

# IndusInd Bank

## DISCLOSURES UNDER BASEL III CAPITAL REGULATIONS – March 31, 2026

### DF-1: Scope of Application and Capital Adequacy

Name of the head of the banking group to which the framework applies: INDUSIND BANK LTD.

#### (i) Qualitative Disclosures:

IndusInd Bank Limited ('the Bank') is a commercial bank, incorporated on January 31, 1994. The Bank has a non-material non-financial wholly owned subsidiary as on March 31, 2026, and the CRAR is computed on the financial position of the Bank alone.

#### a) List of group entities considered for consolidation:

Name of the entity/Country of incorporation	Included under accounting scope of consolidation (Yes/No)	Method of consolidation	Included under regulatory scope of consolidation (Yes/No)	Method of consolidation	Reasons for difference in the method of consolidation	Reasons, if consolidated under only one of the scopes of consolidation
IndusInd Marketing and Financial Services Private Limited, India	Yes	Equity method (under AS 23)	No	NA	NA	The group entity, IndusInd Marketing and Financial Services Private Limited, is an associate where the Bank holds 30% of the equity share capital. This entity is not a financial services company, and hence consolidation is only for accounting purposes.
Bharat Financial Inclusion Limited, India	Yes	Line by Line (under AS 21)	No	Line by line	NA	The subsidiary Bharat Financial Inclusion Limited is a wholly

						owned subsidiary of the Bank. This entity is a Business Correspondent of the Bank and is not a financial services company, and hence consolidation is only for accounting purposes.
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**b) List of group entities not considered for consolidation both under the accounting and regulatory scope of consolidation:**

Name of the entity/Country of incorporation	Principle activity of the entity	Total balance sheet equity	% of bank's holding in the total equity	Regulatory treatment of bank's investments in the capital instruments of the entity	Total balance sheet assets (as stated in the accounting balance sheet of the legal entity)
None / NA	NA	NA	NA	NA	NA

**(ii) Quantitative Disclosures:**

**c) List of group entities considered for consolidation:**

Name of the entity/Country of incorporation	Principle activity of the entity	Total balance sheet equity (as stated in the accounting balance sheet of the legal entity)	Total balance sheet assets (as stated in the accounting balance sheet of the legal entity)
IndusInd Marketing and Financial Services Private Limited, India	Manpower Services and other auxiliary Services	Rs. 0.01 crs	Rs. 49.50 crs
Bharat Financial Inclusion Limited, India	Business Correspondent	Rs. 43.70 crs	Rs. 1,024.64 crs

d) There is no capital deficiency in any subsidiary, which is not included in the regulatory scope of consolidation.

e) The Bank does not have an investment in any insurance entities as on March 31, 2026.

f) There are no restrictions or impediments on transfer of funds or regulatory capital within the banking group as on March 31, 2026.

## **DF-2: Capital Adequacy**

### **Qualitative Disclosures:**

Risk Management is defined as the ability of the Bank to identify, measure, monitor and control risks. The Bank, through its Board, management and officials, shall be able to respond to changing circumstances and to address risks that might arise from changing business or economic conditions, a decline in the effectiveness of internal controls; the initiation of new business activities or the offering of new products and services. Bank views risk management as a core competency and tries to ensure that risks are identified, assessed and managed well in time. It is important to the success of the Bank's Risk Management efforts that risks be defined consistently throughout the Bank.

The Bank is committed to ensure that effective risk management remains central to all its business plans / strategies and the activities and is a core management competency. The aim is to ensure that risk management is embedded in the Bank's processes and culture, thus contributing to the achievement of its core objectives. The diversified business segments require Bank to identify, assesses and manage risks at both an enterprise level ('top-down') and business level ('bottom-up').

The Enterprise-wide Risk Management Policy ensures the implementation of an effective risk management framework that is consistent with the Bank achieving its policy and operating objectives. In doing so, it follows accepted standards and guidelines for managing risk, particularly those used by public and financial institutions. Bank has established an Enterprise-wide Risk Management Department responsible for Bank-wide risk management covering Credit risk, Market risk, ALM risk, Operational risk, Outsourcing Risk and Business Continuity Management, independent of the Business segments.

### **Risk Appetite**

Bank's risk appetite is the single most influencing factor in its fundamental risk attitude. Risk appetite is defined as the Bank's willingness to take on financial and non-financial risks as quantified by the appropriate indicators (i.e. as a measure of the Bank's risk-seeking behavior). The definition of a suitable risk appetite is a basic operational prerequisite for the Bank to set risk limits.

The top-management is committed to assessing the risk appetite statement, risk management strategy and overall business strategy are integrated and clearly understood by management and staff at all levels and effectively embedded in the decision-making and operations of the business.

To ensure coherence between the Bank's strategic considerations regarding risk-taking and day-to-day decisions on transactions with customers, Bank has defined its risk appetite as a strategic tool. Risk appetite basically expresses the maximum risk that the Bank is willing to assume to meet business targets.

Bank's risk appetite is derived after duly considering the following factors:

- It is a process based on a thorough analysis of its current risk profile.
- Capital required, including future capital, as a protection towards the risks.
- Amount of risk the Bank is willing to assume given the Average rate of return.

### **Policy on ICAAP**

The Bank has in place a robust internal capital assessment and allocation process. The Bank set capital targets that are commensurate with the Bank's risk profile and control environment. Therefore, the Bank identifies the relevant risks and has in place a process for Internal Capital Adequacy Assessment to supplement the

capital requirements computed as per Pillar-I. ICAAP is a self-assessment process to prove the Bank's capital adequacy by demonstrating the appropriateness of its risk management practices, which are employed to manage all the risks associated with its businesses' objectives.

