the Procurement Committee.

Frederic Papocchia

Chief Risk Officer

Qualifications: Master's degree in Finance and MBA (France)

Skills and experience: Frederic was appointed Chief Risk Officer in January 2016. He joined MCB in July 2012 as a Consultant to the Group Chief Executive and worked on various projects in the risk arena before taking office as Deputy Chief Risk Officer in April 2014. He currently oversees the following functions namely 'Credit Management', 'Debt Restructuring and Recovery', 'Permanent Supervision', 'Operational Risk', 'Cyber and Information Security', 'Business Continuity Management' as well as Financial Risk, which comprises Credit Risk, Credit Modelling and Market Risk. As part of his ongoing responsibilities, he also acts as Secretary to the Executive Credit Committee of MCB and to the Risk Monitoring Committee

and Conduct Review Committee of the Board. Prior to joining MCB, he had accumulated extensive experience in management consultancy particularly in areas of risk management and regulation, during which he engaged with several large banks such as Bank of America, Société Générale and BNP Paribas, working on various assignments including the implementation of the Basel 2 and Basel 2.5 reforms, the development of stress-testing frameworks and the review of credit origination frameworks.

Mike Sophie

Head of Human Resources

Qualifications: Fellow member of the Association of Chartered Certified accountant and MBA (UK)

Skills and experience: Mike has a vast experience in banking. He spent 9 years in overseas subsidiaries of the Group from 1999 to 2008 before joining the Retail SBU. He held various positions therein namely as Regional Manager, Retail Operations and Service Manager and subsequently as Head of Retail since August 2017. He was appointed Head of Human Resources effective May 2018. His career within the Group gives him a sound oversight of the different business lines, to better shape HR strategies to accompany them to meet their business goals.

Parikshat Tulsidas

Head of Financial Markets

Qualifications: BA (Hons) Human Resource Management & Marketing (UK)

Skills and experience: Parikshat is a seasoned banking professional with more than 20 years of experience in leadership roles within Financial Markets and Corporate & Investment Banking across continents. He started his career within the Treasury Department at BNP International in Mauritius and has since worked in other renowned international banks in Mauritius, UK and Asia, with a thorough knowledge of Financial Markets, Risk Management, Financial Institutions and Securities Services. He also has a thorough understanding of African markets having covered the China – Africa corridor during his time in Beijing and having formulated the Emerging Markets Financial Institutions strategy at his previous employer.

Conflicts of Interest

There are no conflicts of interest between any duty owed to the Issuer by any member of the Board or Executives and such individual's personal interests and/or other duties.

The Board charter is the constitution that guides the Board and its committees in their activities, responsibilities and decisions; as well as in their dealings with each other, with management, with the stakeholders and with the MCB Group as a whole.

Directors have a fiduciary duty to avoid situations that place, or are perceived to place, their personal interests in conflict with their duties to MCB. This involves disclosure of potential conflicts of interest and active recusal where appropriate. Any director or prescribed officer and every employee is prohibited from using their position or access to confidential and price-sensitive information to benefit themselves or any related third party, whether financially or otherwise.

The Issuer updates, if required, and publishes its Conflicts of Interest & Related Party Transactions Policy on its website.

BOARD COMMITTEES

The various board committees of the Issuer are described below.

Supervisory and Monitoring Committee ("SMC")

The SMC assists the Board in setting the development strategy and objectives of the Issuer whilst monitoring and measuring MCB's performance against such strategy. It oversees the overall management of the Issuer in accordance with set policies.

As per its charter, the SMC shall consist of at least two members, including the Chairperson and the Chief Executive Officer. In the absence of the Chairperson or the Chief Executive Officer, a non-executive or

independent director, appointed by the Board or the NRC, shall act as member. The SMC is to meet regularly and on an *ad hoc* basis.

Members include Jean-François DESVAUX DE MARIGNY (Chairperson of the SMC as well as Chairperson of the Board of the Issuer) and Alain LAW MIN (also acts as Secretary of the SMC).

Audit Committee ("AC")

The AC assists the Board in the oversight of the financial reporting process to ensure the balance, integrity and transparency of financial information published by the Issuer. It monitors internal control processes and ensures compliance with relevant laws and regulations.

As per its charter, the AC shall comprise between three and five members and shall consist solely of independent directors, from whom the Chairperson shall be nominated. The Chairperson of the Board shall not be a member of the AC. The AC meets at least four times a year corresponding to the Issuer's quarterly reporting cycle and on an *ad hoc* basis. A member of the Risk Monitoring Committee may be requested to attend the AC whenever deemed appropriate.

Members include Uday GUJADHUR (Chairperson), Johanne JOSEPH and Su Lin ONG with the MCB Group Corporate Services Ltd as Secretary.

Risk Monitoring Committee ("RMC")

The RMC assists the Board in setting up risk mitigation strategies and in assessing and monitoring the risk management process of the Issuer. It also advises the Board on risk issues and monitors the risk of the different portfolios against the set risk appetite, in compliance with relevant regulations and advocated norms.

As per its Charter, the RMC shall consist of the Chief Executive Officer and at least three non-executive directors. The Chairperson of the Committee shall be an independent non-executive director. The RMC meets at least quarterly and on an *ad hoc* basis.

Members include Simon WALKER (Chairperson), Philippe LEDESMA, Jean-François DESVAUX DE MARIGNY, Jean Michel NG TSEUNG and Alain LAW MIN, Frederic PAPOCCHIA acts as secretary to the RMC.

Nomination and Remuneration Committee ("NRC")

The NRC assists the Board by making recommendations in respect of nominations and remunerations for the Board and Board Committee members as well as Chief Executive/Senior Officers who form part of the Leadership Team.

As per its Charter, the NRC shall comprise between three and five members, the majority of which shall be independent non-executive directors. The Chairperson shall be a non-executive director and the Chief Executive Officer may be a member of the NRC. The NRC meets at least twice a year and on an *ad hoc* basis.

Members include Jean-François DESVAUX DE MARIGNY (Chairperson and Secretary), Philippe LEDESMA, Simon WALKER and Alain LAW MIN.

Conduct Review Committee ("CRC")

The CRC assists the Board in monitoring and reviewing related party transactions, their terms and conditions, and ensuring the effectiveness of established procedures and compliance with the BoM guidelines.

As per its Charter, the CRC shall consist of between three and five independent non-executive directors, from whom the Chairperson shall be nominated. The CRC meets at least four times per year and on an *ad hoc* basis.

Members include Su Lin ONG (Chairperson), Uday GUJADHUR and Johanne JOSEPH. Frederic PAPOCCHIA acts as Secretary to the CRC.

OTHER CORPORATE GOVERNANCE MATTERS

The Board Charter

The methods through which the Board exercises its powers and discharges its responsibilities are set out in the Board Charter of the Issuer, which provides, *inter alia*, for the following:

- the composition of the Board, which shall comprise executive, non-executive and independent directors in compliance with applicable rules and regulations;
- the Chairperson of the Board who shall be an independent or non-executive director;
- the setting-up of Board committees;
- the approval of strategic objectives, policies and corporate values as well as their communication throughout the organisation;
- the monitoring of the Leadership Team in respect of the implementation of Board plans and strategies, and compliance with set policies;
- the existence of clear lines of responsibility and accountability throughout the organisation and compliance with all relevant laws, regulations and codes of business practice;
- a formal and transparent directors' remuneration policy;
- the adherence to the MCB Group's "Code of Ethics";
- the review of procedures and practices to ensure soundness and effectiveness of the internal control systems;
- the establishment of a robust Enterprise Risk Management system, with a view to ensuring that key risks across the Issuer are effectively addressed and that risk discussions are elevated to the strategic level;
- the setting of principal guidelines and policies in respect of risk management and conduct of business for the Issuer; and
- the provision of timely and accurate information to relevant stakeholders.

The Issuer has a well-defined governance framework as well as coherent processes and practices to facilitate strategy elaboration, execution and review. While ensuring congruence with underlying strategic orientations set at the Board level and in consultation with the MCB Group, the Board sets the strategic directions of the Issuer, approves strategic policies and ensures that they are communicated throughout the organisation.

Key Process:

- The Issuer's strategic orientations are set out in a 3-year rolling plan and endorsed by the Board at the start of each financial year.
- The strategy-setting exercise remains flexible to consequential disruptions in the operating context, such as the disruptions recently caused by the COVID-19 pandemic, whereby a more pragmatic and focused approach has been adopted. Building on prior consultations held internally with specific stakeholders, shorter term bank-wide priority areas and projects (spanning over a one-year horizon) are assessed centrally by the Executive Management Team and thereafter communicated to all business units as they reflect on their respective strategic intents while ensuring alignment with the organisation's strategic focus areas.
- Alongside being subject to relevant regulatory and compliance requirements, the Issuer determines its strategic initiatives after taking on board the inherent specificities and exigencies of the markets in which it operates as well as the relevant challenges and opportunities characterising the businesses it pursues.

- When contemplating its strategic directions, the Issuer makes allowance for the risk appetite, as formulated across segments, while considering its capital position as well as the scale and proficiency of its physical and human resources. In its functioning, the Issuer capitalises on Group synergies, while the services of external consultants are selectively leveraged to provide it with competent tools and guidance in order to sustain its thinking and decision-taking process. Amidst challenging times, the focus is mainly oriented around maintaining resilience. Key priorities and performance indicators are formulated with a view to providing clarity and direction towards supporting the smooth deployment of envisioned initiatives.

The Board believes that sound and well-established corporate governance practices are vital for:

- (i) creating and sustaining shareholder value; and
- (ii) ensuring that behaviour is ethical, legal and transparent, thereby reducing the risk of value erosion and promoting positive outcomes for the benefit of all stakeholders.

The charter sets out the practices for implementing the corporate governance provisions set out in The National Code of Corporate Governance for Mauritius, the Companies Act, the Banking Act, the JSE Listings Requirements and other governance practices.

RISK MANAGEMENT

INTRODUCTION

The Issuer actively identifies and assesses risks arising from internal and external environments including emerging risks. Material risks that could impact the Issuer's business model, performance, solvency and liquidity are continuously monitored, as set out below. The Issuer's approach to managing risk is outlined in the Risk Management Framework ("**RMF**"). The key tenets of the RMF are:

- **Risk capacity** – The Issuer determines the maximum level of risk that it can assume given its current level of resources, relevant regulatory dispositions and stakeholder requirements, to the extent that these dynamics tend to influence its ability to take risk.
- **Risk appetite** – The Issuer ensures that its activities are undertaken within the parameters of its risk appetite. The latter is subject to constraints such as the need to *inter alia* uphold the Issuer's financial soundness, foster sound and sustainable revenue growth and preserve its investment-grade credit rating.
- **Risk tolerance** – The Issuer establishes the maximum level of risk that it is willing to tolerate for a particular risk category or specific initiative, while ensuring that it achieves its business strategies and operates within its broader level risk appetite.
- **Risk profile** – Expressed in terms of quantitative indicators and qualitative assessments, its risk profile refers to its current net risk exposures for risk categories across customer segments and geographies. Amidst an evolving operating environment, the Issuer regularly monitors its risk profile, thereby helping to prevent the level of risk from going beyond the set risk appetite.
- **Risk control** – To maintain the size of its risk profile, risk control tools and mechanisms are leveraged. The Issuer's control activities are notably underpinned by target market criteria and risk limits which place practical constraints on its activities.

Risk Appetite

The RMF provides informed guidance for the management and monitoring of the Issuer's risk profile in relation to the defined risk appetite.

The Issuer articulates and monitors its risk appetite, which is the reasonable quantity and type of risk that it is broadly able and willing to take in the pursuit of its strategic/financial objectives. The purpose of setting risk appetite is to align the Issuer's risk profile and strategic orientations. The Issuer's risk appetite is updated at least annually or on an ad-hoc basis when required in order to reflect stakeholder aspirations and the broader operating context.

The Issuer defines its risk appetite for (i) credit risk in terms of allocation of range targets for domestic and international credit exposures, exposures by sectors as well as risk profiles and asset quality of portfolios; and (ii) market risk in terms of the splits between domestic and international markets, foreign currency and interest rate exposures, exposure allocation for position-taking and target splits in terms of exposure maturities.

For proper risk identification and quantifications, the Issuer caters for:

- continuous monitoring of risk targets;
- quarterly reporting to the Risk Monitoring Committee (the "**RMC**");
- preparation of risk reports for capital management;
- use of internally-generated and externally-sourced rating tools; and
- application of a stress-testing framework.

Risk Management Framework

The risk management set-up of the Issuer applies to every area of its business and covers all material risks faced. It aims to ensure that the organisation adopts a consistent and integrated approach to risk identification, mitigation and management.

In summary, financial principal risks are mitigated by the Executive Credit Committees, the Credit Committees, the Country Risk Committee and the ALCO. The non-financial principal risks are mitigated by the Information and Operational Risk Committee and the Compliance, Anti Money Laundering and Legal Committee. The diagram below outlines the risk management framework.



The Board has the ultimate responsibility for ensuring adequate risk management, in line with good corporate governance principles. It provides clear guidance for the setting out and regular review of applicable strategic thrusts, processes and policies for risk management. As a key focus area, the Board is responsible for validating the Issuer's risk appetite towards achieving its objectives. It delegates authority to Board committees, which formulate the specific responsibilities and required policies for effective risk management.

The RMC oversees financial and legal risk matters. It assists the Board in setting up risk strategies as well as assessing and monitoring the Issuer's risk management process. It recommends to the Board, for approval, the risk appetite in terms of credit risk and market risk, asset liability management risk. It analyses risk portfolios against the risk appetite, while reviewing and exercising oversight over capital management. The RMC is entrusted with the authority of determining the Issuer's overall international capital allocation and exposure limits while monitoring country exposures against set limits at least quarterly and on an *ad-hoc* basis. It approves country risk policies and proposed amendments and reviews the country risk framework and risk appetite parameters. As at June 2022, four of the five members of the RMC were non-executive directors, thus strengthening the Issuer's independent oversight and control functions.

The Supervisory and Monitoring Committee sets the overall direction for the strategic development of the Issuer. It monitors the Issuer's performance against such strategy.

The Audit Committee ensures that the internal control framework in place results in an acceptable level of risk exposure while guaranteeing compliance with internal established policies and relevant laws and regulations.

The Internal Audit, Compliance and Risk (for non-financial risk matters) functions regularly report to the Audit Committee.

Three Lines of Defence

A central part of the Issuer's risk management set-up is its "three lines of defence" model, which is described in more detail below.

- **First line of defence: risk ownership:** the first line of defence owns risk emanating from deployed strategic activities. Employees engaged in client-facing divisions and support functions as well as business line managers have the first-level responsibility for day-to-day risk management in the interest of the Issuer. The idea is to adopt adequate processes and mechanisms to suitably manage risks faced and escalate knowledge of risks identified in the course of activities for appropriate mitigating actions.
- **Second line of defence: risk control and compliance:** this line of defence establishes the limits, rules and constraints under which the first line activities shall be performed. The Risk Strategic Business Unit ("SBU") bears responsibility for providing independent risk control. While managing key financial, operational and information risks faced by the Issuer, the Risk SBU also oversees the credit management and debt restructuring and recovery operations. The Chief Risk Officer ("CRO") has direct oversight on all risk areas, while relevant heads and managers of the SBU establish methodologies and activities for risk measurement and regularly monitor and report risk exposures and profiles.
- Alongside having an administrative reporting line to the Chief Executive Officer ("CEO"), the CRO reports to the Audit Committee on risk matters relating to Permanent Supervision, Operational and Information Risk and reports to the Risk Monitoring Committee on matters relating to monitoring and management of other risk areas. The Compliance Strategic Business Unit has a direct reporting line to the Audit Committee and administratively reports to the CEO. This reporting structure confers the required independence to the Head of Compliance to discharge responsibilities to ensure compliance with applicable laws, regulations, codes of conduct and standards of good practice. Independent teams oversee the legal and physical security functions. The Head of the Legal SBU acts as the Money Laundering Reporting Officer to ensure strict independence. The Physical Security Business Unit reports to the Chief Operating Officer's office.
- **Third line of defence: risk assurance:** the Internal Audit function provides independent assurance that the control objectives are achieved by the first and second lines of defence in line with the set risk appetite. It has an administrative reporting line to the Chief Executive Officer and is accountable to the Audit Committee. The Fraud Prevention BU, also under the aegis of the Internal Audit SBU, promotes staff and customer awareness on fraud risks and undertakes monitoring for potential sources of fraud. It also carries out investigations and provides expert advice in case of, and investigates suspected irregularities.

