

**PRICING TERM SHEET**

**AXIS BANK LIMITED**  
**acting through its Dubai International Financial Centre Branch**  
**U.S.\$500,000,000 2.875 per cent. Notes due 2021**  
**issued under the U.S.\$5,000,000,000 Medium Term Note Programme**

**PRICING TERM SHEET**

**May 23, 2016**

Issuer:	Axis Bank Limited, acting through its Dubai International Financial Centre Branch
Issue Rating:	Baa3 (Moody's), BBB- (S&P), BBB- (Fitch)
Type:	Senior Notes
Market:	Rule 144A and Regulation S
Currency:	U.S. Dollars
Issue Size:	U.S.\$500,000,000
Net Proceeds (after deducting commission):	U.S.\$496,145,000
Denominations:	U.S.\$200,000 and integral multiples of U.S.\$1,000 in excess thereof
Tenor:	5 years
Issue Date:	June 1, 2016
Settlement Date:	June 1, 2016
Maturity Date:	June 1, 2021
Issue Price:	99.479 per cent.
Interest Rate:	2.875 per cent. per annum (payable semi-annually)
Interest Payment Dates:	June 1 and December 1 of each year
Benchmark:	UST 5 Yr
Benchmark Yield:	1.388 per cent.
Re-offer Yield	2.988 per cent.
Re-offer UST Spread:	UST + 160 basis points
Day Count Fraction:	30/360
Listing:	London (PSM) and Singapore (SGX)
Law:	English law
CUSIP:	05463CAD4 (Rule 144A)
ISIN:	US05463CAD48 (Rule 144A) XS1410341389 (Regulation S)
Common Codes:	141033948 (Rule 144A) 141034138 (Regulation S)
Clearing:	Rule 144A (DTC), Regulation S (Euroclear and Clearstream Luxembourg)
Form of the Notes:	Registered Global Notes
Joint Lead Managers:	Axis Bank Limited, Singapore Branch Citigroup Global Markets Singapore Pte. Ltd. Crédit Agricole Corporate and Investment Bank The Hongkong and Shanghai Banking Corporation Limited J.P. Morgan Securities plc Merrill Lynch International Standard Chartered Bank
Reasons for the Offer:	The net proceeds of the issue of the Notes will be used to fund Eligible Green Projects as defined and described in Annex A hereto entitled "Notes being issued as Green Bonds"
Registrar:	Bank of New York Mellon

Before you invest, you should read the offering circular dated May 17, 2016, (the **Offering Circular**) for more complete information about the Issuer and this offering. Any Joint Lead Manager participating in the offering will arrange to send you the Offering Circular if you request it.

#### **AMENDMENT TO THE OFFERING CIRCULAR**

The Offering Circular is hereby amended so that reference to gross non-performing loans as a percentage of gross loans for the year ended March 31, 2016 in the table on page 121 being “1.78” is replaced with “1.71”.

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**This term sheet is qualified in its entirety by reference to the Offering Circular. The information in this term sheet supplements the Offering Circular and supersedes the information therein to the extent that there are any inconsistencies.**

**The Notes have not been, and will not be, registered under the US Securities Act of 1933, as amended (the “Securities Act”), or any state or other securities laws, and are being offered and sold within the United States only to qualified institutional buyers in reliance on Rule 144A under the Securities Act, and outside the United States in reliance on Regulation S under the Securities Act. Prospective purchasers are hereby notified that a seller of any Note may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A. No public offering of securities will be made in the United States.**

*Note: A securities rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time.*

## ANNEX A NOTES BEING ISSUED AS GREEN BONDS

This Annex A supplements and amends the Offering Circular dated May 17, 2016 (the **Offering Circular**), in particular the disclosure under “*Risk Factors*” and “*Use of Proceeds*”, and should be read in conjunction with the Offering Circular. Terms defined in the Offering Circular have the same meanings herein.

This Annex A is in connection with the Notes being offered as “green bonds”, meaning those in alignment with the pre-issuance requirements of the Climate Bonds Standard Version 2.0 issued by the Climate Bond Initiative (**Green Bonds**). In that regard, KPMG India (**KPMG**) has issued an independent limited assurance statement (the **Assurance Report**) and the Climate Bond Initiative has issued a certificate that the issue of the Notes has met the relevant criteria set by the Climate Bonds Standard Board (the **CBI Certificate**), in each case with respect to the Bank's Green Bond Framework (as defined and described in further detail below).

### ADDITIONAL RISK FACTORS

*The Notes may not be a suitable investment for all investors seeking exposure to green assets.*

At the Bank's request, KPMG India has issued the Assurance Report and the Climate Bond Initiative has issued the CBI Certificate, in each case with respect to the Bank's Green Bond Framework. Neither of the Assurance Report or the CBI Certificate is incorporated into, nor does either form part of, the Offering Circular. Neither the Bank nor the Joint Lead Managers make any representation as to the suitability of the Assurance Report or the CBI Certificate. Neither of the Assurance Report or the CBI Certificate is a recommendation to buy, sell or hold securities and each is only current as of the respective date that it was initially issued. The Bank has agreed to certain reporting and use of proceeds obligations as described herein; however, it will not be an Event of Default under the Terms and Conditions of the Notes if the Bank fails to comply with such obligations. A withdrawal of the Assurance Report or the CBI Certificate may affect the value of the Notes and may have consequences for certain investors with portfolio mandates to invest in green assets.

### USE OF PROCEEDS

#### **Funding of Eligible Green Projects**

The Bank will allocate the net proceeds from the sale of the Notes for the financing of Eligible Green Projects (as defined below) in accordance with the Bank's Green Bond Framework.