At the time of review of ICAAP, Bank carries out comprehensive review of its risk appetite against the desired/target level. Based on ICAAP, if the Bank finds any deficiency in the capital requirements, additional capital are brought to supplement its risks. However, infusing additional capital is not the only criteria or solution. The Bank also

- (i) strengthen its risk management process
- (ii) strengthen its control environment
- (iii) apply internal limits / reduce risks and
- (iv) strengthen the level of provisions and reserves, as capital is not a substitute to effective risk management.

### **Stress Testing**

Stress testing is a key element of the ICAAP and an integral tool in the Risk Management framework that provides management a better understanding of how portfolios perform under adverse economic conditions. Based on the stress testing framework, the Bank conducts stress tests on its various portfolios to gauge the credit quality of the borrowers under extreme conditions.

### **Applicable Regulations**

The Bank is subject to the capital adequacy guidelines stipulated by RBI, which are based on the framework of the Basel Committee on Banking Supervision. As per Basel III guidelines, the Bank is required to maintain a minimum Capital to Risk Weighted Assets Ratio (CRAR) of 9% {11.50% including Capital Conservation Buffer (CCB)}, with minimum Common Equity Tier I (CET1) of 5.5% (8% including CCB) effective 1<sup>st</sup> October 2021. These guidelines on Basel III have been implemented from 1<sup>st</sup> April 2013 in a phased manner. The minimum capital required to be maintained by the Bank for the quarter ended 31<sup>st</sup> March, 2026 is 11.50% with minimum Common Equity Tier 1 (CET1) of 8.0% (including CCB of 2.50%).

### **Basel III Capital Regulations**

Basel III Capital regulations continue to be based on three-mutually reinforcing pillars, viz., minimum capital requirements, supervisory review of capital adequacy, and market discipline. This circular also prescribes the risk weights for the balance sheet assets, non-funded items and other off-balance sheet exposures and the minimum capital funds to be maintained as ratio to the aggregate of the risk weighted assets and other exposures, as also, capital requirements in the trading book, on an ongoing basis and operational risk. These guidelines also incorporate instructions regarding the components of capital and capital charge required to be provided for by the banks for credit, market and operational risks.

### **Minimum capital requirements**

The Bank is subject to the capital adequacy guidelines laid down by Reserve Bank of India, which are based on the framework of the Basel Committee on Banking Supervision. As per Basel III Capital Regulations, the Bank is required to maintain a minimum Capital to Risk Weighted Assets (CRAR) of 11.50% alongwith with minimum Common Equity Tier 1 (CET1) of 8.0% (including CCB of 2.5%).

Besides computing CRAR under the Pillar I requirement, the Bank also periodically undertakes stress testing in various risk areas to assess the impact of stressed scenario or plausible events on asset quality, liquidity, interest rate, derivatives and forex on its profitability and capital adequacy.

The assessment of future capital needs is effectively done based on the business projections, asset mix, operating environment, growth outlook, new business avenues, regulatory changes and risk and return profile of the business segments. The future capital requirement is assessed by taking cognizance of all the risk elements viz. Credit, Market and Operational risk and mapping these to the respective business segments.

### **Risk Exposure and Assessment**

As a financial intermediary, the Bank is exposed to various types of risks including credit, market, liquidity, interest rate risk in banking book, operational, etc. The objective of the risk management framework at the Bank is to ensure that various risks are understood, measured and monitored and mitigated that the policies and procedures established to address these risks are strictly adhered to.

The Board of Directors has the overall responsibility for managing risks within the Bank. It is aided by the Risk Management Committee of the Board (RMC) in policy formulation and overseeing the risk management functions performed by the official level committees of the Bank entrusted with the responsibility of managing risks on a day-to-day basis.

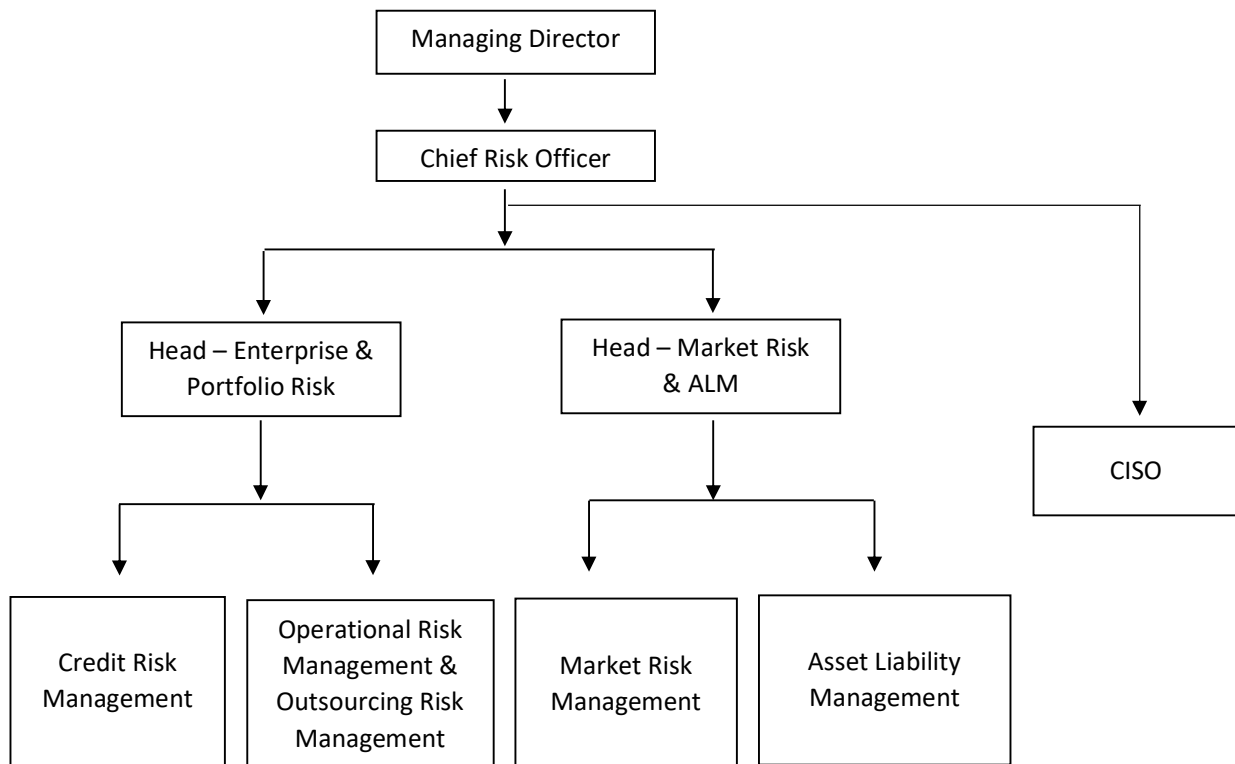
### **General Qualitative Disclosure Requirement**