Risk Management Process

The overall risk management process in place, which cuts across the entire cycle, allows for the proactive and disciplined identification, measurement, monitoring, mitigation, management and reporting of risks. This is described in more detail below.

- **Identification:** identification of internal and external risks related to the Issuer, which may directly or indirectly influence business performance, the ability to achieve set targets as well as an overall viability over time.

- **Measurement:** assessment, by means of proven methodologies, of the likelihood of identified risks to materialise (under existing or stressed conditions) as well as their likely impact and materiality under different scenarios; review of the default rates in respect of specific products; determination of capital requirements across risk types.
- **Monitoring:** analysis of the sources and specifics of risks faced; appraisal of outcomes posted following the management of risks faced, while factoring in the risk appetite and setting key performance indicators; verifying whether risk controls are efficient in both their design and operation; finding ways and means to further enhance the efficiency of risk assessment and mitigation.
- **Mitigation:** adoption and enhancement of measures to reduce the level of risks faced, while deploying actions that minimise the impact should there be adverse events; establishment of an appropriate internal control framework to deal with specific risk situations.
- **Management and Reporting:** stress testing the resilience of selected portfolios and ensuring that sufficient capital is available to withstand potential losses; regular elaboration of accurate and relevant information on pertinent risk characteristics and trends; ensuring urgent escalation of observed events and outcomes internally and to the authorities, wherever applicable.

RISK TYPES

The RMF concerns credit, country, market, liquidity, capital, interest rate, foreign exchange, insurance, strategic and business, model, operational, conduct, resilience, information, cyber, regulatory and compliance, reputational, and environmental and social risks.

1. Credit Risk

Credit risk is the risk of financial loss should borrowers or counterparties fail to fulfil their financial or contractual obligations as and when they fall due. Credit risk includes counterparty risk, settlement risk and concentration risk (excessive build-up of exposures to a counterparty, industry, market or product, amongst others).

The *modus operandi* shaping up the Issuer's credit risk management set-up is governed by rules that are set out in BoM Guidelines. They include the "Guideline on Credit Risk Management", the "Guideline on Standardised Approach to Credit Risk", the "Guideline on Credit Concentration Risk", the "Guideline on Credit Impairment Measurement and Income Recognition", the "Guideline for the write-off of non-performing assets", the "Guideline on Cross-Border Exposure" and the "Guideline on Stress Testing".

The credit risk policy of the Issuer, which is approved and reviewed by the RMC, sets forth the principles by which the Issuer conducts its credit risk management activities. The policy establishes the guidelines, roles and responsibilities whereby credit risk is to be managed across the business segments of the Issuer. It provides guidance in the formulation of the appropriate structures and architectures that seek to ensure that its business generation is harmonised with established target market criteria.

The main credit risk mitigation techniques applied by the Issuer include security/collateral, netting, guarantees, credit insurance, comprehensive non-payment insurance and political risk covers. Exposures arising from foreign exchange and derivatives are mainly mitigated through agreements e.g. the International Swaps and Derivatives Association (ISDA) Master Agreements and Credit Support Annex (CSA) documentation.

The Issuer's key objectives are to foster sound credit risk management principles, to uphold a well-diversified credit portfolio consistent with the risk profiles defined in the risk appetite as well as the broad characteristics set out in target market criteria, to achieve the targeted risk-return profile of the portfolio and to promote, monitor and manage the quality of the credit portfolio.

Review of the period to 30 June 2022:

- The Issuer's gross loans recorded year-on-year growth of 17.8 per cent. as at June 2022, largely explained by the continued expansion in its foreign activities, with related credit

to customers increasing by 39 per cent., mainly linked to the Energy & Commodities business, while rupee depreciation also weighed in the balance. At domestic level, the overall loan portfolio remained relatively flat, to some extent, due to the recourse by some operators in the corporate segment to other financial instruments. Indeed, exposures through corporate notes increased by some 29 per cent. to MUR 27.8 billion. For its part, reflecting the challenging operating context, lending to individuals increased by 3.3 per cent., mainly underpinned by growth in mortgages.

- While remaining exposed to a challenging operating context, the Issuer has preserved the general stability of its exposures, after making allowance for its disciplined market initiatives and dedicated measures taken to cope with the tough conditions witnessed across specific economic sectors. The Issuer's ratio of non-performing loans ("NPLs") and advances to gross loans stood at 3.4 per cent. as at 30 June 2022 (3.2 per cent. as at 30 June 2021), while the net NPL ratio stood at 2.2 per cent. (2.0 per cent. as at 30 June 2021).
- In spite of an increase in specific provisions net of recoveries, net impairment charge of financial assets declined by 26.3 per cent. to MUR 3,392 million, following lower ECLs during the year under review. As a result, cost of risk in relation to loans and advances declined by 52 basis points to reach 0.91 per cent.
- In response to COVID-19 and its wide-ranging ramifications on economic operators, in line with BoM support measures, the Issuer provided moratoriums on loans in respect of capital repayment as well as interest payment with a view to alleviating its customers' financial burden and helping them sustain their activities. Such support measures were provided to fundamentally sound business model that were experiencing temporary difficulties with the aim of maximising the customers' repayment ability. With the improvement in economic conditions, clients increasingly resumed their loan repayments and whilst the BoM allowed for the extension of the moratoriums to 30 June 2022, only 1 per cent. of the Issuer's loan book was under moratoriums as at that date, down from 9 per cent. in the previous year. The initial granting of customer relief or an extension thereof do not automatically trigger a migration to stage 2 or 3. However, information provided by payment deferrals is considered as supporting information to assess whether there has been a significant increase in credit risk in order to identify exposures for which lifetime expected credit losses is appropriate. The key accounting and credit risk judgment to ascertain whether a significant increase in credit risk has occurred is whether the economic effects of the COVID-19 outbreak on the customer are likely to be temporary and whether the financial difficulties faced by the customers are inconsistent with those classified under stage 3.
- Primary credit risk weighted assets increased to MUR 360.7 billion as at 30 June 2022 (30 June 2021: MUR 350.4 billion)], which was mainly driven by an expansion in the Issuer's cross-border activities notably pertaining to its Energy and Commodities business activities partly offset by optimisation of its risk-weighted assets linked to its treasury activities.

1.1 **Assessment by Key Business Lines**

Corporate Portfolio

Large corporate credits are assessed on an individual basis with the support of an internally-developed customer rating software. The latter evaluates the counterparty's financial position and uses the historical default data of the Issuer's clients. The ratings and probability of default rates generated are typically used to monitor the risk profiles of the customers which consume a sizeable proportion of capital resources and to calculate ECL. The counterparty risk ratings assigned to smaller businesses are primarily based on their financial strength and account performance.

Other Portfolios

Credit comprising mainly residential mortgages, unsecured loans and credit cards are monitored on a portfolio basis. The credit files are assessed through credit scoring models, records from the Mauritius Credit Information Bureau, customers' behavioural records as well as the application of

relevant risk acceptance criteria. In collaboration with the Retail SBU, the Business Banking SBU and Private Banking and Wealth Management SBU, the Risk SBU regularly analyses default trends, identifies the underlying root causes and subsequently channels recommendations to Management. The objective of such initiatives is to continuously fine-tune the relevant credit scoring parameters.

2. **Country Risk**

This is the risk of loss arising when political or economic conditions or events in a particular country inhibit the ability of counterparties in that country to meet their financial obligations. The Issuer's key objective is to provide for a comprehensive framework and adequate control processes for assessing country risk, determining risk tolerance and allocating exposures across geographies.

The Issuer's country risk management framework is an integral part of its overall risk management approach and is governed by rules that are set out in BoM Guidelines. They include the "Guideline on Country Risk Management", the "Guideline on Cross-Border Exposure" and the "Guideline on Stress Testing".

The RMC is entrusted with the task of evaluating risks and opportunities relating to setting and reviewing the country risk framework and country risk appetite parameters. It meets at least quarterly to monitor the performance of the Issuer's cross-border exposures, including compliance with the risk appetite, risk limits, overall requirements set out in the framework on cross-border exposure.

Review of the period to 30 June 2022:

- The Issuer continued to emphasize on the following: (i) regular review of its risk appetite, after making allowance for the evolving operating environment and its strategic ambitions; (ii) diversified exposures across countries and sectors; (iii) undertaking activities in a selective and opportunistic manner while favouring areas that it is well accustomed to and for which it has developed strategic competencies and technical expertise; and (iv) ensuring that its deals are appropriately selected, structured and ring-fenced, backed by the application of a series of risk mitigants and robust methodologies. Target risk profiles are set at the Issuer level as well as for each portfolio and are complemented by target maturity profiles, consequently ensuring that the Issuer's credit exposure portfolio is balanced in terms of its risk profile. The Issuer carefully monitored country risk events, including macroeconomic developments, sovereign credit worthiness, and specific occurrences such as social unrest, nationalisation and expropriation of assets, foreign exchange controls and currency depreciation/devaluation.
- Foreign country exposure limits were set by the Issuer on the basis of (i) its current exposures and growth ambitions; (ii) assigned capital for international exposures; (iii) the prevailing economic and market environments as well as the size of economies under review; (iv) sovereign ratings; (v) its areas of expertise as far as its business involvement is concerned; and (vi) its knowledge of the economies. The Risk SBU independently monitored country risk exposures against country limits, sub-limits and the overall international limit that have been set while notifying Heads of Business of any excesses. The Issuer established a list of 'priority countries' to focus on appealing business opportunities identified therein. It also set up a list of 'restricted countries'. No limits are established for the latter countries, with activities in such countries only conducted with approval of the RMC.
- The Issuer leveraged its management information systems to generate detailed reports for the identification, measurement and proactive monitoring of country risk exposures.
- Excluding Mauritius, a large portion of the Issuer's weighted exposures, in the financial year ended 30 June 2022, were concentrated within the Sub-Saharan Africa region as the Issuer deepens its involvement in the region.

3. **Market Risk**

Market risk is the potential for losses arising from changes in the value of the Issuer's assets and liabilities resulting from changes in market variables such as interest rates, foreign exchange rates. Market risk emanates from both the Issuer's trading and non-trading portfolios.

The Issuer's key objective is to monitor, report and control the overall market risk exposures, including market-contingent risks such as counterparty credit risk as well as profit and loss risks arising from the Issuer's market risk activities.

Review of the period to 30 June 2022:

- The Issuer adheres to the Standardised Approach as outlined by the BoM in its Guideline on Measurement and Management of Market Risk. As per this guideline, the Issuer is required to hold additional capital whenever its overall trading book position activities exceeds 5 per cent. of total assets. As at 30 June 2022, the Issuer's trading book significance was below 5 per cent., thus requiring no additional capital charge.
- The Issuer uses the Value-at-Risk ("**VaR**") to measure its market price risk. The VaR model used is based upon a 99 per cent. one-tailed confidence level and assumes a ten-day holding period, with market data taken from the previous one year. As at 30 June 2022, the Issuer's FX VaR stood at MUR 7 million (30 June 2021: MUR 13 million).

4. **Treasury Risk**

4.1 **Liquidity Risk**

Liquidity risk is the risk arising from insufficient realisable financial assets to meet the financial commitment as and when they fall due.

The Issuer's key objective is to maintain adequate liquidity levels and have access to diversified funding sources to rapidly and effectively respond to the demands of its clients and support business development.

Review of the period to 30 June 2022:

- The Issuer maintained a comfortable liquidity position, in line with risk appetite and above minimum regulatory requirements.
- As compared to June 2021, deposit base saw a 3.6 per cent. increase as at 30 June 2022, amounting to MUR 492.4 billion (30 June 2021: MUR 475.5 billion).
- The Liquidity Coverage Ratio ("**LCR**") for the financial year 2022 stood at 412 per cent. (30 June 2021: 322 per cent.) with a surplus of MUR 130 billion over stressed total net cash outflows (30 June 2021: MUR 79 billion).
- The Issuer operated with LCR above the minimum regulatory requirement, and consistently maintained a High-Quality Liquid Assets ("**HQLA**") buffer that exceeded the regulatory minimum requirement.

Long-term balance sheet structure:

- The capital structure of the Issuer comprised of tier 1 capital of MUR 63.0 billion and tier 2 capital of MUR 3.7 billion.
- The Issuer managed the liquidity profile of its balance sheet through both short term liquidity management and long term strategic funding, focusing on both local and foreign currencies, and addressing both Business As Usual ("**BAU**") and stressed conditions.

Short-term balance sheet structure and liquidity buffers:

- During the financial year ended 30 June 2022, the Issuer's deposit base grew to MUR 492 million to fund its loan book of MUR 337 million. In September 2021, the Issuer raised a syndicated facility of U.S.\$1 billion to refinance its obligations as part of its liability management strategy and to fund its asset growth. A first disbursement of U.S.\$500 million was drawn at the end of September 2021 with the remainder disbursed in December 2021. These have ensured a sustainable and diverse funding base.
- The HQLA portfolio of the Issuer consisted solely of HQLA1 with average HQLA as at 30 June 2022 amounting to MUR 172.1 billion (30 June 2021: MUR 114.8 billion).
- The Issuer developed its internal liquidity stress metric framework to determine the amount of HQLA it was required to hold to meet internally defined stress requirements.

4.2 **Capital Risk**

Capital risk is the risk that the Issuer has an insufficient level or inappropriate composition of capital to support its normal business activities and to remain within its Board-approved capital target ranges under normal operating conditions or above regulatory capital requirements under stressed conditions.

In line with regulatory rules, Basel requirements and industry best practices, the Issuer's capital management objective, which is aligned with general directions determined at the MCB Group level, is to ensure that it has adequate capital resources to operate effectively, foster sustained business growth, preserve or enhance its credit ratings and cope with adverse situations. Its capital management policies and practices aim to maintain a strong capital position that is consistent with the expectations and requirements of its numerous stakeholders, e.g. regulators, rating agencies, correspondent banks, the authorities and customers. Backed by the adoption of a forward-looking approach and a sensible governance framework, the Issuer determine the level and composition of its capital after making allowance for multiple factors. They include the legal and regulatory landscape, the business environment, the Issuer's strategic orientations, conditions prevailing across the economy and financial markets, etc.

Review of the period to 30 June 2022:

- The capital position of the Issuer remained strong during the financial year ended 30 June 2022 as seen by its core and total capital ratios amounting to 16.3 and 17.2 per cent. Furthermore, the BIS ratio of the Issuer was higher than the applicable minimum regulatory of 13.0 per cent. for Tier one capital adequacy ratio and 15.0 per cent. for total capital adequacy ratio, which comprise a capital surcharge of 2.5 per cent. that is currently applicable to the Issuer, as it is a D-SIB.

4.3 **Interest Rate Risk**

Interest rate risk is the risk arising from changes in interest rates or in the prices of interest rate related securities and derivatives, insofar as they impact the Issuer's earnings or economic value of equity.

The Issuer is mainly exposed to repricing risk in its banking book on account of the reset date of its on and off-balance sheet assets not coinciding exactly with that of its on and off-balance sheet liabilities.

The Issuer's key objective is to manage the impact of interest rate changes on its overall risk profile, both from an earnings and economic value perspective.