**Eligible Green Projects** include:

#### **1. Renewable Energy Projects:**

*Solar:* Eligible projects include those that operate or are under construction to operate in one or more of the following activities:

- solar electricity generation facilities where a minimum of 85% of electricity generated from the facility is derived from solar energy resources; or
- wholly dedicated transmission infrastructure for solar electricity generation facilities.

*Wind:* Eligible projects include those that operate or are under construction to operate in one or more of the following activities:

- the development, construction and operation of wind farms;
- operational production or manufacturing facilities wholly dedicated to wind energy development; or
- wholly dedicated transmission infrastructure for wind farms.

*Hydro:* Eligible projects include those which are small hydro projects (a capacity of 15 mega watts or less) and run of the river hydro projects and will conform to Climate Bonds Initiative's standards with

regards to these. These projects will only be included after Climate Bonds Initiative's standards for hydro power are in place.

## 2. **Low Carbon Transport Projects:**

- infrastructure, infrastructure upgrades, rolling stock and vehicles for electric public transport, including electric rail, trams, trolleybuses, cable cars and buses with no direct emissions (electric and hydrogen); or
- bus Rapid Transit (**BRT**) systems, including components of any BRT project meeting a bronze, silver or gold score under the BRT Standard, as developed by the Institute of Transportation and Development Policy.

## 3. **Low Carbon Buildings Projects**

For Commercial Buildings located in cities which:

- have achieved Leadership in Energy and Environmental Design (**LEED**) of gold or platinum certification, or equivalent under other building standards;
- have achieved a minimum 30% emissions improvement against ASHRAE 90.1 criteria (a part of the LEED standard) or equivalent level of additional emissions improvements under other building standards; or
- have met the carbon standards set in the IFC's Edge Green Buildings Certification System or as required by the equivalent building standard.

# **THE BANK'S GREEN BOND FRAMEWORK**

## **Green Bond Framework Overview**

The Bank's green bond framework sets out how the Bank proposes to raise Green Bonds and to use the proceeds of those issuances to invest in renewable energy, urban mass transport and energy efficient buildings in a manner that is consistent with the Bank's sustainable values (the **Green Bond Framework**).

The Green Bond Framework is established in accordance with the Climate Bonds Standard version 2.0. This framework also adheres to the Green Bond Principles, 2015 issued by the International Capital Markets Association (**ICMA**). The Bank has addressed the four pillars of ICMA's Green Bond Principles and is committed to annual reporting on the use of proceeds for the lifetime of any bond issued under the Green Bond Framework, including the Notes offered hereby.

## **The Bank's Sustainability Values**

Sustainability is an integral part of the Bank's ethos. The Bank believes in creating value for all its stakeholders while contributing to environmental sustainability and societal development. In 2014, the Bank developed a sustainability framework, which integrates stakeholder focus into the Bank's long term vision and strategy. This sustainability framework is built on five pillars:

**(1) Customers** – to consistently enhance customer service by focusing on customer experience, innovation and quality assurance to deliver superior “Axis Experience”.

**(2) Shareholders and Providers of Capital** – to actively engage with shareholders and providers of capital to create value.

**(3) People** – to create and sustain diverse work culture through improving organisational effectiveness, providing a safe and ethical work environment and maintaining stability and sustainability amidst the rapidly changing business environment and growth.

**(4) Environment** – to promote environmental sustainability and equitable growth through sustainable lending practices and to reduce any environment impact due to the Bank's operations by actively managing the Bank's environmental footprint and supporting customers in making “green banking” choices.

**(5) Communities** – to create and sustain a mechanism that will propagate sustainable livelihoods and contribution back to society across various segments.

### **Selection and Evaluation of Eligible Green Projects**

The Bank's Corporate Credit Group will perform the credit assessment and due diligence of Eligible Green Projects. For any Eligible Green Projects as described above under “*Use of Proceeds*”, the Corporate Credit Group will also undertake a preliminary assessment of projects on the basis of the Bank’s Green Bond Framework criteria. If the criteria are met, the respective project or asset, as the case may be, will be nominated for allocation of proceeds pursuant to the Green Bond Framework.

A Green Bond Committee has been established to approve the nomination made by the Corporate Credit Group. The Green Bond Committee consists of the Head of Treasury, the Head of ALM/ Funding, the Head of the Ethics and Sustainability Department and the Head of the Sustainable Lending in the Corporate Credit Group. Each project requires sign-off from all committee members to be considered eligible for allocation of proceeds pursuant to the Green Bond Framework.

### **Earmarking of Funds**

The Bank will maintain a dedicated register for tracking the use of proceeds for the issue of the Notes. Any unallocated proceeds will be invested in money market instruments, treasury bills and government securities.

### **Reporting**

The Bank will report the use of proceeds for the issue of the Notes through a separate section in the Annual Sustainability Report, which is published on the Bank’s website.

### **Assurance**

The Bank’s Green Bond Framework has been reviewed by KPMG and certified by the Climate Bond Initiative for the issue of the Notes. Post issuance, KPMG will provide assurance that Eligible Green Projects continue to be in alignment with the Green Bond Framework. In addition to the Notes, any subsequent green bonds issued will also undergo the same selection and nomination process and be verified by the relevant committees. The Bank will also receive post-issuance certification from the Climate Bonds Initiative to assure continued adherence to the Green Bond Framework. This post issuance certification by the Climate Bond Initiative is expected to be obtained within one year after issuance of the Notes and will be published on the Bank’s website.