#### **Risk Management Department: Objectives and Organization Structure**

The Bank has established a Risk Management Department, independent of the Business segments, responsible for Bank-wide risk management covering Credit risk, Market risk, ALM risk, Operational risk, Outsourcing Risk and Business Continuity Management. The Risk Management Department focuses on identification, measurement, monitoring and controlling of risks across various segments. The Bank has been progressively adopting the best international practices so as to continually reinforce its Risk Management functions.

**Organization Structure:**

The set-up of Risk Management Department is hereunder:



During FY 2025–26, the Bank has segregated the roles of Chief Risk Officer and Chief Credit Officer.

The Chief Risk Officer (CRO) reports to MD and CEO of the Bank. The Risk Management Committee (RMC) has a complete oversight on the functioning of various sub committees set up for identification, measurement, management and mitigation of risks faced by the Bank.

The Bank undertakes a range of business activities necessitating it to identify, measure, control, monitor and report risks effectively. The Board of Directors and Risk Management Committee have oversight on the risk assumed by the Bank. Separate Committees, as specified below, are set up to manage and control various risks:

- Risk Management Committee (RMC)
- Credit Risk Management Committee (CRMC)
- Market Risk Management Committee (MRMC)
- Asset Liability Management Committee (ALCO)
- Operational Risk Management Committee (ORMC)
- Outsourcing Committee
- Business Continuity Management Steering Committee
- Critical Account Committee (CAC)

The following table provides a brief overview on the roles of the various Risk Committees:

<b>Committee</b>	<b>Roles in brief</b>
Credit Risk Management Committee (CRMC)	Management of Credit Risk on a Bank wide basis, Credit Risk Rating Framework, Credit Risk Policies, Industry & Sector Analysis, Credit Portfolio Analysis, and Basel guidelines implementation and methodology.
Market Risk Management Committee (MRMC)	Reviewing Market Risk policy, Market Risk Appetite, Market Risk Limits utilisation, Portfolio Sensitivity for movement in Market Factors, Valuation Methodologies, VaR and Stressed VaR framework, Model Validation, Credit Exposure due to Market Related Instruments, Market Risk capital charge.
Asset Liability Management Committee (ALCO)	Liquidity Risk; Interest Rate Risk – Strategy and Management; Funding Strategy; Asset-Liability Strategy and Gap Management; Composition and Pricing for Assets, Liabilities and Off Balance Sheet instruments, Maturity Profiles, reviewing stress test scenarios & results, Contingency Funding strategies, monitoring of risk limits including limits on liquidity and interest rate positions for the banking book and Asset-Liability Management (ALM) Policy.
Operational Risk Management Committee (ORMC)	Operational Risk Management Committee (ORMC) has oversight on effective management of Operational Risk, the Committee oversees the Operational Risk profile, Monitors the adequacy and effectiveness of Management of Operational Risk and Internal Controls, and ensures the development and ongoing review of appropriate Operational Risk related policies taking into account Bank's core business goals and objectives.
Outsourcing Committee	The Outsourcing Committee provides oversight of all outsourcing arrangements of the Bank to ensure that: <ul style="list-style-type: none"> <li>i. Outsourcing activities are aligned with the Bank's business strategy and objectives.</li> <li>ii. Any ambiguities, differences of interpretation, or disagreements relating to outsourcing arrangements are reviewed and resolved collectively at the Committee level, ensuring objectivity and avoidance of functional or departmental bias.</li> </ul>
Business Continuity Management Steering Committee	Oversee the effective management of BCM program across the Bank, review and recommend changes in Business Continuity Policy, approval of specific actions to prepare the Bank for meeting various BCM scenarios, review critical processes and revisiting Business Continuity Plan (BCP) in scenarios with a Bank-wide impact with an aim of continuity in critical interfaces and preventing any disruption of critical operations take appropriate contingency measures to manage such risks, , prioritizing safety of Bank's officials and safety of Bank's assets
Critical Account Committee (CAC)	Reviews credit under watch based on various EWS triggers and suggesting remedial actions

Bank has articulated various risk policies which specify the risks, controls and measurement techniques. The policies are framed keeping risk appetite as the central objective. Against this background, the Bank identifies a number of key risk components. For each of these components, the Bank determines a target that represents the Bank's perception of the component in question.

The risk policies are vetted by the sub-committees, viz. CRMC, MPMC, ALCO, etc. and are put forth to RMC, which is a sub-committee of the Board. Upon vetting of the policies by RMC, the same are placed for the approval of the Board of Directors and implemented. The respective policies cover strategies and techniques to assess, monitor and mitigate/hedge the risks as applicable. Bank has also put in place risk policies for its IBU operations basis applicable IFSCA Guidelines.

Bank has put in place a comprehensive policy on ICAAP, which presents a holistic view of the material risks faced, control environment, risk management processes, risk measurement techniques, capital adequacy and capital planning. The Capital Management framework is complemented by the Risk Management framework which covers the policies, processes, methodologies and frameworks established for management of material risks. The Bank also undertakes Stress Testing as an integral part of the ICAAP to assess the impact of extreme but possible scenarios on the capital adequacy position of the Bank.