Review of the period to 30 June 2022:

- The Issuer monitored the impact of interest rate shifts on its structural interest rate risk using repricing gap analysis techniques. Amongst other methodologies, it applied BoM framework of a 200 basis point parallel shift in interest rates to estimate the one-year earnings impact on a static balance sheet basis.

- The total impact of earnings of a 200 basis point upward shift in interest rates caused an increase of MUR 211 million on earnings (30 June 2021: MUR 273 million).

5. **Foreign Exchange Risk**

Foreign exchange risk is the risk of losses on account of adverse foreign currency movements.

The Issuer's key objective is to detect and manage impact of currency fluctuations, alongside properly managing its net open position.

Review of the period to 30 June 2022:

- The Issuer's Foreign Exchange Exposure is actively managed against both the regulatory limit and an internal target (which is set against tier 1 capital). As at 30 June 2022, its overall Foreign Exchange Exposure as a percentage of Tier 1 Capital was at 2.89 per cent. (30 June 2021: 1.79 per cent.). Its aggregate net open foreign exchange position as at 30 June 2022 was of MUR 1,826 million (30 June 2021: MUR 1,065 million).

6. **Strategic and Business Risk**

Strategic and business risk is the risk arising from inappropriate business decisions or strategies in relation to the operating environment. The risk is linked to changes in the business environment, regulatory decisions, client behaviours and technological progress, as well as Issuer-specific factors such as poor choice of strategy and inflexible cost structures.

The Issuer's key objectives are to set out and deploy its strategic orientations in a judicious and well-thought manner, remain attentive to changes in the operating environment and pay close attention to the current/future exigencies of its customers.

Review of the period to 30 June 2022:

- During the financial year ended 30 June 2022, the Issuer pursued the execution of its strategic growth pillars and consolidation of key internal enablers based on a refreshed three-year strategic plan aimed at helping the Issuer partake in the anticipated economic recovery, reinforcing its leadership presence across key segments, whilst better positioning itself to enter into new opportunities. The Issuer remained attentive to the developments in the operating environment so as to preserve its business activities and financial soundness as well as continued to work closely with authorities and key stakeholders to promote the stability of the financial sector.
- Locally, beyond playing a more prominent role in supporting the country's socio-economic growth, the Issuer made substantial investment in digitalisation to consolidate its local positioning as dominant digital bank amidst increasingly sophisticated customer needs and higher competitive pressures as bank and non-bank operators enhance their value proposition. Furthermore, the Issuer is extending its frontiers, mainly across Africa, in areas which it has built expertise over time. This is done by increasingly capitalising on its foreign presence and established international network to strengthen risk understanding, identification and management through on-field intelligence as well as reinforcing existing coverages and relationships. In addition, to maintain a more sustainable and balanced growth in a challenging context characterised by reduced interest margins, the Issuer is diversifying its revenue base by boosting transactional banking business and its fee-based value proposition. The Issuer is also working towards adapting its sustainable finance value proposition towards ESG compliance and addressing investors' focus on responsible banking.
- Internally, the Issuer is availing of cutting-edge technologies to reinforce its risk and compliance framework and enhance its resilience, particularly from emerging risks such as cyber-threats. It has made progress in entrenching an agile way of working across the organisation to underpin operational efficiency, team effectiveness and quality service. Finally, the Issuer has deployed a number of initiatives as part of its HR Transformation Programme towards developing a talented and engaged workforce.

7. **Model Risk**

Model risk is the risk of losses as a consequence of decisions principally based on the output of models that are flawed or inaccurate. Model risk can lead to financial loss or damage the Issuer's reputation.

The Issuer's key objective is to manage this risk by establishing transparent model development, alongside consistently performing model validation. Model risk management pertains to the management and mitigation of risks arising from the incorrect decisions of models.

Two main sources of model risk are:

- (i) Fundamental errors in models: these may arise due to incorrect design of the models or bad quality data used for the development of models.
- (ii) Incorrect use of models: if models are used for cases where they were not intended to be used or on data not resembling the training dataset of the model, the output of such models will be incorrect. This is particularly true during periods of economic downturns.

Review of the period to 30 June 2022:

- The Issuer is continually developing its model risk management framework. The Issuer's focus has been on the below listed items in order to control risk arising from models:
 - The Issuer reinforced its modelling capabilities and adopted best practices for model development, deployment and validation. Model development is carefully planned so that uncertainty of model output is minimised. Moreover, development data is thoroughly assessed before use. All deployed models match the industry benchmark for the Gini coefficient. The development of models is guided by transparency, explainability and auditability.
 - Before models are deployed, they go through an internal validation process covering both qualitative and quantitative areas on dimensions such as data sampling, variable treatments, variable selection, model design, and measure of model performance during back-testing exercises among others.
 - All relevant stakeholders are involved during the development phases of the models. In addition, management and model sponsors are regularly updated, at each critical milestone, of model development and deployment.
 - The Issuer's business rules are implemented in certain cases to make models more rigorous on areas which cannot be directly modelled. These business rules are also helpful in cases of severe economic downturns where models might not perform as expected. These business rules are continually adapted to prevailing economic conditions. Moreover, in order to curtail the risk of losses from incorrect model decisions in loan approvals, automated model decisions are allowed for a pre-set maximum loan limit.
 - Post-model deployment, models are periodically assessed. Areas such as drift in model input and model accuracy are assessed.

8. **Operational Risk**

This is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events that affect the achievement of the Issuer's objectives. This definition includes legal risk but excludes strategic and reputational risk.

The Issuer's key objective is to identify, mitigate and manage its operational risks in line with acceptable tolerance limits and with the aim to provide its customers with seamless services and foster an adequate risk culture within the organisation.

Review of the period to 30 June 2022:

- The Issuer enhanced the management of its processes, notably in the risk assessments over critical processes, and the resulting deployment of better-adapted internal control mechanisms.
- The Issuer's current operational risk management priorities include the strengthening of its defences through investment in automation, analytics and technologies.
- The Issuer launched a review of its Operational Risk Cartography to ensure that appropriate risk controls are in place, alongside recruiting an Operational Risk Manager with extensive international exposure.

9. **Conduct Risk**

Conduct risk is the risk of detriment to the Issuer, its customers, clients, market integrity, and effective competition from the inappropriate supply of financial services, including instances of wilful/negligent misconduct, unethical behaviour and the failure to manage regulatory relationships.

The Issuer seeks to ensure that its core values and standards of professional conduct are maintained at every level and within all its activities and operations. In addition to complying with relevant external norms and requirements, the Issuer adheres to its own policies, including those related to its ethical standards. It has adopted dedicated systems and processes so as to identify and mitigate any risks of non-compliance while ensuring that it is sufficiently equipped in order to live up to the increasingly stringent regulatory environment and effectively cope with greater scrutiny by regulators and law enforcement authorities.

Review of the period to 30 June 2022:

- The Issuer performed regular monitoring exercises to ensure compliance with policies and procedures and ascertain that controls are operating in a sound way.
- In case of unsatisfactory/poor performance and/or misconduct of employees, the Issuer has enforced sanctions that can range from a simple warning to a disciplinary hearing and dismissal, depending on the severity of the offence. This is outlined in the Issuer's Disciplinary Policy which describes the standard of conduct expected from employees and also includes examples of misconduct.

10. **Resilience Risk**

Resilience risk is the risk of interruption of the Issuer's business, a loss of data or impairment of data due to technological failure, compromise of information security, unavailability of premises or infrastructure, inability to recover a process in the event of a disaster and inappropriate technology project selection and execution.

Resilience risk is covered under the Issuer's Business Continuity Management ("**BCM**") programme, which is an integral component of its overall risk management framework. The BCM programme in place aims to effectively plan for and respond to business disruptions and is geared to maintain the availability of its critical business activities at acceptable pre-defined service levels and safeguard the interests of its key stakeholders.

The guiding principles of the BCM framework and programme are defined in a comprehensive BCM. Business continuity strategies and plans are also documented for critical activities and are regularly reviewed and tested to ensure they remain relevant to changing organisational and external circumstances.

The BCM Policy also outlines the roles and responsibilities of MCB's Crisis Management Team, which shoulders central command during a crisis, supported by various other crisis teams and Business Continuity Champions, who are the BCM process owners responsible for designing, reviewing and maintaining up-to-date recovery plans at their respective levels.

Review of the period to 30 June 2022:

In the wake of the pandemic, the Issuer's approach to business continuity management continued to evolve to focus on building resilience in its operations, to better prepare for, and respond to, unforeseen events and successfully recover from the impacts of disruptive events or crisis. The Issuer's contingency strategies have also been refreshed to respond to an evolving landscape encompassing potential disruptions due to cyber threats, climate risks and third-party or supplier dependencies together with the more traditional business continuity risks such as technological outages and site unavailability disruptions.

- **Disaster Recovery (DR) Resilience:** While the Issuer carried out its planned annual concurrent DR simulation to confirm the operability of its DR site in the event of a major technological outage, it also successfully executed an unplanned DR exercise to test the actual readiness of its technical teams, thereby reaching a major milestone in its DR resilience journey.
- **Cyber Resilience:** The Issuer continued to advance on its cyber response preparedness framework by ensuring it has the necessary technical skills and legal support to deploy an effective cyber response both at operational and strategic levels. Furthermore, contingency strategies and measures are continuously being assessed and refreshed to incorporate cyber preparedness within the mission critical activities of the Issuer.
- **Climate Resilience:** Climate-related disruptions were also high on the agenda of the Issuer's business continuity planning framework. The cyclone contingency strategies and business resumption plan have been reviewed to ensure the Issuer is sufficiently prepared to resume operations in the unlikely event of a catastrophic cyclone.
- **Third-Party Resilience:** In line with regulatory requirements, the Issuer has incorporated business continuity in its cloud and outsourcing projects to ensure business continuity risks are adequately assessed and contingency measures defined to cater for service provider disruptions within the its critical activities.

11. **Information Risk**

Information risk is the risk of accidental or intentional unauthorised use, modification, disclosure or destruction of information resources which could compromise the confidentiality, integrity or availability of information.

The Issuer's key objective is to maintain the confidentiality, integrity, security and availability of information assets stored, processed and transmitted throughout the organisation.

A dedicated team is responsible for developing and maintaining information risk policies, in line with requirements set by the regulator as well as the evolving operating landscape. The key objective is to ensure that an adequate level of security is maintained to protect private, confidential, personal and any other sensitive information held by the Issuer.

To mitigate and manage information risks, several processes are in place to assist in identifying and analysing the business need. Such need would typically include access to logical information, restricting information to a need-to-know basis, and monitoring and controlling access to such information.

Review of the period to 30 June 2022:

- Risk findings, recommendations and assessments were regularly reported to various Executive Committees and the Audit Committee of the Board, with an emphasis on information and data protection matters.
- The Issuer restructured its Information Risk Management Business Unit and it is now referred to as the Cyber & Information Security Business Unit, to bring more focus to the specific risk areas of Cybersecurity, Information Security, Data Privacy and Technology Risk. A number of tools and processes are also being on-boarded on a regular basis to enhance its information security framework.

12. **Cyber Risk**

Cyber risk is the risk of breach of information technology security arising from the malicious or unauthorised use of information systems that may have an adverse effect on the confidentiality, availability, or integrity of information or information system.

The Issuer's key objective is to handle and mitigate cyber risks and establish a strong IT platform to aid the delivery of the organisation's strategic objectives, while protecting confidentiality, preventing misuse of systems and business disruptions as well as strengthening the effectiveness and adequacy of human firewalls.

The Issuer adopts a dedicated approach to continuously improve its cybersecurity posture and ensure that it is prepared to respond in a timely and effective manner to cyber threats and potential attacks. The Issuer conducts regular assessments to identify threats that can potentially harm its assets to identify and implement adequate mitigating controls.

Review of the period to 30 June 2022:

- Risk findings, recommendations and assessments were regularly reported to various Executive committees and the Audit Committee of the Board, with an emphasis on cybersecurity matters.
- The Issuer has deployed several initiatives to improve its cybersecurity framework, including performing an external independent assessment of its Cybersecurity Maturity Level and addressing gaps, investing in new technologies, running security awareness sessions to enhance staff awareness of cybersecurity with a focus on social engineering and bolstering its cyber response capabilities.
- Specifically, the Issuer set up a dedicated Red Team to further enhance its cybersecurity detection and response capabilities and undertook regular independent penetration testing and vulnerability assessments by leveraging external expertise as appropriate. The Issuer also commissioned a recognised consultancy agency to undertake a Cybersecurity Maturity Assessment following the one conducted a few years ago and ran security awareness training sessions to promote the adoption of best practices in terms of cybersecurity risk management.

The Issuer has enhanced its cyber incident management process by contracting out advanced cyber response services for forensic analysis and legal counsel to better assist MCB in responding to and recover from cyber-attacks in the most effective and efficient way. The Issuer has implemented a Cyber Threat Intelligence platform to help gather information and data on existing and emerging cyber threats.

- The Issuer initiated the necessary steps to further enhance its cybersecurity maturity and ensure compliance with the requirements of the upcoming BoM Guideline on Cyber & Technology Risk Management.

13. **Regulatory and Compliance Risk**

Regulatory and compliance risks are risks arising from changes in legislation, regulations and advocated norms on the operation and functioning of the Issuer. It is the risk of sanctions and material financial loss or reputational damage.

The Issuer's key objective is to comply with all relevant stipulations in force and advocated norms to safeguard the assets of the organisation and shield it from legal and regulatory sanctions and financial/reputational losses.

The Issuer ensures that the organisation and its staff adhere, at all times, to applicable laws, rules and regulations, generally accepted business and industry standards, as well as advocated norms and codes.

Review of the period to 30 June 2022:

- The Issuer has in place a Transaction Monitoring Tool called Financial Crime Risk Management ("FCRM") provided by Fiserv. The parameters and thresholds of this tool were reviewed in June 2021. During the same period, the Issuer reviewed its customer segmentation which now comprise three segments for the individuals and six segments for the non-individuals as compared to the previous two and four segments respectively. This allows for better monitoring of customers' transactions. Furthermore, the Issuer has implemented in FCRM, the use of data analytical techniques which incorporate some elements of artificial intelligence to monitor transactions and generate machine learning alerts. As at April 2022, these machine learning alerts were deployed for all lines of business, except for the Corporate and Institutional Banking SBU which is expected to take place in the next few months.
- The Issuer also reviewed its Customer Risk Rating methodology to ensure alignment with latest regulatory requirements and enhance the risk classification results of the customer database. The revised risk scorecard for customers was successfully launched in June 2022.
- From February 2022, the Issuer has migrated the screening of Incoming and Outgoing Swift messages from SafeWatch tool to FCRM. The new platform will allow the Issuer to have more options in terms of lists, other than sanctions related ones, which the Issuer may wish to screen against.

14. **Reputational Risk**

Reputational risk is the risk arising from the damage to the Issuer's image caused by negative media coverage, compliance failures, pending litigations or underperformance. Such damage may result in a breakdown of trust, confidence and business relationships, which may impair the Issuer's ability to retain and generate business. Ineffective due diligence may expose the Issuer to various risks of money laundering, terrorism and proliferation financing and the reputational risk that comes with same.

The Issuer's key objective is to bolster its brand image and values and ensure that its actions and behaviours are in line with best practice standards and advocated principles.

Through its BCM framework, the Issuer plans for responding to the following categories of disruptions by mitigating the risks associated with these incidents, and ensuring emergency response and recovery procedures are in place to safeguard lives, assets and value-creating activities of the Issuer: (i) Denial of access incidents; (ii) Technological incidents; (iii) People-related incidents; and (iv) Supply chain disruptions (including third party and outsourced service providers). In this respect, the Issuer has a well-established Crisis Management Governance Structure in place.