Policies are periodically reviewed and revised to address the changes in the economy / banking sector and Bank's risk profile. Monitoring of various risks is undertaken at periodic intervals and a report is submitted to Top Management / Board.

The Bank had accounted for the discrepancies identified during the financial year ended on 31<sup>st</sup> March, 2025 in relation to accounting of derivative trades, accounting of interest and fee income from the MFI portfolio, and manual entries in Other Assets and Other Liabilities. No further financial impact is expected.

The Bank has taken suitable measures towards strengthening of systems, processes, internal financial and other controls, minimization of manual accounting entries and control over reconciliation, etc. These have been since implemented effectively.

### **Credit Risk**

The Bank is exposed to credit risk in its lending activities. Credit risk is the risk of loss that may occur from the failure of any counterparty to abide by the terms and conditions of any financial contract with the Bank, principally the failure to make required payments as per the terms and conditions of the contracts Bank manages credit risk comprehensively; both at Transaction level and at Portfolio level. Some of the major initiatives taken are listed below:

- Bank uses a robust Risk rating framework for evaluating credit risk of the borrowers. The Bank uses segment-specific rating models that are aligned to target segment of the borrowers.
- Risks on various counter-parties such as corporates, banks, are monitored through counter-party exposure limits, also governed by country risk exposure limits in case of international trades.
- Bank manages risk at the portfolio level too, with portfolio level prudential exposure limits to mitigate concentration risk.
- Retail Credit is management through robust product programmes. For larger segments of credit, the Bank has implemented Application Score Card (A- Score) for onboarding customers basis their risk profile. Behavioural Scorecard (B- Score) are implemented for some of the products which supports risk assessment, post disbursement for taking timely actions.

- Bank has a non-concentrated portfolio across various industries and segments, as illustrated by the following data.
  - o Retail and schematic exposures (which provide wider diversification benefits) account for as much as 50% of the total fund-based exposures.
  - o Bank's corporate exposure is distributed across industries, thus insulated/minimised from individual industry cycles.

Above initiatives support qualitative business growth while managing inherent risks within the risk appetite.

### **Market Risk**

Key sources of Market Risk are Liquidity Risk, Interest Rate Risk, Price Risk and Foreign Exchange Risk. Bank has implemented state-of-the-art Treasury and Market Risk Management systems that support robust risk management capabilities and facilitates Straight-through Processing.

Market Risk is effectively managed through comprehensive framework which supports various measures such as Mark-to-Market, Sensitivity analysis, Value-at-Risk, Back testing, Stress Testing and monitoring through operational limits such as stop-loss limits, exposure limits, deal-size limits, PV position limits, etc. Market risk measurement and monitoring is governed through a comprehensive Market Risk Management Policy.

Market Risk Management Committee are convened on a periodic basis wherein detailed discussion on the Market movements and outstanding Treasury portfolio and the risk associated with it are deliberated.

As per RBI Basel III capital regulations, Market Risk Capital Charge has been computed for the risks pertaining to Interest rate related Instruments and equities in the Trading Book; and Foreign Exchange Risk for both Banking & Trading Book. Trading Book for the purpose of Capital Adequacy includes all Instruments that are classified as Held for Trading (HFT).

### **Asset Liability Management (ALM)**

Bank's ALM system supports effective management of liquidity risk and interest rate risk, covering 100% of its assets and liabilities.

- Liquidity Risk Management aims to meet all commitments as they fall due and also be able to fund asset growth by raising sufficient funds in the form of increasing fresh liabilities or by expeditious asset sell-off at fair market value without incurring unacceptable losses, both under normal and adverse conditions. These objectives are ensured by setting up policies, operational level committees, measurement tools and monitoring and reporting mechanism using effective use of IT systems.
- Liquidity Risk is monitored through flow and stock approaches. Liquidity is monitored through structural liquidity gaps, net funding gaps & Dynamic Liquidity position under the flow approach. All the assets and liabilities are bucketed basis the cash flow / maturity dates. Non-maturing assets / liabilities are bucketed basis behavioural analysis undertaken for such assets / liabilities.
- Liquidity risk is monitored through various ratios e.g. Liquidity Coverage Ratio (LCR), Liquidity Ratios & Net Stable Funding Ratio (NSFR) under the stock approach. Bank has adopted Basel III framework on liquidity standards and has put in place systems and processes for computation & monitoring of LCR & NSFR basis the extant guidelines.
- The concentration of large deposits is monitored on a periodic basis. The Bank's ability to meet its obligations and fund itself in a crisis scenario is critical and accordingly, liquidity stress tests are

conducted under different scenarios at periodical intervals to assess the impact on liquidity to withstand stressed conditions.

- Interest Rate Sensitivity is monitored on Earning perspective and Economic Value perspective through prudential limits for Rate Sensitive Gaps, Modified Duration and other risk parameters.
- Interest Rate Risk on the Investment portfolio is monitored through Value at Risk and Risk Sensitivities on a daily basis. Optimum risk is assumed through duration, to balance between risk containment and profit generation from market movements.
- Bank has put in place a board approved comprehensive Contingency Funding Plan (CFP). Bank monitors objective CFP triggers that are a combination of internal & external factors on regular basis. Contingency Management Group (CMG) has been constituted by the Bank to take corrective action in case of any liquidity contingency.

ALCO meetings are convened frequently wherein detailed analysis are presented on liquidity position, interest rate risks, product mix, business growth v/s budgets, interest rate outlook, which helps to review the business strategies regularly and undertake new initiatives.

### **Operational Risk**

RBI has defined Operational Risk (OR) as “the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events”. The Bank has also adopted the same definition for the purpose of management of operational risk. It includes risk of loss due to legal risk but excludes strategic and reputational risk. The Bank has put in place Board approved governance and organizational structure with clearly defined roles and responsibilities to mitigate operational risk arising out of the Bank’s business and operations.