Review of the period to 30 June 2022:

- The Issuer effects a daily adverse media screening (on both specific local and international websites) and has also an automated process, whereby the customer database is screened against World-Check lists on a daily basis. These controls complement the Issuer's Know Your Customer (KYC) and customer due diligence (CDD) processes allowing it to keep its customers' profiles up to date and to handle promptly any new situation warranting further investigation and clarifications, as necessary, from its impacted customers.
- The risk-rating of a customer may be affected depending on the nature/seriousness of the adverse media, in which case and on a risk based approach, further ongoing due diligence is effected on the customer not only for his personal accounts, but also for other non-individual accounts where the customer acts as beneficial owner. These measures are geared to bolster the Issuer's protection against reputational risk.
- The Issuer's owned platforms, i.e. social media pages/accounts under the responsibility of MCB Group, were also constantly monitored with abusive, vulgar, obscene, racist, threatening, personal attacks or harassing comments deleted. Spam comments, including

content that promoted products or contained suspicious links or phone numbers were also monitored and hidden/deleted. Technical issues or general support questions are dealt with at its Contact Centre's level.

- The Issuer acknowledged and publicly replied to customer complaints about the Issuer's services in the form of comments or reviews on its social media accounts, and flagged them to its Contact Centre and Retail SBU with proper follow-up ensured.

15. **Environmental and Social Risk**

Environmental and social risk is the risk that unforeseen events stemming from changes in the Issuer's environment and society will result in disruptions in business activities as well as impact the Issuer's customers and counterparties, while influencing its internal operations.

The Issuer's key objectives are to mitigate and manage environmental and societal impact on its operations by properly evaluating and deploying an effective approach and strategy, while, in parallel, managing its footprint through environment-friendly and sustainable practices and products.

The Issuer recognises that its financing activities have a substantial impact on society and failure of its customers to appropriately manage their ESG issues can directly impact their operations and long-term viability and the community they operate in. The BoM issued the Guideline on Climate-related and Environmental Financial Risk Management which came into effect on 1 April 2022, which imposes a requirement on banks to disclose in their annual reports information on climate-related and environmental financial risks they are exposed to, the potential impact of material risks and their approach to managing these risks. The disclosure requirement will take effect as from financial year ending 31 December 2023.

Since 2012, the Issuer has adopted the Equator Principles, which is a voluntary and internationally recognised risk management framework. This framework stands as the foundation and guiding principle of the Issuer's Environmental and Social Policy. It articulates the principles, policies, roles and responsibilities through which the Issuer ensures the environmental and social risk management of its lending activities, in particular regarding any project or undertaking entailing loans of an aggregate amount greater than or equal to U.S.\$5 million. The Issuer is one of the founding signatories of the Principles for Responsible Banking of the United Nations Environment Programme – Finance Initiative (UNEP-FI). The Principles provide the banking industry with a single framework that embeds sustainability at the strategic, portfolio and transactional levels across business areas.

Reflecting its commitment to entrench applicable principles in its strategy and operations, the Issuer is an adherent to the United Nations Global Compact at participant level. This is the world's largest voluntary corporate responsibility initiative for businesses committed to aligning their operations and strategies with universally accepted principles in the areas of human rights, labour, environment and anti-corruption.

Review of the period to 30 June 2022:

- In line with its purpose 'Success Beyond Numbers', the Issuer has executed key initiatives across three pillars, which are: (i) development of a vibrant and sustainable local economy; (ii) protection and valorisation of its environmental and cultural and heritage; and (iii) promotion of individual and collective well-being. As a key move, the Issuer took the commitment in 2020 to not finance new coal infrastructure and trade worldwide as well as new-coal fired power plants in Mauritius. The Issuer also made available a dedicated envelope for financing low-carbon emission projects. In line with the organisation's climate commitments, the Issuer initiated actions towards increasing its presence in the gas trading business in Africa going forward, as the Issuer seeks to accompany the region in its energy transition. However, the Issuer understands that it is going to take some time for its key African markets to shift to renewable energy, and remains committed to being their partner during this transition. The Issuer is in the process of setting up a task force to determine what is required to fully integrate ESG considerations in its financing and risk management frameworks for its local and international portfolios.

- An international service provider was enlisted to accompany the Issuer in the development of an adapted sustainable finance framework as part of its aspiration to position itself as a key sustainable finance player on the domestic and regional fronts. Key priority areas have been identified and an action plan has been elaborated accordingly with all impacted stakeholders.
- The Issuer has set up a taskforce with the objective of meeting the requirements of the regulatory guideline and strengthening the link between climate change and the resulting financial impacts on its business. The Issuer aims to integrate ESG into its risk management framework and strategic planning.
- As part of its engagement to implement the appropriate risk management system for environmental and social considerations in its banking activities, the Issuer reviewed its Environmental and Social Risk Policy. The general structure of the Policy has been upgraded in line with international environmental and social standards. The Policy caters for distinct sections covering the following: (i) scope of application; (ii) governance: integration of environmental and social related risks as part of decision-making process within various units of the Issuer and its committees; (iii) roles and responsibilities of stakeholders involved in the Environmental and Social Risk Management (ESRM) process; and (iv) implications for the Issuer's Credit Cycle. The Issuer's exclusion list has also been updated to (i) allow for its climate engagements; (ii) align with exclusion lists included in its facility agreements with development financial institutions; and (iii) include measures for environmentally sensitive areas.

THE BANKING SECTOR IN MAURITIUS

The Mauritian banking system dates back to the 17th century. Since the establishment of the BoM in 1967 and the abolition of exchange control in 1994, the Mauritian economy and the financial landscape of Mauritius have undergone considerable changes. Mauritius today has one of the most developed banking markets in sub-Saharan Africa with the highest banking services market penetration. The banking sector comprises 19 banks, of which 6 are domestic-owned, 10 are foreign-owned subsidiaries and 3 are branches of foreign banks. The banking sector's total assets amounted to MUR 2,056 billion – the top 4 banks accounting for 65 per cent. therein – and represented about 4 times the size of the Mauritian GDP as at end-March 2022.

Banks in Mauritius are provided with a single banking licence, which entitle them to conduct both domestic and international transactions in all currencies, including the Mauritian rupee. Besides traditional banking facilities, banks offer card-based payment services, such as credit and debit cards, internet banking and phone banking facilities as well as global banking and financial services to corporate, institutional and private clients. Specialised services such as fund administration, custodial services, trusteeship, structured lending, structured trade finance, international portfolio management, investment banking, private client activities, treasury and specialised finance are also offered by banks. In order to meet their objectives, banks in Mauritius have, throughout the past decades, been active in improving their value propositions backed by adherence to strict risk management and corporate governance principles. They have expanded and diversified their businesses across markets and geographies, notably in the sub-Saharan Africa region.

Despite a challenging international banking landscape over recent years, the domestic banking sector is resilient, stable and sound. As per the press statement of the 64th Monetary Policy Committee meeting, capital and liquidity buffers were assessed to be sound as at June 2022. In particular, the Capital Adequacy Ratio stood at 19.2 per cent. as at June 2022, while the Liquidity Coverage Ratio stood at 265.0 per cent. Both buffers were well above the minimum regulatory requirements imposed by the BoM. The ratio of Non-Performing Loans to total loans stood at 4.6 per cent. as at June 2022. The unwinding of moratoria on loans granted to economic operators, SMEs, households and individuals impacted by the pandemic was completed on 30 June 2022. The decline in the outstanding value of moratoria is a positive indication that the economic recovery is under way. Overall, the banking sector remained resilient amidst the real economic shocks caused by the pandemic and the ongoing Russia-Ukraine war. The results of the latest stress test exercise, based on March 2022 data, suggest that the banking sector still maintains prudent capital and liquidity buffers to be able to withstand potential shocks going forward. At the level of the Issuer, stress testing under historical and stress test scenarios has taken place to assess the impact of unfavourable scenarios on key metrics. The latest three scenarios are as follows, which also catered for the impact of heightened price volatility given the inflationary environment:

- mild scenario: due to variants of the COVID-19 virus still circulating and social distancing measures in place in airplanes and hotels, the number of tourist arrivals is less than expected. Tourist arrivals are anticipated to be such that only 50 per cent. of planned arrivals occur in 2022, 75 per cent. in 2023 and 100 per cent. in 2024;
- medium scenario: a recurrence of COVID-19 results in an even fewer tourist arrivals such that only 25 per cent. of planned arrivals occur in 2022, 50 per cent. in 2023 and 75 per cent. in 2024. In addition, due to the extended impact of COVID-19 in the financial year 2023, there is a decrease in global oil demand which leads to an oil shock and a decrease in oil prices by 50 per cent. in the financial year 2023; and
- severe scenario: the shocks to the number of tourist arrivals is even more severe such that only 10 per cent. of planned arrivals occurring in 2022, 25 per cent. in 2023 and 50 per cent. in 2024. The Issuer assumed an even more severe shock to the oil market with a decrease in oil prices of 75 per cent. in the financial year 2023.

Barring extreme cases, the analyses revealed that the Issuer's capital adequacy ratio does not fall below the regulatory requirements in any of the three scenarios described above.

Regulatory and Compliance Landscape

Mauritius has established a robust regulatory and supervisory regime for the banking and financial services industry, with the BoM responsible for overseeing the banking sector and the Financial Services

Commission ("**FSC**") responsible for non-banking financial services. The regime is founded on an enabling legal framework for the financial services sector, which includes the Financial Services Act 2007 and laws covering banking, insurance, pensions, securities, trusts and anti-money laundering, among others. Mauritius has committed to international standards which aim to stamp out criminal activity such as money laundering or terrorism financing and is compliant or largely compliant on 40 out of 40 recommendations to combat these threats as set out by the Financial Action Task Force. To improve financial transparency, Mauritius signed up to the United States' Foreign Account Tax Compliance Act in 2014 and to the Organisation of Economic Cooperation and Development's ("**OECD**") Common Reporting Standard. Mauritius is one of the first African countries to have signed OECD Multilateral Competent Authority Agreement and it features as one of the few African economies which are members of the inclusive framework to tackle Base Erosion Profit Shifting, alongside being one of the African signatories to the OECD Convention on Mutual Administrative Assistance in Tax Matters. Mauritius also adheres to various other international codes and standards such as Basel II of the Basel Accords, as well as Basel III Capital Standards and the International Financial Reporting Standards. In addition, the country is rated as an OECD Compliant jurisdiction by the Global Forum on Transparency and Exchange of Information for Tax Purposes.

At the broader level, Mauritius has the ecosystem, business facilitation environment and infrastructure for investors to plan their investment. The country has a favourable network of investment promotion and protection agreements ("**IPPAs**") (29 IPPAs, including 10 with African countries) and double taxation avoidance agreements ("**DTAAs**") (45 DTAAs signed, including 16 with African countries). With the trade agreements signed in the recent years, Mauritius is growingly positioning itself as a platform for attracting, managing, structuring and channelling trade and investments into the continent within the Asia-Africa corridor. Mauritius has a preferential market access to 70 per cent. of the world population when combining the African Continental Free Trade Area, the Comprehensive Economic Cooperation and Partnership Agreement, the China Free Trade Agreements, the UK-Eastern and Southern Africa Economic Partnership Agreement, the Africa Growth and Opportunity Act with US and other agreements. In addition, Mauritius and Botswana are the only two African countries investment grade rated by Moody's Investors Service. Mauritius is also a leader in the World Bank Ease of Doing Business, ranking 1st in Africa and 13th out of 190 worldwide.

Some of the legislation in force in Mauritius for the banking and financial services industry are listed below:

- Assets Recovery Act 2011
- Banking Act 2004
- Bank of Mauritius Act 2004
- The Ombudsperson for Financial Services Act 2018
- Borrower Protection Act 2007
- Captive Insurance Act 2005
- Companies Act 2001 (the "**Companies Act**")
- Convention for the Suppression of Financing of Terrorism Act 2003
- Financial Intelligence and Anti Money Laundering Act 2002 ("**FIAMLA**")
- Financial Services Act 2007
- Insurance Act 2005
- Insolvency Act 2009
- Prevention of Terrorism (International Obligations) Act 2008
- Private Pension Schemes Act 2012

- Protected Cell Companies Act 1999
- Securities Act 2005
- Securities (Central Depository, Clearing and Settlement) Act 1996
- Trusts Act 2001
- The Good Governance and Integrity Reporting Act 2015
- The Data Protection Act 2017
- The Prevention of Corruption Act 2002
- The Prevention of Terrorism Act 2002
- The Mauritius Deposit Insurance Scheme Act 2019
- The National Payment Systems Act 2018
- The United Nations (Financial Prohibitions, Arms Embargo and Travel Ban) Sanctions Act 2019
- The Business Facilitation (Miscellaneous Provisions) Act 2019
- The Anti-Money Laundering and Combatting the Financing of Terrorism (Miscellaneous Provisions) Act 2020
- The Mauritian Civil Code
- The Code de Commerce
- Variable Capital Companies Act 2022
- Virtual Asset and Initial Token Offering Services Act 2021

Bank of Mauritius

The BoM was established in September 1967 and is, by statute, the central bank of the Republic of Mauritius and was modelled on the Bank of England. The BoM is governed by the Bank of Mauritius Act 2004, which establishes the BoM as a body corporate with perpetual succession and sets out, *inter alia*, its objects, powers and functions. The BoM fulfils its functions independently as mandated by the Bank of Mauritius Act 2004. The primary purpose of the BoM in that Act is to maintain price stability and promote the orderly and balanced economic development of Mauritius.

The BoM regulates and supervises banking institutions and non-bank deposit taking financial institutions under the provisions of the Banking Act 2004 and the Bank of Mauritius Act 2004. Money changers and foreign exchange dealers also fall under the purview of the BoM. The regulatory and supervisory functions exercised by the BoM include: (i) the processing of applications for banking licences as well as authorisations for non-bank deposit-taking activities, money changers and foreign exchange dealers; (ii) issuing of prudential regulations to be observed by authorised institutions; and (iii) carrying out on-site inspection and off-site surveillance of such institutions. In line with best international practices, the BoM is committed to the implementation of the Core Principles for Effective Banking Supervision set by the Basel Committee on Banking Supervision, which provide an internationally agreed framework for effective banking supervision. The Financial Services Commission ("FSC") is the apex body responsible for licensing, regulating, monitoring and supervising all non-banking financial activities. The FSC has effective powers of inspection under the provisions of the Financial Services Act 2007, and it may give directions, issue roles, guidelines or code for the proper conduct of business for non-bank financial activities. In carrying out its functions, the Commission is guided by four main statutory objectives: (i) safety and stability of the market; (ii) integrity of the market; (iii) fair treatment of investors and consumers; and (iv) the protection of the reputation of Mauritius as a financial services centre by repressing crimes and dishonourable conduct. The BoM and the FSC signed a Memorandum of Understanding ("MoU") in 2002 to set out the framework for cooperation between the two bodies in their common pursuit to maintain a

safe, efficient and stable financial system in Mauritius. In 2012, the MoU was amended to reinforce the framework for effective exchange of information between BoM and the FSC and enables Mauritius to comply with one of the requirements imposed under the International Organization of Securities Commissions Multilateral Memorandum of Understanding. The bond between the two regulators has been further cemented with the First Deputy Governor of the BoM appointed as Chairman of the FSC.

Furthermore, to enhance customer protection in the financial services sector, the Ombudsperson for Financial Services Act 2018 provides for the establishment of the Office of the Ombudsperson for Financial Services to receive and deal with complaints from consumers of financial services against financial institutions.

The Issuer views its relationship with its regulators as being of the utmost importance and it is committed to fostering sound banking principles for the industry as a whole. In this regard, the Issuer is a member of the Mauritius Bankers Association Ltd ("**MBA**"), which is an industry association for all commercial banks licensed and authorised to conduct banking business in Mauritius. The MBA serves as a voice for the banking industry and represents its members as it works closely with stakeholders towards the development of the banking sector in Mauritius, and for the welfare of society.

REGULATORY ENVIRONMENT IN MAURITIUS

Regulatory changes continue to impact the Issuer's operations, earnings and balance sheet. The principal regulatory factors impacting the Issuer's results of operations and financial position (including liquidity and capital) are set out below.