#### ➤ **Operational Risk Management and related committees:**

- **Operational Risk Management Committee (ORMC)**

Operational Risk Management Committee (ORMC) has oversight on effective management of Operational Risk, the Committee oversees the Operational Risk profile, Monitors the adequacy and effectiveness of Management of Operational Risk and Internal Controls, and ensures the development and ongoing review of appropriate Operational Risk related Policies taking into account Bank’s core business goals and objectives.

- **Other related Committees**

Business Continuity Steering Management Committee (BCM SC) comprising of senior functionaries of the Bank monitors implementation of BCM Framework in the Bank.

The Bank has a Business Continuity policy which documents the Bank’s approach to Business Continuity Management (BCM) and provides a consistent, overarching structure to develop, implement, maintain and continually improve the Bank’s Business Continuity Management. The Policy document frames guidelines to develop a resilient management framework to achieve an effective and functional Business Continuity of critical processes of the Bank.

Business Continuity Strategies and Recovery Plans have been put in place to ensure timely recovery of the Bank’s critical operations in the event of any significant disruption. Regular mock drills are carried out to ascertain preparedness of the recovery teams and validate the effectiveness of the recovery strategies.

- **Product and Process Approval Committee:**

The Bank has also put in place a structure to effectively manage various risks through the formation of several internal committees e.g. Product and Process Approval Committee (PPAC).

➤ **Risk Measurement and Monitoring:**

While the day-to-day operational risk management lies with First line of Defence i.e. business lines, and operations and support functions, the ORM function is responsible for overseeing the implementation of the operational risk management framework across the Bank. It designs and develops oversight tools required for implementing the framework including policies and processes, guidelines towards implementation and maintenance of the framework. More specifically, ORM plays the role of the Second line of Defence for management of Operational Risk within the Bank.

The key elements in the operational risk management framework as defined in the Policy include:

- Identification and assessment of operational risks and controls through risk and control self-assessments (RCSA) and product and process approval;
- Measurement through incident reporting and loss data management;
- Monitoring through key risk indicators; and
- Mitigation through process and controls enhancement, outsourcing and insurance.

### **Systems Risk**

The Bank is dedicated to maintain a stringent Information Security measure that complies with regulatory and industry standards, continually enhancing its tools and practices to protect its IT infrastructure and sensitive information.

The Bank has comprehensive Information Security Policy, Cyber Security Policy and Cyber Crisis Management Plan in place that aligns with the RBI cyber security framework and applicable regulatory guidelines. These policies and procedures are communicated to all employees, supported by regular and ongoing security awareness programs to foster a culture of vigilance and compliance.

To address data privacy risks, the Bank has implemented a comprehensive, Board-approved Privacy Policy aligned with applicable regulations, including the Information Technology (Reasonable Security Practices and Procedures and Sensitive Personal Data or Information) Rules 2011 under the IT Act. The policy is subject to regular internal and external review and governs the collection, processing, storage, and sharing of personal data, ensuring compliance with current regulatory requirements.

The Bank has completed a gap assessment of its products and processes and has been actively aligning its privacy policies and operational procedures with the requirements of the Digital Personal Data Protection Act, 2023 (DPDPA). Following the notification of the Digital Personal Data Protection Rules, 2025, the Bank has initiated a structured implementation program to strengthen its privacy governance framework. This includes onboarding a privacy management and consent management platform to enable compliance with obligations such as consent governance, Data Principal Rights (access, correction, erasure), breach management, grievance redressal and cross-border data transfer restrictions. The program is progressing under a defined governance structure and is targeted for completion within the regulatory timelines.

The Bank is focused towards maintaining robust information security hygiene, by adopting industry best practices such as ISO/IEC 27001 standard, PCI-DSS, etc. The implementation of these standards has helped the Bank to ensure compliance, business resiliency, security, privacy and meet Cyber-related risks.

Bank is also actively engaged with regulatory bodies and enforcement agencies like CERT-In and CSITE of RBI, NCIIPC, SEBI, NPCI, IRDAI, UIDAI etc. and has a process in place for communicating attacks and potential threats through email, phone, or online submission as applicable.

Recognizing the importance of access control, the Bank grants access to information assets based on the principles of least privilege and need-to-know/use. The Bank enforces the use of Multi-Factor Authentication (MFA) in accordance with applicable regulatory guidelines, mandating its implementation for access to critical applications and systems thereby strengthening protection against unauthorized access.

The Bank has established a state-of-the-art centralized Security Operations Centre (SOC) operating 24x7x365, which has capability to detect and respond to cyber risks in real time.

The Bank has established a robust framework for responding to incidents effectively, ensuring resilience against cyber threats. The Bank is committed to leverage best-in-class information security capabilities, continuously striving for excellence in the tools and practices used to safeguard its IT infrastructure and sensitive information.

With advanced threat detection, DDoS protection, and a detailed Disaster Recovery Strategy, the Bank proactively safeguards against various risks, ensuring minimal disruption and robust business continuity.

The Bank has also partnered with external experts for Cyber Security Incident Response Management. The Incident Response Plan outlines the major categories of incidents and incident handling procedures. In the event of a critical cybersecurity incident, external expert's arrangements are in place to assist the Bank and offer crucial expertise during the incident response. The Bank has Cyber Security incident insurance in place to help cover some of the expenses incurred after a data breach.

The Bank has onboarded Breach and Attack Simulation (BAS) solution as a service to enhance organizational security posture by simulating cyber-attacks to evaluate an organization's security controls and by providing actionable information to help the bank prevent and respond to cyberattacks respectively.

The Bank has also initiated a special service to monitor feeds from the Dark Web through its Threat Intelligence Services to stay ahead of potential threats. Bank also receives and acts on alerts from authorities and regulators, that are analysed for applicability to the Bank's environment. Bank also conducts proactive assessments of its technology environment and security controls for early identification and remediation of risks if any.