Mauritius

Current

A summary of main regulations affecting the Issuer are listed below:

- *Anti-money laundering regulations.*

Mauritius has adopted a National Strategy for Combating Money Laundering and the Financing of Terrorism and Proliferation 2019-2022. This strategy sets out the approach by Mauritius to tackle money laundering, terrorism financing and proliferation financing threats over the three year period covered by the strategy. In addition, it describes the priorities and objectives in addressing financial crime, and assists Mauritius in meeting international obligations set by the Financial Action Task Force.

The BoM is the AML/CFT Supervisor for institutions operating in the banking sector and ensures that financial institutions comply with the banking laws which include, the Convention for the Suppression of Financing of Terrorism Act, the Financial Intelligence and Anti-Money Laundering Act, the Prevention of Terrorism Act, the Prevention of Terrorism (International Obligations) Act and the United Nations (Financial Prohibitions, Arms Embargo and Travel Ban) Sanctions Act 2019 as well as regulations and guidelines made thereunder.

The Financial Intelligence and Anti-Money Laundering Act 2002 and the Financial Intelligence and Anti-Money Laundering Regulations 2018 prescribe, *inter alia*, the customer due diligence and transaction monitoring standards to be implemented by financial institutions to combat money laundering and terrorism financing while the Prevention of Terrorism Act 2002 and the regulations made thereunder provide for measures to combat terrorism in general. The Convention for the Suppression of Financing of Terrorism Act 2003 provides for the International Convention for the Suppression of the Financing of Terrorism to have the force of law in Mauritius. In addition, the Prevention of Terrorism (International Obligations) Act 2008 enables Mauritius to adhere to various international counter-terrorism conventions.

The United Nations (Financial Prohibitions, Arms Embargo and Travel Ban) Sanctions Act 2019 (the 'UN Sanctions Act') was enacted to enable the Government of Mauritius to implement targeted sanctions, including financial sanctions, arms embargo and travel ban, and other measures imposed by the United Nations Security Council under Chapter VII of the Charter of the United Nations, with a view to addressing threats to international peace and security, including terrorism, the financing of terrorism and proliferation of weapons of mass destruction. In August 2020, the National Sanctions Secretariat, established under the UN Sanctions Act, issued the "Guidelines on the implementation of Targeted Financial Sanctions under the United Nations (Financial Prohibitions, Arms Embargo and Travel Ban) Sanctions Act 2019" to assist reporting persons, including banks and other financial institutions licensed by the BoM, with the implementation of the restrictive measures, in particular the financial prohibitions prescribed under the Act.

The Guideline on Anti-Money Laundering and Combating the Financing of Terrorism and Proliferation (January 2020) sets out the broad parameters within which financial institutions should operate in order to ward off money laundering, terrorism financing and proliferation financing risks. Financial institutions are required to, on their part, maintain updated anti-money laundering and terrorism financing deterrence policies, including regular update and training of concerned staff to keep up with new emerging threats.

- *Payment Systems.*

In 2018, pursuant to the National Payment Systems Act 2018, the BoM was vested with the power to oversee and supervise the national payment systems and payment systems. The National Payment Systems Act 2018 provides for the regulation, overseeing and supervision of the national

payment systems and payment systems being operated in Mauritius primarily for the purpose of ensuring their safe, secure, efficient and effective operation and accessibility to the public.

- *Guideline on Scope of Application of Basel III and Eligible Capital, June 2014 (Revised June 2021).*

In December 2010, the BCBS issued a comprehensive reform package entitled 'Basel III: A global regulatory framework for more resilient banks and banking systems'. The reform measures aim to improve the banking sector's ability to absorb shocks arising from financial and economic stress, improve risk management and governance and strengthen banks' transparency and disclosures.

This Guideline formulates the characteristics that an instrument must have in order to qualify as regulatory capital and the various adjustments that have to be made in determining the regulatory capital of a bank. In addition, it outlines the operation of the capital conservation buffer which is designed to ensure that banks build up capital buffers outside periods of stress which can be drawn down as losses are incurred. It lays down transitional arrangements for implementing certain elements of the Basel III capital framework, as well as the limits and minima of the different components of capital.

- (a) Common Equity Tier 1 must be at least 6.5 per cent. of risk-weighted assets;
- (b) Tier 1 capital must be at least 8.0 per cent. of risk-weighted assets;
- (c) Total Capital (Tier 1 Capital plus Tier 2 Capital) must be at least 10.0 per cent. of risk-weighted assets at all times.

- *Guideline for dealing with Domestic–Systemically Important Banks (June 2014)*

In recognition of the fact that many domestic banks can have systemic impact on the domestic economy because of their size, interconnectedness, complexity and lack of substitutability, it was considered appropriate to review ways to address the externalities posed by D-SIBs. The BCBS issued a paper on "A framework for dealing with domestic systemically important banks" in October 2012. The D-SIB framework focuses on the impact that the distress or failure of banks will have on the domestic economy. In line with international developments, the BoM issued the Guideline for dealing with D-SIBs, which sets out the assessment methodology it applies for classifying an institution as being systemically important.

Regulatory ratios applicable to the Issuer:

Minimum total Capital Adequacy Ratio: 10.0 per cent.

Capital Conservation Buffer: 2.5 per cent.

D-SIB buffer: ranges between 1.0 – 2.5 per cent.; The Issuer needs to keep a D-SIB buffer of 2.5 per cent.

Total minimum CAR including CCB and D-SIB buffer: 15.0 per cent.

- *Guideline on Liquidity Risk Management, January 2000 (Revised January 2021).*

The BoM expects all institutions to have appropriate risk control measures to identify, manage and monitor liquidity risk exposures under various stress situations in order to protect their operations from disruption and adverse financial consequences. This guideline draws on the analysis and recommendations of BCBS contained in reports 'Principles for Sound Liquidity Risk Management and Supervision, September 2008' and 'Basel III: Liquidity Coverage Ratio and Liquidity Risk Monitoring Tools, January 2013'.

Regulatory requirements

Liquidity Coverage Ratio in MUR	≥100%
Liquidity Coverage Ratio in material foreign currencies	≥100%
Consolidated Liquidity Coverage Ratio (in either MUR or USD)	≥100%

- *Guideline on Standardised Approach to Credit Risk, March 2008 (Revised April 2022).*

The Guideline on Standardised Approach to Credit Risk provides a framework for banks to apply a uniform approach to the measurement of risks relating to their on- and off-balance sheet credit exposures for capital adequacy purposes. Banks are required to use the Standardised Approach to Credit Risk for capital adequacy purposes unless they have obtained approval from the BoM to use an internal ratings-based approach. This Guideline also sets out the methodology for determining the appropriate risk weight for an exposure secured by eligible collateral, guarantee and/or credit derivative.
- *Guideline on Credit Concentration Risk, March 2000 (Revised August 2019).*

This guideline provides the regulatory credit concentration limits and the basic framework of credit concentration risk management to be put in place by financial institutions.
- *Guidelines on Country Risk Management, April 2010.*

This Guideline puts in place a framework for banks to identify, measure and manage country exposures and book provisions thereon. It outlines the minimum requirements that a bank's country risk management system has to contain. However, the level of sophistication of a bank's system has to be commensurate with the size, nature and complexity of its cross-border exposures.
- *Guideline on Cross-Border Exposure, September 2020 (Revised August 2022).*

This Guideline lays down a set of minimum standards to be followed by banks in respect of their cross-border exposure. These minimum standards provide a risk-based management framework aimed at mitigate the main cross-border banking risks.
- *Guideline on the Operational Framework for Primary Dealers, March 2017 (Revised September 2021).*

This Guideline sets out the operational framework for all primary dealers appointed by the BoM under Section 6(1)(x) of the Bank of Mauritius Act 2004. The Guideline was revised in September 2021 in order to boost activity on the secondary market for securities and ultimately enhance the transmission of monetary policy signals.
- *Guideline on Corporate Governance, April 2001 (Revised October 2017).*

This Guideline defines the roles, responsibilities and capacity of directors and their relationship with management. It also determines the roles of senior management, effective internal controls, compliance with statutory requirements, and related areas. The aim is to ensure safety, soundness and transparency of financial institutions and, in turn, safeguard the interests of shareholders, customers and other stakeholders.
- *Guideline on Public Disclosure of Information, November 2002 (Revised November 2009).*

This guideline sets out the minimum disclosure standards which financial institutions are required to adopt in respect of information to be disclosed in their annual financial statements and their annual reports, which are also required to be posted on their websites.
- *Guideline on Payment of Dividend, September 2020 (Revised November 2021).*

This Guideline sets out the regulatory and prudential requirements to be observed by banks and non-bank deposit taking institutions before declaring dividend payments or other transfers from profits in addition to those already stipulated in the Banking Act. It provides the regulatory framework for the declaration and payment of dividend or other transfers from profits.
- *Guideline on Private Banking, February 2017 (Revised December 2021).*

This Guideline applies to banks licensed under the Banking Act 2004 and which engage in private banking business. It sets out the regulatory and supervisory framework applicable to banks conducting private banking business. It specifies additional requirements to, or, exemptions from

the rules applicable to conventional banking. It sets out the terms under which the BoM is prepared to consider exemptions from the Banking Act 2004 under section 7(7D).

- *Guideline on Stress Testing, June 2022.*

Guideline on Stress Testing draws on the stress testing principles of the BCBS contained in its publication 'Stress testing principles' published in October 2018. This Guideline sets out the high-level principles to be followed by banks for the implementation of a sound stress testing framework. It applies to all banks licensed by the BoM. The principles in this Guideline have to be applied on a proportionate basis, depending on the size, complexity and risk profile of the bank. Branches and subsidiaries of foreign banks may use the stress testing framework of their parent banks as long as it meets the requirements of this Guideline.

- *Guideline on Climate-related and Environmental Financial Risk Management, April 2022.*

The BoM recognises that climate-related and environmental events create financial risks which may pose a risk to financial stability. Hence, in order to integrate climate-related and environmental financial risks into the national regulatory and monetary policy frameworks, the BoM set up a Guideline on Climate-related and Environmental Financial Risks (April 2022) and the FSC released Guidelines for Issue of Corporate and Green Bonds in Mauritius (December 2021 and revised in April 2022).

The BoM Guideline intends to assist financial institutions in embedding sound governance and risk management frameworks for climate-related and environmental financial risks within their existing risk management frameworks. This will enable them to better understand, identify, assess, monitor and mitigate these risks. Financial institutions will be also in a better position to identify the risks and opportunities arising from the transition to a low-carbon and more circular economy and consider them in their strategy, engagement with their counterparts and other decision-making processes. The Guideline further outlines the broad principles which financial institutions may use to develop their climate-related and environmental financial disclosures.

The FSC Guidelines for Issue of Corporate and Green Bonds in Mauritius is in line with international norms and describe the practices and procedures to be adopted by issuers of corporate and green bonds.

- *FinTech.*

Mauritius, with its ambition to be a FinTech hub in the Eastern and Southern African region, has adopted a comprehensive legislation to further promote its capabilities and opportunities to investors. The banking sector has consequently been subject to a recent series of legislative and regulatory amendments.

The main legislations governing the banking sector, namely the Banking Act and Bank of Mauritius Act, have been amended to cater for the Fintech and regulatory technology sectors. The BoM also issued a new Guideline for Digital Banks (December 2021), which sets out the regulatory and supervisory framework for operating a digital bank in Mauritius. The Guideline specifies additional requirements to, or exemptions from the legal, regulatory and supervisory framework applicable to traditional banks and the terms and conditions under which the BoM shall consider these exemptions under section 7(7E) of the Banking Act 2004.

The Virtual Asset and Initial Token Offering Act 2021 ("**VAITOS Act 2021**") was also enacted in December 2021. This Act was prepared in line with international standards to strengthen the development of key sectors and encourage innovation in Fintech and Regtech. It provides a comprehensive legislative framework for virtual asset service providers ("**VASPs**") and issuers of initial token offerings ("**IITOs**"). Of note, banks (licensed by the BoM) may carry out VASP activity, provided that the prior approval of the BoM is obtained.

Further to the enactment of the VAITOS Act 2021, the FSC has issued the AML/CFT Guidance Notes for Virtual Asset Service Providers & Issuers of Initial Token Offerings in February 2022, which aims at providing an outlook on the significance of ML/TF risks associated with Virtual

Asset activities and guiding VASPs and IITOs with an understanding of their specific AML/CFT compliance obligations under the VAITOS Act 2021.

- Other Guidelines that are applicable to the banking sector include but are not limited to:
 - Guideline on Measurement and Management of Market Risk
 - Guideline on the Fair Valuation of Financial Instruments
 - Guideline on the Computation of Debt-to-Income Ratio for Residential Property Loans
 - Guideline on Related Party Transactions
 - Guidelines on Operational Risk Management and Capital Adequacy Determination
 - Transitional Arrangements for Regulatory Capital Treatment of IFRS 9 Provisions under Expected Credit Losses
 - Guideline on Credit Impairment Measurement and Income Recognition
 - Guideline on The Recognition and Use of External Credit Assessment Institutions
 - Guideline for the write-off of non-performing assets
 - Additional Macprudential Measures for the Banking Sector
 - Guideline on Transactions or Conditions respecting Well-being of a Financial Institution Reportable by the External Auditor To the Bank of Mauritius
 - Guideline on Supervisory Review Process
 - Guideline on Internet Banking
 - Guideline on Mobile Banking and Mobile Payment Systems
 - Guidelines on Outsourcing by Financial Institutions
 - Guideline on Control of Advertisement
 - Guideline on Maintenance of Accounting and Other Records and Internal Control Systems
 - Guideline on Disclosure of Information to Guarantors
 - Guideline on Segmental Reporting under a Single Banking Licence Regime
 - Guidelines on Section 46(2) of the Banking Act 2004 - Appointment or Reappointment of Senior Officers
 - Guideline on Fit and Proper Person Criteria
 - Guideline for the Setting up of Representative Offices in Mauritius
 - Guideline for Institutions Conducting Islamic Banking Business
 - Guideline on Agent Banking
 - Guidelines on Outsourcing by Financial Institutions
 - Guidance on LIBOR Transition
 - Guideline on use of cloud services

Upcoming

Some notable upcoming regulatory changes include:

- *Risk-based supervision.* The implementation of a Risk-Based Supervision framework is in progress, with technical assistance from the World Bank.
- *Central KYC ("CKYC").* The CKYC Registry project will provide fast and reliable KYC information. The project will be implemented in a phased manner.
- *Licensing and regulatory framework.* A conducive licensing and regulatory framework is being developed for the establishment of digital banks.
- *Cyber and Technology Risk Management.* The BoM has announced a forthcoming Guideline on Cyber and Technology Risk Management, which aims to assist financial institutions in developing a sound and robust cyber and technology risk management framework and accordingly enhance their resilience against such risks.
- *Fintech innovation hub and digital lab for payment.* BoM is working on the establishment of a fintech innovation hub and digital lab for payment and banking solutions as well as the relevant guideline on the usage of application programming interface for open banking.
- *Financial Intelligence and Anti-Money Laundering Act.* The Financial Intelligence and Anti-Money Laundering Act will be amended to complement provisions of the Act by including combatting of proliferation financing under its scope, in line with Financial Action Task Force ("FATF") requirements.
- *Insurance Act.* The Insurance Act will be amended to establish a framework for Structured Investment, linked to Insurance Business activities.
- *National Payment Systems Act.* The National Payment Systems Act will be amended to state that the BoM may amend, vary or cancel any condition attached to, or impose new conditions on an authorisation granted or a licence issued under the Act.
- Guideline on Usage on Recovery Planning.

Presence countries

Current and upcoming

The Issuer continues to witness regulatory changes across the countries in which it operates, for example:

Madagascar

Responsibility for financial sector oversight is divided among several institutions in Madagascar. The Commission for the Supervision of Banks and Finance, which is closely linked to the central bank of Madagascar, undertakes the prudential regulation and supervision of banks and Microfinance institutions.

In July 2020, the Parliament passed new banking laws aiming to provide higher customer protection by mandating greater transparency in the services offered, requiring companies to secure their IT systems, and providing tools to detect money laundering and terrorism financing. As per the IMF, Madagascar's new banking law has been effective since March 2021 and new regulations relating to banks' capital, solvency, liquidity, and risk provisioning are being prepared with the authorities while also strengthening risk-based supervision.

Moreover, as per the IMF, the new Financial Stability Law has been reviewed by the Council of Ministers and will be submitted to Parliament. The law will create a national unit responsible for the analysis, identification, and prevention of systemic risk and the management and resolution of financial crises.

South Africa

In 2011, Cabinet approved a move towards a 'twin peaks' model of regulation which established two regulatory bodies and was officially created when the Financial Sector Regulation Act ("**FSRA**") was signed into law on August 21, 2017. The FSRA gives effect to three important changes to the regulation of the financial sector. First, it gives the South African Reserve Bank ("**SARB**") an explicit mandate to maintain and enhance financial stability. Second, it creates a prudential regulator – the Prudential Authority ("**PA**") – within the administration of the SARB. The PA is responsible for regulating banks (commercial, mutual and co-operative banks), insurers, co-operative financial institutions, financial conglomerates and certain market infrastructures. Third, the FSRA establishes a market conduct regulator – the Financial Sector Conduct Authority – which is a national public entity.

As regards recent developments, the Minister of Finance presented the Financial Sector and Deposit Insurance Levies Bill 2022 to the National Assembly in June 2022. The aim of this bill is to provide for the imposition of financial sector levies on supervised entities, the imposition of a deposit insurance levy, exemption from such levies under certain circumstances, allocation of amounts levied to financial sector bodies and to provide for matters connected therewith. Moreover, a second draft of the Conduct of Financial Institutions Bill ("**COFI Bill**") was published for review in September 2020 and is still awaiting approval. The proposed COFI Bill will not only replace conduct provisions in existing financial sector laws, but will build a consistent, strong and effective market conduct legislative framework for all institutions performing financial activities. The COFI Bill aims to streamline the legal landscape for conduct regulation in the financial sector, and to give legislative effect to the market conduct policy approach. It will strengthen customer protection by putting in place a single comprehensive market conduct law in the financial sector, resulting in the consistent application of consumer protection principles across the sector.

Maldives

The banking sector is governed by the provisions of the Maldives Banking Act 2010 and prudential regulations formulated under this Act. In addition, the Islamic Banking Regulation 2011 sets out specific requirements governing the licensing, financial, prudential and supervisory matters relating to Islamic banking business in the Maldives.

In 2021, the National Payment System Act came into effect. The main objectives of this Act are to provide for the development, regulation and oversight of the Maldives National Payment System and to include provisions on regulating and overseeing the payment systems, clearing systems, settlement and payment services by the Maldives Monetary Authority. Apart from this, Regulation no. 2021/R-70 (Corporate Governance for Banks, Insurance Companies and Finance Companies) was passed with effect in force from 15 May 2021. The requirement and criteria for the independent directors and the board members of licensed banks, insurance companies and finance companies operating in the Maldives were amended under this regulation. Moreover, Regulation no. 2021/R-132 (Regulation on Financing Business) was passed with effect in force from 17 October 2021. This Regulation stipulates licensing requirements for financing businesses and other prudential requirements for financing businesses to conduct their businesses in the Maldives.

Seychelles

The Central Bank of Seychelles ("**CBS**") was established under the Central Bank of Seychelles Act 1982. A new CBS Act approved by the National Assembly came into effect in December 2004, thus repealing the 1982 Act. Since 2009, CBS has also been responsible for the supervision of the Seychelles Credit Union, the Development Bank of Seychelles and the Housing Finance Company.

In terms of recent developments, the Financial Consumer Protection Act 2022 came into operation in May 2022 with the main objective of strengthening the rights and providing protection to consumers who are accessing financial products or services. The competent authorities for the new law are the Central Bank of Seychelles and the Financial Services Authority ("**FSA**"). Additionally, The Anti-Money Laundering Act of 2020 (AML/CFT Act 2020), which came into force on 28 August 2020 makes provision for a sectoral supervision approach by the CBS, FSA and Financial Intelligence Unit. In preparation for this new mandate, a new AML/CFT Section was established within CBS's Financial Surveillance Division in 2019.

Kenya

Kenya's banking system is primarily regulated by the Central Bank of Kenya ("**CBK**"), although the Treasury typically forms policies aimed at the financial sector. Beyond regulations for traditional banking operations, the CBK has adapted legislation around the emerging fintech sector, particularly those related to the country's fast-growing mobile money system and cryptocurrencies. Related to this, the CBK released a discussion paper in February 2022 outlining the accessibility of a central bank digital currency in Kenya. Moreover, in December 2021, the President signed a new law – Central Bank of Kenya (Amendment) Act 2021 – granting the CBK power to oversee digital lenders, including the ability to grant, suspend and revoke licenses to digital lenders. The law will also give the CBK the power to make rules for consumer protection, data protection and anti-money laundering/combating the financing of terrorism. In March 2022, the CBK announced the publication of the Central Bank of Kenya (Digital Credit Providers) Regulations 2022, which provides for the licensing and oversight of previously unregulated Digital Credit Providers. In 2020, the Credit Reference Bureau Regulations 2020 also came into force, which provide for the licensing and supervision of Credit Reference Bureaus ("**CRBs**") by the CBK. They also provide a framework for the exchange of borrowers' credit information between commercial banks, microfinance banks, Savings and Credit Societies, other credit information providers approved by CBK, and CRBs.

*United Arab Emirates ("**UAE**")*

The Central Bank of the UAE ("**CBUAE**") is largely responsible for the UAE's banking sector's improvements, with it recently becoming the Gulf Cooperation Council's leading location for banking services. More recently, the CBUAE began to launch the national Instant Payment Platform, part of the National Payment Systems Strategy developed to ensure safe and convenient electronic payments to reinforce the UAE's place as a leading cashless economy. The platform lays the groundwork to transform the UAE's financial services ecosystem, providing flexibility to respond to the rapidly-changing payment market and complying with best practice and international standards (including ISO20022).

Following the 2008 crisis, the CBUAE has been pursuing a number of regulatory procedures to tackle the issue of systemic risk. This approach is seen, for example, through regulations addressing asset quality as well as lending caps and fee limits in 2010 and 2011. Last year, the CBUAE also took robust measures regarding enforcement. Action focused on shortcomings in the Anti Money Laundering and Sanctions Compliance Framework across the financial services industry, and the failure of some money transfer providers to register on the required reporting systems in a timely manner. The CBUAE also imposed administrative and financial sanctions for matters related to solvency, liquidity, consumer protection and Emiratisation. Additionally, the Strict Liability Violations Regulation was finalised in 2021, allowing the CBUAE to impose automatic fixed penalties for late reporting, or non-reporting. Other regulatory framework enhancements in 2021 include changes in paid-up capital requirements for banks, consumer protection standards, regulation of digital payments and outsourcing of services.

BOOK-ENTRY CLEARANCE SYSTEMS

The information set out below is subject to any change in or reinterpretation of the rules, regulations and procedures of DTC, Euroclear or Clearstream, Luxembourg (together, the "Clearing Systems") currently in effect. Investors wishing to use the facilities of any of the Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. None of the Issuer nor any other party to the Trust Deed or the Agency Agreement will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Notes held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests. Information in this section has been derived from the Clearing Systems.

BOOK-ENTRY SYSTEMS

DTC

DTC has advised the Issuer that it is a limited purpose trust company organised under the New York Banking Law, a member of the Federal Reserve System, a "banking organisation" within the meaning of the New York Banking Law, a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered pursuant to Section 17A of the Exchange Act. DTC holds securities that its participants ("**Direct Participants**") deposit with DTC. DTC also facilitates the settlement among Direct Participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerised book-entry changes in Direct Participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. DTC is a wholly-owned subsidiary of The Depository Trust and Clearing Corporation ("**DTCC**"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC System is also available to others such as securities brokers and dealers, banks and trust companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (**Indirect Participants** and, together with Direct Participants, **Participants**). More information about DTC can be found at www.dtcc.com and www.dtc.org but such information is not incorporated by reference in and does not form part of this Offering Circular.

Under the rules, regulations and procedures creating and affecting DTC and its operations (the "**DTC Rules**"), DTC makes book-entry transfers of Notes among Direct Participants on whose behalf it acts with respect to Notes accepted into DTC's book-entry settlement system ("**DTC Notes**") as described below and receives and transmits distributions of principal and interest on DTC Notes. The DTC Rules are on file with the Securities and Exchange Commission. Direct Participants and Indirect Participants with which beneficial owners of DTC Notes ("**Owners**") have accounts with respect to the DTC Notes similarly are required to make book-entry transfers and receive and transmit such payments on behalf of their respective Owners. Accordingly, although Owners who hold DTC Notes through Direct Participants or Indirect Participants will not possess Notes, the DTC Rules, by virtue of the requirements described above, provide a mechanism by which Direct Participants will receive payments and will be able to transfer their interest in respect of the DTC Notes.

Purchases of DTC Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the DTC Notes on DTC's records. The ownership interest of each actual purchaser of each DTC Note ("**Beneficial Owner**") is in turn to be recorded on the Direct Participant's and Indirect Participant's records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct Participant or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the DTC Notes are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in DTC Notes, except in the event that use of the book-entry system for the DTC Notes is discontinued.

To facilitate subsequent transfers, all DTC Notes deposited by Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorised representative of DTC. The deposit of DTC Notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee effect no change in beneficial ownership. DTC has no knowledge of the

actual Beneficial Owners of the DTC Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such DTC Notes are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the DTC Notes within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to DTC Notes unless authorised by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the DTC Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the DTC Notes will be made to Cede & Co., or such other nominee as may be requested by an authorised representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Issuer or the relevant agent (or such other nominee as may be requested by an authorised representative of DTC), on the relevant payment date in accordance with their respective holdings shown in DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers, and will be the responsibility of such Participant and not of DTC or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to DTC is the responsibility of the Issuer, disbursement of such payments to Direct Participants is the responsibility of DTC, and disbursement of such payments to the Beneficial Owners is the responsibility of Direct Participants and Indirect Participants.

Under certain circumstances, including if there is an Event of Default under the Notes, DTC will exchange the DTC Notes for Definitive Notes, which it will distribute to its Participants in accordance with their proportionate entitlements and which, if representing interests in a Rule 144A Global Note, will be legended as set forth under "*Subscription and Sale and Transfer and Selling Restrictions*".

A Beneficial Owner shall give notice to elect to have its DTC Notes purchased or tendered, through its Participant, to the relevant agent, and shall effect delivery of such DTC Notes by causing the Direct Participant to transfer the Participant's interest in the DTC Notes, on DTC's records, to the relevant agent. The requirement for physical delivery of DTC Notes in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the DTC Notes are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered DTC Notes to the relevant agent's DTC account.

DTC may discontinue providing its services as depository with respect to the DTC Notes at any time by giving reasonable notice to the Issuer or the relevant agent. Under such circumstances, in the event that a successor depository is not obtained, DTC Note certificates are required to be printed and delivered.

The Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, DTC Note certificates will be printed and delivered to DTC.

Since DTC may only act on behalf of Direct Participants, who in turn act on behalf of Indirect Participants, any Owner desiring to pledge DTC Notes to persons or entities that do not participate in DTC, or otherwise take actions with respect to such DTC Notes, will be required to withdraw its Notes from DTC as described below.

Euroclear and Clearstream, Luxembourg

Euroclear and Clearstream, Luxembourg each holds securities for its customers and facilitates the clearance and settlement of securities transactions by electronic book-entry transfer between their respective

accountholders. Euroclear and Clearstream, Luxembourg provide various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg also deal with domestic securities markets in several countries through established depositary and custodial relationships. Euroclear and Clearstream, Luxembourg have established an electronic bridge between their two systems across which their respective participants may settle trades with each other.

Euroclear and Clearstream, Luxembourg customers are world-wide financial institutions, including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to Euroclear and Clearstream, Luxembourg is available to other institutions that clear through or maintain a custodial relationship with an accountholder of either system.

BOOK-ENTRY OWNERSHIP OF AND PAYMENTS IN RESPECT OF DTC NOTES

The Issuer may apply to DTC in order to have any Tranche of Notes represented by a Global Note accepted in its book-entry settlement system. Upon the issue of any such Global Note, DTC or its custodian will credit, on its internal book-entry system, the respective nominal amounts of the individual beneficial interests represented by such Global Note to the accounts of persons who have accounts with DTC. Such accounts initially will be designated by or on behalf of the relevant Dealer. Ownership of beneficial interests in such a Global Note will be limited to Direct Participants or Indirect Participants, including, in the case of any Regulation S Global Note, the respective depositaries of Euroclear and Clearstream, Luxembourg. Ownership of beneficial interests in a Global Note accepted by DTC will be shown on, and the transfer of such ownership will be effected only through, records maintained by DTC or its nominee (with respect to the interests of Direct Participants) and the records of Direct Participants (with respect to interests of Indirect Participants).

Payments in U.S. dollars of principal and interest in respect of a Global Note accepted by DTC will be made to the order of DTC or its nominee as the registered holder of such Note. In the case of any payment in a currency other than U.S. dollars, payment will be made to the Exchange Agent on behalf of DTC or its nominee and the Exchange Agent will (in accordance with instructions received by it) remit all or a portion of such payment for credit directly to the beneficial holders of interests in the Global Note in the currency in which such payment was made and/or cause all or a portion of such payment to be converted into U.S. dollars and credited to the applicable Participants' account.

The Issuer expects DTC to credit accounts of Direct Participants on the applicable payment date in accordance with their respective holdings as shown in the records of DTC unless DTC has reason to believe that it will not receive payment on such payment date. The Issuer also expects that payments by Participants to beneficial owners of Notes will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers, and will be the responsibility of such Participant and not the responsibility of DTC, the Principal Paying Agent, the Registrar or the Issuer. Payment of principal, premium, if any, and interest, if any, on Notes to DTC is the responsibility of the Issuer.

TRANSFERS OF NOTES REPRESENTED BY GLOBAL NOTES

Transfers of any interests in Notes represented by a Global Note within DTC, Euroclear and Clearstream, Luxembourg will be effected in accordance with the customary rules and operating procedures of the relevant clearing system. The laws in some States within the United States require that certain persons take physical delivery of securities in definitive form. Consequently, the ability to transfer Notes represented by a Global Note to such persons may depend upon the ability to exchange such Notes for Notes in definitive form. Similarly, because DTC can only act on behalf of Direct Participants in the DTC system who in turn act on behalf of Indirect Participants, the ability of a person having an interest in Notes represented by a Global Note accepted by DTC to pledge such Notes to persons or entities that do not participate in the DTC system or otherwise to take action in respect of such Notes may depend upon the ability to exchange such Notes for Notes in definitive form. The ability of any holder of Notes represented by a Global Note accepted by DTC to resell, pledge or otherwise transfer such Notes may be impaired if the proposed transferee of such Notes is not eligible to hold such Notes through a Direct Participant or Indirect Participant in the DTC system.

Subject to compliance with the transfer restrictions applicable to the Notes described under "*Subscription and Sale and Transfer and Selling Restrictions*", cross-market transfers between DTC, on the one hand, and directly or indirectly through Clearstream, Luxembourg or Euroclear accountholders, on the other, will

be effected by the relevant Clearing System in accordance with its rules and through action taken by the Registrar, the Principal Paying Agent and any custodian (**Custodian**) with whom the relevant Global Notes have been deposited.

On or after the Issue Date for any Series, transfers of Notes of such Series between accountholders in Clearstream, Luxembourg and Euroclear and transfers of Notes of such Series between participants in DTC will generally have a settlement date three business days after the trade date (T+3). The customary arrangements for delivery versus payment will apply to such transfers.