The Bank uses Network and Endpoint DLP solutions in alert and block modes to protect PII and sensitive data by preventing unauthorized data movement and ensuring secure handling.

Focusing on 'secure development life cycle' helps reduce security vulnerabilities in the applications being developed and helps mitigate the risks due to insecure coding. The Bank employs a structured Vulnerability Management Plan to proactively identify and address vulnerabilities in applications or systems. Performing periodic assessment and Penetration testing plays a crucial role in detecting and resolving potential issues. Bank also conducts Red Team exercises to proactively identify potential issues and remediate.

The Bank is also using cloud security services which have similar protection capabilities when compared to on premise infrastructure security. These security layers provide dedicated protection to the vulnerabilities that may occur in cloud environments.

These various capabilities ensure that the Bank is deploying safe and secure banking experience to the customers and building trust in the digital properties of the Bank.

### **Model Risk**

Bank has a dedicated model risk management unit which undertakes the validation of all the credit decisioning models and is operational as per the Model Risk Management Framework. This unit is independent of Credit/Business.

### **Quantitative Disclosures:**

In line with the guidelines of the Reserve Bank of India, the Bank has adopted Standardized Approach for Credit Risk, Basic Indicator Approach for Operational Risk and Standardized Duration Approach for Market Risk for computing CRAR.

**The Summary of Capital requirements for Credit Risk, Market Risk and Operational Risk as on March 31, 2026 is mentioned below:**

<b>Risk Type</b>	<b>Rs in crs</b>
<b>Capital requirements for Credit Risk</b>	<b>30,016</b>
Portfolio Subject to Standardised approach	30,016
Securitisation exposures	
<b>Capital requirements for Market Risk:</b>	
<b>Standardised Duration Approach</b>	<b>678</b>
Interest Rate Risk	400
Foreign Exchange Risk (including gold)	278
Equity Risk	-
<b>Capital requirements for Operational Risk</b>	<b>4,725</b>
Basic Indicator Approach	4,725
<b>Minimum Capital requirements at 9%</b>	<b>35,419</b>
<b>Minimum CRAR + CCB at 11.5%</b>	<b>45,257</b>
<b>Total Capital Funds</b>	<b>68,787</b>
<b>Total CRAR #</b>	<b>17.48%</b>
<b>Tier 1 CRAR #</b>	<b>16.20%</b>
<b>CET 1 CRAR #</b>	<b>16.20%</b>

# including exposure at IFSC Banking Unit (GIFT City)

The Capital Adequacy position of the Bank is reviewed by the Board of the Bank on quarterly basis.

### **DF-3: Credit Risk: General Disclosures**

#### **Qualitative Disclosures:**

“Credit Risk” is defined as the probability / potential that the borrower or counter-party may fail to meet its obligations in accordance with agreed terms. It involves inability or unwillingness of a borrower or counter-party to meet commitments in relation to lending, trading, hedging, settlement and other financial transactions.

#### **Credit Risk is made up of two components:**

1. **Transaction Risk (or Default Risk)**, which represents the risk arising from individual credit exposures and
2. **Portfolio Risk**, which represents the risk inherent in the portfolio of credit assets (concentration of assets, correlation among portfolios, etc.).

Credit risk is found in a variety of transactions across Bank’s portfolio including not only loans, off balance sheet exposures, investments and financial guarantees, but also the risk of a counterparty in a derivative transaction becoming unable to meet its obligations. Credit risk constitutes the largest risk to which the Bank is exposed. Bank has adequate system support which facilitates credit risk management and measurement across its portfolio. The system support is strengthened and expanded as and when new exposures are added to the Bank’s portfolio.

Bank has articulated comprehensive guidelines for managing credit risk as a part of Credit Risk Policy and related policies framework, Bank Risk Policy, Country Risk Policy, Policy on Collateral Management, Policy for Sector Review and Additional Provisions for Stressed Sector Assets, Policy on Exposure to Real Estate Sector, Policy on Unhedged Foreign Currency Exposures and NPA Management and Recovery Policy. Credit risk management systems used at the Bank have been implemented in accordance with these guidelines and best market practices. Credit risk management process focuses on both specific transactions and on groups of specific exposures as portfolios.

The broad objectives of evolving Bank’s Credit Risk Policy are:

- To build a high quality portfolio in line with the Bank’s risk appetite and strategy.
- To identify, measure, monitor, manage and control risk effectively and to ensure that the Bank gets compensated for the risk assumed
- To maximize Bank’s Risk-Adjusted Return by maintaining credit risk exposure within acceptable parameters.
- To develop a greater ability to recognize and avoid potential problems.
- To support sustainable business growth within the overall Risk appetite of the Bank.
- Diversifying the risk profile across different segments of Products, Geographies, Group etc. in order to minimise the concentration risk and maximise returns.
- To facilitate Bank in adoption of more risk sensitive approaches for measurement of credit risk under Basel III norms.

#### **Credit Risk Management at specific transaction level**

The central objective for managing credit risk at each transaction level is development of risk measurement and monitoring systems that cover the entire life cycle of the exposure, i.e. opportunity for transaction,

assessing the credit risk, granting of credit, disbursement and subsequent monitoring, identifying the obligors with emerging credit problems, remedial action in the event of credit quality deterioration and repayment or termination of the obligation.

The Credit Risk and related Policies of the Bank stipulates applicability of various norms for managing credit risk at a specific transaction level and more relevant to the target segment of the obligors. It covers all the types of obligors, viz. Corporate, SME, Trader and Schematic Loans such as Loan against Property, Business Loan, Retail Agri, LAS, Gold Loan, Home Loan, Personal Loan, Vehicle Loan, etc.

Beside the acceptability norms defined in the policies/manual for an individual transaction, Bank has also implemented various credit related product programmes which enables efficient appraisal, assessment, delivery, supervision and control of tailor made loan products targeted at specific customer segments. Customers covered under Business Banking product programme are evaluated using a scoring/rating model developed based on segment specific risk profile.