Cross-market transfers between accountholders in Clearstream, Luxembourg or Euroclear and DTC participants will need to have an agreed settlement date between the parties to such transfer. Because there is no direct link between DTC, on the one hand, and Clearstream, Luxembourg and Euroclear, on the other, transfers of interests in the relevant Global Notes will be effected through the Registrar, the Principal Paying Agent and the Custodian receiving instructions (and, where appropriate, certification) from the transferor and arranging for delivery of the interests being transferred to the credit of the designated account for the transferee. In the case of cross-market transfers, settlement between Euroclear or Clearstream, Luxembourg accountholders and DTC participants cannot be made on a delivery versus payment basis. The securities will be delivered on a free delivery basis and arrangements for payment must be made separately.

DTC, Clearstream, Luxembourg and Euroclear have each published rules and operating procedures designed to facilitate transfers of beneficial interests in Global Notes among participants and accountholders of DTC, Clearstream, Luxembourg and Euroclear. However, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued or changed at any time. None of the Issuer, the Trustee, the Agents or any Dealer will be responsible for any performance by DTC, Clearstream, Luxembourg or Euroclear or their direct or indirect participants or accountholders of their obligations under the rules and procedures governing their operations nor will the Issuer, the Trustee, any Agent or any Dealer have any liability for any aspect of the records relating to or payments made on account of beneficial interests in the Notes represented by Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial interests.

TAXATION

Tax legislation, including in the country where the investor is domiciled or tax resident and in the Issuer's country of incorporation, may have an impact on the income that an investor receives from the Notes.

MAURITIUS

The following summary refers solely to certain Mauritian tax consequences of the acquisition, ownership and disposition of the Notes. It does not purport to be a complete analysis of all tax consequences relating to the Notes and does not purport to deal with the tax consequences applicable to all categories of investors, some of which might be subject to special rules. Prospective investors should consult their own tax advisers as to the consequences under the tax laws of the country of which they are resident for tax purposes and the tax laws of Mauritius of acquiring, holding and disposing of Notes and receiving any payments under the Notes. This summary is based upon the law as in effect on the date of this Offering Circular and is subject to any change in law that may take effect after such date. References in this section to Noteholders include the beneficial owners of the Notes.

Interest on the Notes

Income Tax

Interest paid by the Issuer to a Noteholder who is resident in Mauritius would be taxed at the applicable rate of 15 per cent. per annum, subject to any applicable exemptions. The definition of "**interest**" under the Mauritius Income Tax Act includes premiums attaching to debentures or other loan instruments.

Withholding tax

Payments in respect of interest on instruments such as the Notes may be subject to Mauritius withholding tax at 15 per cent., subject to such relief as may be available under the provisions of any applicable double taxation treaty or any other exemption which may apply. As at the date of this Offering Circular and for so long as the Issuer holds a banking license, the Issuer is exempted from withholding tax as the holder of a banking license upon any payment of interest on the Notes to non-residents not carrying on any business in Mauritius out of gross income derived from banking transactions of the Issuer with non-residents and with corporations holding a global business licence issued by the Financial Services Commission.

Capital gains tax

Gains derived by a Noteholder which is an individual or *société* resident in Mauritius from the sale of Notes are treated as capital gains and are not subject to tax in Mauritius.

Gains derived by a Noteholder which is a company resident in Mauritius, from the sale of Notes, are subject to income tax if these are held as trading assets. Where the Notes are held as fixed assets, gains/losses derived from the disposal of the Notes are treated as capital gains/losses.

Gains made by a Noteholder who is not resident in Mauritius are not subject to income tax in Mauritius.

Stamp and registration duty

No stamp or registration duty is payable on the issue and registration of the Notes.

No registration duty is payable on the registration of a transfer form witnessing the transfer for consideration of the Notes.

FATCA DISCLOSURE

Foreign Account Tax Compliance Act

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a "**foreign financial institution**" (as defined by FATCA) may be required to withhold on certain payments it makes ("**foreign passthru payments**") to persons that fail to meet certain certification, reporting or related requirements. The issuer is a foreign financial institution for these purposes. A number of jurisdictions (including Mauritius) have entered into, or have agreed in substance to, intergovernmental

agreements with the United States to implement FATCA ("**IGAs**"), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as Notes, such withholding would not apply prior to the date that is two years after the date on which final regulations defining foreign passthru payments are published in the U.S. Federal Register and Notes characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued on or prior to the date that is six months after the date on which final regulations defining foreign passthru payments are published generally would be grandfathered for purposes of FATCA withholding unless materially modified after such date (including by reason of a substitution of the issuer). However, if additional Notes (as described under "*Terms and Conditions—Further Issues*") that are not distinguishable from previously issued Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Notes, including the Notes offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Holders should consult their own tax advisers regarding how these rules may apply to their investment in Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding.

THE PROPOSED FINANCIAL TRANSACTIONS TAX (FTT)

On 14 February 2013, the European Commission published a proposal (the "**Commission's Proposal**") for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**participating Member States**"). However, Estonia has since stated that it will not participate.

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of Notes should, however, be exempt.

Under the Commission's Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

SUBSCRIPTION AND SALE AND TRANSFER AND SELLING RESTRICTIONS

The Dealers have, in a Programme Agreement (such Programme Agreement as modified and/or supplemented and/or restated from time to time, the "**Programme Agreement**") dated 27 October 2022, agreed with the Issuer a basis upon which they or any of them may from time to time agree to purchase Notes. Any such agreement will extend to those matters stated under "*Form of the Notes*" and "*Terms and Conditions of the Notes*". In the Programme Agreement, the Issuer has agreed to reimburse the Dealers for certain of their expenses in connection with the establishment and any future update of the Programme and the issue of Notes under the Programme and to indemnify the Dealers against certain liabilities incurred by them in connection therewith.

TRANSFER RESTRICTIONS

As a result of the following restrictions, purchasers of Notes in the United States are advised to consult legal counsel prior to making any purchase, offer, sale, resale or other transfer of such Notes.

Each purchaser of Notes (other than a person purchasing an interest in a Global Note with a view to holding it in the form of an interest in the same Global Note) or person wishing to transfer an interest from one Global Note to another or from global to definitive form or *vice versa*, will be required to acknowledge, represent and agree, and each person purchasing an interest in a Global Note with a view to holding it in the form of an interest in the same Global Note will be deemed to have acknowledged, represented and agreed, as follows (terms used in this paragraph that are defined in Rule 144A or in Regulation S are used herein as defined therein):

- (a) that either: (a) it is a QIB, purchasing (or holding) the Notes for its own account or for the account of one or more QIBs and it is aware that any sale to it is being made in reliance on Rule 144A or (b) it is outside the United States and is not a U.S. person;
- (b) that it is not a broker-dealer which owns and invests on a discretionary basis less than U.S.\$25,000,000 in securities of unaffiliated issuers;
- (c) that it is not formed for the purpose of investing in the Issuer;
- (d) that it, and each account for which it is purchasing, will hold and transfer at least the minimum denomination of the Notes;
- (e) that it understands that the Issuer may receive a list of participants holding positions in its securities from one or more book-entry depositories;
- (f) that the Notes are being offered and sold in a transaction not involving a public offering in the United States within the meaning of the Securities Act, and that the Notes have not been and will not be registered under the Securities Act or any other applicable U.S. State securities laws and the Issuer has not registered and does not intend to register as an investment company under the Investment Company Act and, accordingly, the Notes may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except as set forth below;
- (g) that, unless it holds an interest in a Regulation S Global Note and either is a person located outside the United States or is not a U.S. person, if in the future it decides to resell, pledge or otherwise transfer the Notes or any beneficial interests in the Notes, it will do so, prior to the expiration of the applicable required holding period determined pursuant to Rule 144 of the Securities Act from the later of the last Issue Date for the Series and the last date on which the Issuer or an affiliate of the Issuer was the owner of such Notes, only (a) to the Issuer or any affiliate thereof, (b) inside the United States to a person whom the seller reasonably believes is a QIB purchasing for its own account or for the account of a QIB in a transaction meeting the requirements of Rule 144A, (c) outside the United States in compliance with Rule 903 or Rule 904 under the Securities Act, (d) pursuant to the exemption from registration provided by Rule 144 under the Securities Act (if available) or (e) pursuant to an effective registration statement under the Securities Act, in each case in accordance with all applicable U.S. State securities laws;
- (h) it will, and will require each subsequent holder to, notify any purchaser or transferee, as applicable, of the Notes from it of the resale and transfer restrictions referred to in paragraph (g) above, if then applicable;

- (i) that Notes initially offered in the United States to QIBs will be represented by one or more Rule 144A Global Notes and that Notes offered outside the United States in reliance on Regulation S will be represented by one or more Regulation S Global Notes;
- (j) that it understands that the Issuer has the power to compel any beneficial owner of Notes represented by a Rule 144A Global Note that is a U.S. person and is not a QIB to sell its interest in such Notes, or may sell such interest on behalf of such owner. The Issuer has the right to refuse to honour the transfer of an interest in any Rule 144A Global Note to a U.S. person who is not a QIB. Any purported transfer of an interest in a Rule 144A Global Note to a purchaser that does not comply with the requirements of the transfer restrictions herein will be of no force and effect and will be void;
- (k) that the Notes in registered form, other than the Regulation S Global Notes, will bear a legend to the following effect unless otherwise agreed to by the Issuer:

"THIS SECURITY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR ANY OTHER APPLICABLE U.S. STATE SECURITIES LAWS AND THE ISSUER HAS NOT REGISTERED AND DOES NOT INTEND TO REGISTER AS AN INVESTMENT COMPANY UNDER THE INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "**INVESTMENT COMPANY ACT**"), AND, ACCORDINGLY, THE SECURITIES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT AS SET FORTH IN THE FOLLOWING SENTENCE. BY ITS ACQUISITION HEREOF, THE HOLDER (A) REPRESENTS THAT IT IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) ("**QIB**"), PURCHASING THE SECURITIES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ONE OR MORE QIBs IN A MINIMUM PRINCIPAL AMOUNT OF U.S.\$200,000 (OR THE EQUIVALENT AMOUNT IN A FOREIGN CURRENCY) IN A MINIMUM PRINCIPAL AMOUNT OF U.S.\$500,000 (OR THE EQUIVALENT AMOUNT IN A FOREIGN CURRENCY) THAT IS NOT, IN EACH CASE, (i) A BROKER-DEALER WHICH OWNS AND INVESTS ON A DISCRETIONARY BASIS LESS THAN U.S.\$25,000,000 IN SECURITIES OF UNAFFILIATED ISSUERS, (ii) FORMED FOR THE PURPOSE OF INVESTING IN THE ISSUER AND (iii) A PLAN OR TRUST FUND REFERRED TO IN PARAGRAPH (a)(1)(i)(D), (E) OR (F) OF RULE 144A IF INVESTMENT DECISIONS WITH RESPECT TO THE PLAN ARE MADE BY THE BENEFICIARIES OF THE PLAN; (B) AGREES THAT IT WILL NOT RESELL OR OTHERWISE TRANSFER THE SECURITIES EXCEPT IN ACCORDANCE WITH THE AGENCY AGREEMENT AND, PRIOR TO EXPIRATION OF THE APPLICABLE REQUIRED HOLDING PERIOD DETERMINED PURSUANT TO RULE 144 OF THE SECURITIES ACT FROM THE LATER OF THE LAST ISSUE DATE FOR THE SERIES AND THE LAST DATE ON WHICH THE ISSUER OR AN AFFILIATE OF THE ISSUER WAS THE OWNER OF SUCH SECURITIES OTHER THAN (1) TO THE ISSUER OR ANY AFFILIATE THEREOF, (2) INSIDE THE UNITED STATES TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QIB WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A (3) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 903 OR RULE 904 UNDER THE SECURITIES ACT, (4) PURSUANT TO THE EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE) OR (5) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES AND ANY OTHER JURISDICTION; AND (C) IT AGREES THAT IT WILL DELIVER TO EACH PERSON TO WHOM THIS SECURITY IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144 FOR REALES OF THE SECURITY.

ANY RESALE OR OTHER TRANSFER OF THIS SECURITY (OR BENEFICIAL INTEREST HEREIN) WHICH IS NOT MADE IN COMPLIANCE WITH THE RESTRICTIONS SET FORTH HEREIN WILL BE OF NO FORCE AND EFFECT, WILL BE NULL AND VOID AND WILL NOT OPERATE TO TRANSFER ANY RIGHTS TO THE TRANSFEREE,

NOTWITHSTANDING ANY INSTRUCTIONS TO THE CONTRARY TO THE ISSUER OR ANY OF ITS AGENTS. IN ADDITION TO THE FOREGOING, IN THE EVENT OF A TRANSFER OF THIS SECURITY (OR BENEFICIAL INTEREST HEREIN) TO A U.S. PERSON WITHIN THE MEANING OF REGULATION S THAT IS NOT A QIB, THE ISSUER MAY (A) COMPEL SUCH TRANSFEREE TO SELL THIS SECURITY OR ITS INTEREST HEREIN TO A PERSON WHO (I) IS A U.S. PERSON WHO IS A QIB THAT IS OTHERWISE QUALIFIED TO PURCHASE THIS SECURITY OR INTEREST HEREIN IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER THE SECURITIES ACT OR (II) IS NOT A U.S. PERSON WITHIN THE MEANING OF REGULATION S IN AN OFFSHORE TRANSACTION IN COMPLIANCE WITH REGULATION S OR (B) COMPEL SUCH TRANSFEREE TO SELL THIS SECURITY OR ITS INTEREST HEREIN TO A PERSON DESIGNATED BY OR ACCEPTABLE TO THE ISSUER AT A PRICE EQUAL TO THE LESSER OF (X) THE PURCHASE PRICE THEREFOR PAID BY THE ORIGINAL TRANSFEREE, (Y) 100 PER CENT. OF THE PRINCIPAL AMOUNT THEREOF OR (Z) THE FAIR MARKET VALUE THEREOF. THE ISSUER HAS THE RIGHT TO REFUSE TO HONOUR A TRANSFER OF THIS SECURITY OR INTEREST HEREIN TO A U.S. PERSON WHO IS NOT A QIB. EACH TRANSFEROR OF THIS SECURITY WILL PROVIDE NOTICE OF THE TRANSFER RESTRICTIONS SET FORTH HEREIN AND IN THE AGENCY AGREEMENT TO ITS TRANSFEREE. THE ISSUER HAS NOT REGISTERED AND NOR DOES IT INTEND TO REGISTER UNDER THE INVESTMENT COMPANY ACT.

EACH PURCHASER OF THIS SECURITY (OR ANY INTEREST HEREIN) AGREES THAT IT WILL BE DEEMED BY SUCH PURCHASE OF THIS SECURITY (OR ANY INTEREST HEREIN) TO HAVE REPRESENTED AND WARRANTED, ON EACH DAY FROM THE DATE ON WHICH THE PURCHASER ACQUIRES THIS SECURITY (OR ANY INTEREST HEREIN) THROUGH AND INCLUDING THE DATE ON WHICH THE PURCHASER DISPOSES OF THIS SECURITY (OR ANY INTEREST HEREIN), THAT, UNLESS OTHERWISE PROVIDED IN A SUPPLEMENT TO THE OFFERING CIRCULAR, EITHER (I) IT IS NOT, IS NOT USING THE ASSETS OF, AND SHALL NOT AT ANY TIME HOLD THIS SECURITY (OR ANY INTEREST HEREIN) FOR OR ON BEHALF OF, AN "EMPLOYEE BENEFIT PLAN" AS DEFINED IN SECTION 3(3) OF ERISA, THAT IS SUBJECT TO TITLE I OF ERISA, A "PLAN" AS DEFINED IN AND SUBJECT TO SECTION 4975 OF THE CODE, AN ENTITY WHOSE UNDERLYING ASSETS INCLUDE OR ARE DEEMED FOR PURPOSES OF ERISA OR THE CODE TO INCLUDE PLAN ASSETS BY REASON OF AN EMPLOYEE BENEFIT PLAN'S OR PLAN'S INVESTMENT IN SUCH ENTITY OR A GOVERNMENTAL, CHURCH OR NON-US PLAN SUBJECT TO FEDERAL STATE, LOCAL OR NON-US LAWS SUBSTANTIALLY SIMILAR TO SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE ("**SIMILAR LAW**" OR (II) ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS SECURITY (OR ANY INTEREST HEREIN), WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE OR, IN THE CASE OF A GOVERNMENTAL, CHURCH OR NON-US PLAN, A VIOLATION OF ANY APPLICABLE SIMILAR LAWS. ANY PURPORTED PURCHASE OR TRANSFER OF THIS SECURITY (OR ANY INTEREST HEREIN) THAT DOES NOT COMPLY WITH THE FOREGOING SHALL BE NULL AND VOID.