Consumer Finance Division appraises loan application based on robust set criteria defined in the respective product programmes. Further as a mechanism to assess the credit quality, customers are also evaluated through application scoring models which are segment specific. Further, post disbursement, the quality of the account is tracked by means of a Behavioral score.

Customers applying for credit cards are assessed using comprehensive selection criteria that encompass a range of factors, including risk categories, exposure levels, delinquency status, credit utilization, charge-offs history, credit enquiries, internal score, external score etc. Additionally, after acquisition, proactive management of the portfolio is carried out as BAU to minimize exposure to high-risk segments through measures such as credit line decreases and limiting new transactions for delinquent customers. The overall health of the portfolio is meticulously tracked using risk related metrics.

Personal loans qualification and eligibility are rigorously evaluated basis key parameters such as income, obligations, company category, external delinquencies, write off history, internal score, external score etc. Further the portfolio health is monitored basis risk metrics on regular basis and acquisition strategies are periodically realigned basis portfolio performance.

Bank has also put in place a detailed policy for portfolio acquisition which stipulates various criteria for asset selection including due diligence, transfer of risks and rewards of the underlying portfolio, credit enhancements, portfolio risk management and monitoring in accordance with RBI guidelines.

### **Credit Approval Committee**

In general, the Bank has put in place the principle of 'Committee' or 'Approval Grids' approach while according sanctions to credit proposals. This provides for an unbiased, objective assessment/evaluation of credit proposals. Such Committees include at least one representative each from business and credit department. To maintain the independence of credit decisioning process, the credit department has no volume or profits targets to achieve. The spirit of the credit approving system is that no credit proposals are approved unless all the members of the 'Committee' or 'Approval Grids' agree on the acceptability of the proposal in all respects. In case of disagreement the proposal is referred to next higher Committee whose decision to approve or decline with conditions is final.

Following Credit Committees are constituted:

- ▶ **Wholesale Banking Group (excluding Agri Business Group, NEG, Commercial banking erstwhile ELC) (Committees are shown in descending order of sanctioning powers)**
  - Committee of Directors (COD)
  - Executive Credit Committee (ECC)
  - Corporate Office Credit Committee (COCC)
  - Credit Committee 2 (CC2)
  - Credit Committee 1 (CC1)
  
- ▶ **Wholesale banking Group (only for Agri Business Group, NEG, Commercial banking erstwhile ELC)**
  - Committee of Directors (COD)
  - Executive Credit Committee (ECC)
  - Corporate Office Credit Committee (COCC)
  - Corporate Office Credit Committee 1 (COCC 1)
  - Zonal Credit Committee (ZCC)
  - Regional Credit Committee (RCC)
  
- ▶ **Consumer Finance Division (CFD)**
  - Committee of Directors (COD)
  - Executive Credit Committee (ECC)
  - Corporate Office Credit Committee II - Consumer Finance Division (COCC II-CFD)
  - Corporate Office Credit Committee I - Consumer Finance Division (COCC I-CFD)
  - Central Credit Committee – Consumer Finance Division (CCC-CFD)
  - Zonal Credit committee – Consumer Finance Division (ZCC –CFD)
  - State Credit Committee/Regional Credit Committee –Consumer Finance Division (RCC/SCC-CFD)
  - Area Credit Committee - ACC
  - Branch Credit Committee – Consumer Finance Division (BCC-CFD)
  
- ▶ **Consumer Banking & Supply Chain Finance (other than CFD, PL & Cards)**
  - Committee of Directors (COD)
  - Executive Credit Committee (ECC)
  - Corporate Office Credit Committee (COCC)
  - Credit Committee -2 (CC-2)
  - Zonal Credit Committee (ZCC)
  - Joint Approvals

Apart from this, Bank has schematic loans also like Gold Loan & LAD which are sanctioned by branches/operations upto defined limit of exposure under the respective product program. These are relatively smaller loans and fully secured by liquid collaterals.

Scheme of delegation of power applicable for all business segments are approved by Board of Directors.

The credit proposals which are beyond the delegated powers of ECC are placed to Committee of Directors (COD) for approval.

**Risk Classification**

There exists a structured credit approval process including a comprehensive credit risk assessment process, which encompasses analysis of relevant quantitative and qualitative information to arrive at the internal credit rating of the Borrower. Bank monitors the overall health of its customers on an on-going basis to ensure that any signal of weakening of a customer's earnings or liquidity is detected as early as possible. As part of the credit process, customers are classified according to the credit quality in terms of internal rating, and the classification is regularly updated on receipt of new information/ changes in the factors affecting the position of the customer.

Bank has operationalized following risk rating/ scoring models basis on the target segment of the borrower:

- Large Corporate, Small & Medium Enterprises, NBFC, Gems & Jewellery, MFI and Real Estate Developers
- Trading entities, Capital Market Broker and Commodity Exchange Broker
- Financial Institutions/Primary Dealers and Banks
- Retail customers (Schematic Loans) – who are assigned credit scoring

Customers under Business Banking segment are assessed for credit quality using a scoring/rating model. The score serves a measure to categorise the customers into various risk classes which are further calibrated to different risk grades. Bank has also implemented rating models for assessing risk under Lease Rental Discounting and Warehouse Receipts Financing products.

Rating grades in each rating model, other than the segments driven by product programmes, is on a scale of 1 to 8, which are further categorized by assigning +/- modifiers to reflect the relative standing of the borrower within the specific risk grade. Model-specific rating grades are named distinctly. Each model-specific rating grade reflects the relative ratings of the borrowers under that particular segment. For instance, L4 indicates a superior risk profile of a Large Corporate, when compared to another Large Corporate rated L5.

In order to have a common risk yardstick across the Bank, these model specific ratings are mapped to common scale ratings which facilitate measurement of risk profile of different segments of borrower by means of common risk ladder.