THE ISSUER MAY COMPEL EACH BENEFICIAL HOLDER HEREOF TO CERTIFY PERIODICALLY THAT SUCH OWNER IS A QIB.

THIS SECURITY AND RELATED DOCUMENTATION (INCLUDING, WITHOUT LIMITATION, THE AGENCY AGREEMENT REFERRED TO HEREIN) MAY BE AMENDED OR SUPPLEMENTED FROM TIME TO TIME, WITHOUT THE CONSENT OF, BUT UPON NOTICE TO, THE HOLDERS OF SUCH SECURITIES SENT TO THEIR REGISTERED ADDRESSES, TO MODIFY THE RESTRICTIONS ON AND PROCEDURES FOR REALES AND OTHER TRANSFERS OF THIS SECURITY TO REFLECT ANY CHANGE IN APPLICABLE LAW OR REGULATION (OR THE INTERPRETATION THEREOF) OR IN PRACTICES RELATING TO REALES OR OTHER TRANSFERS OF RESTRICTED SECURITIES GENERALLY. THE HOLDER OF THIS SECURITY SHALL BE DEEMED, BY ITS ACCEPTANCE OR PURCHASE HEREOF, TO HAVE AGREED TO ANY SUCH AMENDMENT OR SUPPLEMENT (EACH OF WHICH SHALL BE CONCLUSIVE AND BINDING ON THE HOLDER HEREOF AND ALL FUTURE HOLDERS OF THIS

SECURITY AND ANY SECURITIES ISSUED IN EXCHANGE OR SUBSTITUTION THEREFOR, WHETHER OR NOT ANY NOTATION THEREOF IS MADE HEREON).";

- (l) that the Notes which are registered in the name of a nominee of DTC will bear an additional legend to the following effect unless otherwise agreed to by the Issuer:

"UNLESS THIS GLOBAL NOTE IS PRESENTED BY AN AUTHORISED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION, ("DTC"), TO THE ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY NOTE ISSUED IN EXCHANGE FOR THIS GLOBAL NOTE OR ANY PORTION HEREOF IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUIRED BY AN AUTHORISED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORISED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON OTHER THAN DTC OR A NOMINEE THEREOF IS WRONGFUL IN AS MUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

THIS GLOBAL SECURITY MAY NOT BE EXCHANGED, IN WHOLE OR IN PART, FOR A SECURITY REGISTERED IN THE NAME OF ANY PERSON OTHER THAN THE DEPOSITORY TRUST COMPANY OR A NOMINEE THEREOF EXCEPT IN THE LIMITED CIRCUMSTANCES SET FORTH IN THIS GLOBAL SECURITY, AND MAY NOT BE TRANSFERRED, IN WHOLE OR IN PART, EXCEPT IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN THIS LEGEND. BENEFICIAL INTERESTS IN THIS GLOBAL SECURITY MAY NOT BE TRANSFERRED EXCEPT IN ACCORDANCE WITH THIS LEGEND.";

- (m) if it is outside the United States and is not a U.S. person, that if it should resell or otherwise transfer the Notes prior to the expiration of the distribution compliance period (defined as 40 days after the later of the commencement of the offering and the closing date with respect to the original issuance of the Notes), it will do so only (a) (i) outside the United States in compliance with Rule 903 or 904 under the Securities Act or (ii) to a QIB in compliance with Rule 144A and (b) in accordance with all applicable U.S. State securities laws; and it acknowledges that the Regulation S Global Notes will bear a legend to the following effect unless otherwise agreed to by the Issuer:

"THIS SECURITY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR ANY OTHER APPLICABLE U.S. STATE SECURITIES LAWS AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT IN ACCORDANCE WITH THE AGENCY AGREEMENT AND PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OR PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT. THIS LEGEND SHALL CEASE TO APPLY UPON THE EXPIRY OF THE PERIOD OF 40 DAYS AFTER THE COMPLETION OF THE DISTRIBUTION OF ALL THE NOTES OF THE TRANCHE OF WHICH THIS NOTE FORMS PART."; and

- (n) that the Issuer and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that if any of such acknowledgements, representations or agreements made by it are no longer accurate, it shall promptly notify the Issuer; and if it is acquiring any Notes as a fiduciary or agent for one or more accounts it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.

No sale of Legended Notes in the United States to any one purchaser will be for less than U.S.\$200,000 (or its foreign currency equivalent) principal amount and no Legended Note will be issued in connection with such a sale in a smaller principal amount. If the purchaser is a non-bank fiduciary acting on behalf of others, each person for whom it is acting must purchase at least U.S.\$200,000 (or its foreign currency equivalent) principal amount of Notes.

SELLING RESTRICTIONS

United States

The Notes have not been and will not be registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from, or not subject to the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

In connection with any Notes which are offered or sold outside the United States in reliance on an exemption from the registration requirements of the Securities Act provided under Regulation S ("**Regulation S Notes**"), each Dealer has represented, warranted, undertaken and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant, undertake and agree, that it will not offer, sell or deliver such Regulation S Notes (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of all Notes of the Tranche of which such Regulation S Notes are a part, within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S of the Securities Act. Each Dealer has further agreed, and each further Dealer appointed under the Programme will be required to agree, that it will send to each dealer to which it sells any Regulation S Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Regulation S Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in the two preceding paragraphs have the meanings given to them by Regulation S under the Securities Act.

Until 40 days after the commencement of the offering of any Series of Notes, an offer or sale of such Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

Dealers may arrange for the resale of Notes to QIBs pursuant to Rule 144A and each such purchaser of Notes is hereby notified that the Dealers may be relying on the exemption from the registration requirements of the Securities Act provided by Rule 144A. The minimum aggregate principal amount of Notes which may be purchased by a QIB pursuant to Rule 144A is U.S.\$200,000 (or the approximate equivalent thereof in any other currency). To the extent that the Issuer is not subject to or does not comply with the reporting requirements of Section 13 or 15(d) of the Exchange Act or the information furnishing requirements of Rule 12g3-2(b) thereunder, the Issuer has agreed to furnish to holders of Notes and to prospective purchasers designated by such holders, upon request, such information as may be required by Rule 144A(d)(4).

Prohibition of sales to EEA Retail Investors

Unless the Pricing Supplement in respect of any Notes specifies "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Offering Circular as completed by the Pricing Supplement in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision:

- (a) the expression "**retail investor**" means a person who is one (or more) of the following:
 - (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or
 - (ii) a customer within the meaning of Directive (EU) 2016/97 (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
 - (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"); and

- (b) the expression an "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

If the Pricing Supplement in respect of any Notes specifies "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", in relation to each Member State of the European Economic Area, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Offering Circular as completed by the Pricing Supplement in relation thereto to the public in that Member State except that it may make an offer of such Notes to the public in that Member State:

- (A) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;
- (B) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (C) at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Notes referred to in (A) to (C) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression "**an offer of Notes to the public**" in relation to any Notes in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

United Kingdom

Prohibition of sales to UK Retail Investors

Unless the Pricing Supplement in respect of any Notes specifies "Prohibition of Sales to UK Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Offering Circular as completed by the Pricing Supplement in relation thereto to any retail investor in the United Kingdom. For the purposes of this provision:

- (a) the expression "**retail investor**" means a person who is one (or more) of the following:
 - (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or
 - (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or
 - (iii) not a qualified investor as defined in Article 2 of the UK Prospectus Regulation; and
- (b) the expression an "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

If the Pricing Supplement in respect of any Notes specifies "Prohibition of Sales to UK Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Offering Circular as completed by the Pricing Supplement in relation thereto to the public in the United Kingdom except that it may make an offer of such Notes to the public in the United Kingdom:

- (A) at any time to any legal entity which is a qualified investor as defined in Article 2 of the UK Prospectus Regulation;
- (B) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in Article 2 of the UK Prospectus Regulation) in the United Kingdom subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (C) at any time in any other circumstances falling within section 86 of the FSMA,

provided that no such offer of Notes referred to in (A) to (C) above shall require the Issuer or any Dealer to publish a prospectus pursuant to section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision, the expression "**an offer of Notes to the public**" in relation to any Notes means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

Other regulatory restrictions

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) in relation to any Notes which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer
- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

Singapore

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that this Offering Circular has not been and will not be registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that it has not offered or sold any Notes or caused any Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause any Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Offering Circular or any other document or material in connection with the offer or sale or invitation for subscription or purchase of any Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 (2020 Revised Edition) (Chapter 289) of Singapore, as modified or amended from time to time (the "SFA")) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or to any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

- (A) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(c)(ii) of the SFA;
- (B) where no consideration is or will be given for the transfer;
- (C) where the transfer is by operation of law;
- (D) as specified in Section 276(7) of the SFA; or
- (E) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 of Singapore.

Notification under Section 309B(1)(c) of the SFA – Unless otherwise specified in the applicable Pricing Supplement, all Notes shall be 'prescribed capital markets products' (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in the MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and in the MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended; the "**FIEA**") and each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

Canada

The Notes may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors (as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario)) and are permitted clients (as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations). Any resale of the Notes must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable Canadian securities laws.

Securities legislation in certain provinces or territories of Canada might provide a Canadian investor with remedies for rescission or damages if this Offering Circular (including any amendment hereto) contains a misrepresentation; **provided that** the remedies for rescission or damages are exercised by the investor within the time limit prescribed by the securities legislation of the investor's province or territory. The investor should refer to any applicable provisions of the securities legislation of its province or territory for particulars of these rights and/or consult with a legal adviser.

Switzerland

Each Dealer has acknowledged and each further Dealer appointed under this Programme will be required to acknowledge that this Offering Circular is not intended to constitute an offer or solicitation to purchase or invest in the Notes. Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that the Notes may not be publicly offered, directly or indirectly, in Switzerland within the meaning of the Swiss Financial Services Act ("**FinSA**") and no application has or will be made to admit the Notes to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. Each Dealer has represented and agreed, and each further Dealer appointed

under the Programme will be required to represent and agree that neither this Offering Circular nor any other offering or marketing material relating to the Notes constitutes a prospectus pursuant to the FinSA, and neither this Offering Circular nor any other offering or marketing material relating to the Notes may be publicly distributed or otherwise made publicly available in Switzerland.

Hong Kong

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that:

- (a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes (except for Notes which are a "structured product" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong) (the "**SFO**") other than (a) to "professional investors" as defined in the SFO and any rules made under the SFO; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the "**C(WUMPO)**") or which do not constitute an offer to the public within the meaning of the C(WUMPO); and
- (b) it has not issued, or had in its possession for the purposes of issue and will not issue, or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

Mauritius

Each Dealer has acknowledged and each further Dealer appointed under this Programme will be required to acknowledge that no offer or sale of any Notes will be made to the public in Mauritius. Neither this Offering Circular, nor any other offering material or information contained herein relating to the offer of the Notes, may be treated as a prospectus for the purpose of the Securities Act 2005 of Mauritius or be released or issued to the public in Mauritius or used in connection with any such offer. Moreover, this document does not constitute an offer made to sell the Notes to the public in Mauritius and has not been registered with the Financial Services Commission. The Notes are only intended to be offered or sold by way of private placement or to sophisticated investors, each as defined in the Securities Act 2005 of Mauritius. An offer of securities will be a private placement where each person subscribes or purchases for his own account, no publicity is made by the person making the offer and the total cost of subscription or purchase for each person to whom the offer is made is for an amount of at least 1 million Mauritian rupees. Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that the Notes will not be offered, distributed or sold, directly or indirectly, in Mauritius, except as permitted by applicable Mauritius law, including but not limited to the Securities Act 2005 of Mauritius.

General

Each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes this Offering Circular and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuer, the Trustee nor any of the other Dealers shall have any responsibility therefor.

None of the Issuer, the Trustee and the Dealers represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

GENERAL INFORMATION

Authorisation

The establishment of the Programme and the issue of Notes have been duly authorised by a resolutions of the supervisory and monitoring committee of the Issuer dated 18 March 2022 and 30 September 2022.

Listing of Notes

Application has been made for the Notes issued under the Programme to be admitted to trading on the ISM. The listing of the Programme in respect of the Notes admitted to trading on the ISM is expected to be granted on or about 27 October 2022.

Documents Available

For the period of 12 months following the date of this Offering Circular, copies of the following documents will, when published, be available for inspection the specified office of the Principal Paying Agent:

- (a) the Constitution of the Issuer;
- (b) the Trust Deed and the Agency Agreement;
- (c) a copy of this Offering Circular;
- (d) the historical financial information of the Issuer for each of the two years preceding the date on which this Offering Circular is published; and
- (e) any future offering circulars, supplements and Pricing Supplements to this Offering Circular and any other documents incorporated herein or therein by reference.

Clearing Systems

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg (which are the entities in charge of keeping the records). The appropriate Common Code and ISIN for each Tranche of Notes allocated by Euroclear and Clearstream, Luxembourg will be specified in the applicable Pricing Supplement. If the Notes are to clear through an additional or alternative clearing system the appropriate information will be specified in the applicable Pricing Supplement.

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels. The address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue JF Kennedy, L-1855 Luxembourg.

Conditions for determining price

The price and amount of Notes to be issued under the Programme will be determined by the Issuer and each relevant Dealer at the time of issue in accordance with prevailing market conditions.

Significant or Material Change

There has been no significant change in the financial performance or financial position of the Issuer or the Group since 30 June 2022 and there has been no material adverse change in the financial position or prospects of the Issuer or the Group since 30 June 2022.

Litigation

Neither the Issuer nor any other member of the Group is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) in the 12 months preceding the date of this document which may have or have in such period had a significant effect on the financial position or profitability of the Issuer or the Group.

Auditors

The auditors of the Issuer are Deloitte, Chartered Accountants, who have audited the Issuer's accounts, without qualification, in accordance with IFRS for each of the two financial years ended on 30 June 2022 and 30 June 2021. The auditors of the Issuer have no material interest in the Issuer.

The reports of the auditors of the Issuer are included or incorporated in the form and context in which they are included or incorporated, with the consent of the auditors who have authorised the contents of that part of this Offering Circular.

Dealers transacting with the Issuer

Certain of the Dealers and their affiliates may have positions, deal or make markets in the Notes issued under the Programme, related derivatives and reference obligations, including (but not limited to) entering into hedging strategies on behalf of the Issuer and its affiliates, investor clients, or as principal in order to manage their exposure, their general market risk, or other trading activities.

In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or the Issuer's affiliates. Certain of the Dealers or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in the securities of the Issuer, including potentially the Notes issued under the Programme. Any such positions could adversely affect future trading prices of the Notes issued under the Programme. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Trustee's action

The Conditions and the Trust Deed provide for the Trustee to take action on behalf of the Noteholders in certain circumstances, but only if the Trustee is indemnified and/or secured and/or pre-funded to its satisfaction. It may not always be possible for the Trustee to take certain actions, notwithstanding the provision of an indemnity and/or security and/or pre-funding to it. Where the Trustee is unable to take any action, the Noteholders are permitted by the Terms and Conditions and the Trust Deed to take the relevant action directly.

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