Various purposes for which the rating/scoring models are used are mentioned hereunder:

- Portfolio Management
- Efficiency in lending decision
- To assess the quality of the borrower – single point reference of credit risk of the borrower
- Preferred rating norms for assuming exposures
- Prudential ceiling for single borrower exposures – linked to rating
- Frequency of review of exposures
- Frequency of internal auditing of exposures
- To measure the portfolio quality
- Target for quality of advances portfolio is monitored by way of Weighted Average Credit Rating (WACR).
- Pricing credit
- Capital allocation (under IRB approaches)

**Loan Review Mechanism:**

Bank has also implemented Loan Review Mechanism (LRM), which involves independent assessment of quality of advances, effectiveness of loan administration, compliance with internal policies of Bank and regulatory

framework and portfolio quality. It also helps in tracking weaknesses developing in the account for initiating corrective measures in time. LRM is carried out by the Corporate Banking Audit Domain within Internal Audit Department.

### **Credit Rating**

Bank has adopted internal rating for credit risk management. Borrower rating corresponds to an assessment of the counterparty's level of default risk, expressed on an internal rating scale, and is a key element in the credit sanctioning process. To quantitatively measure the level of risk of borrower rating grades, each grade corresponds to a particular default probability.

### **Review and Monitoring**

All the credit exposures are monitored on an ongoing basis to identify any signs of incipient weakness in the borrower so as to take timely remedial action. For this purpose, the Bank has implemented automated Early Warning Signals (EWS) which provides timely alerts which facilitates in deciding account level strategies.

Retail Credits are managed at the Portfolio level by carrying out analysis across various dimensions and portfolio cuts. The outcome from such analysis facilitates in identifying hot spots, focusing in remedial actions and undertaking enhancements in the retail product programmes.

### **Credit Risk Management at Portfolio level:**

Accumulation of individual exposures leads to portfolio, which creates the possibility of concentration risk. Concentration risk, on account of borrowers/ products with similar risk profile, may arise in various forms such as Single Borrower, Group of Borrowers, Sensitive Sector, Industry-wise exposure, Unsecured exposure, Rating wise exposure, Off Balance sheet exposure, Geography wise or Product wise exposure, etc. Credit risk concentration is addressed by means of structural and prudential limits stipulated in the Credit Risk Policy and other related policies.

Concentration risk on account of exposures to counter-parties (both single borrower and group of borrowers), Industry-wise, Rating-wise, Product-wise, etc., is being monitored. For the purpose, exposures in all business units, viz. branches, treasury, investment banking, etc., by way of all instruments (loans, equity/debt investments, derivative exposures, etc.) are considered. Such monitoring is carried out at monthly intervals. Besides this, respective business units are monitoring the exposure on continuous real-time basis.

The Board approved Credit Risk Policy of the Bank specifies various limits to mitigate the Concentration risk like ceilings on exposure to Group of connected counterparties, Unsecured exposure ceilings, ceiling on long tenor exposure and aggregate value of large value exposures along with exposure ceilings to certain segments like Capital Market, Real Estate, Microfinance, etc. The actual values of the exposures are monitored and reported to Risk Management Committee and Board of Directors on a regular basis.

Concentration risk is further evaluated in terms of statistical measures and benchmarks. Detail analysis of portfolio risk and control measures is carried out on a monthly basis on various parameters. Further, a comprehensive Stress Testing framework based on several factors and risk drivers assessing the impact of stressed scenario on Credit quality, its impact on Bank's profitability and capital adequacy is placed to Top Management /Board every quarter. The framework highlights the Bank's credit portfolio under 3 different levels of intensity across default, i.e. mild, medium and severe, and analyses its impact on the portfolio quality and solvency level.

**Impaired credit - Non Performing Assets (NPAs):**

Bank has independent functional units that constantly monitors accounts for irregularities, identifies accounts for early warning signals for potential problems and identifies individual NPA accounts systematically.

Bank follows applicable RBI guidelines while classifying Non-Performing Assets (NPAs). The guidelines are as under:

- a) An asset, including a leased asset, becomes non-performing when it ceases to generate income for the bank.
- b) A Non-Performing Asset (NPA) is a loan or an advance where;
  - (1) interest and / or instalment of principal remains overdue for a period of more than 90 days in respect of a term loan;
  - (2) the account remains 'out of order' in respect of an Overdraft / Cash Credit (OD/CC);
  - (3) a working capital borrowal account where irregular drawings are permitted in the account for a continuous period of 90 days even though the unit may be working or the borrower's financial position is satisfactory;
  - (4) the bill remains overdue for a period of more than 90 days in the case of bills purchased and discounted;
  - (5) an account where the regular / ad hoc credit limits have not been reviewed / renewed within 180 days from the due date / date of ad hoc sanction;
  - (6) the instalment of principal or interest thereon remains overdue for two crop seasons for short duration crops;
  - (7) the instalment of principal or interest thereon remains overdue for one crop season for long duration crops;
  - (8) the amount of liquidity facility remains outstanding for more than 90 days, in respect of a securitisation transaction undertaken in terms of the Reserve Bank of India (Commercial Banks – Securitisation Transactions) Directions, 2025;
  - (9) in respect of derivative transactions, the overdue receivables representing positive mark-to-market value of a derivative contract, remain unpaid for a period of 90 days from the specified due date for payment.  
Provided that in cases where the contract provides for settlement of the current mark-to-market value of a derivative contract before its maturity, only the current credit exposure (not the potential future exposure) shall be classified as a non-performing asset after an overdue period of 90 days;  
Provided further that in cases where a bank partially or fully terminates the derivative contract before maturity, at their discretion, based on preference of the clients to reduce the notional exposure of the hedging derivative contract, and the bank permitted payment in instalments of the crystallized Mark to Market (MTM) of such derivative contracts (including Forex Forward Contracts), the receivable shall be classified as non-performing asset: (i) if the amount becomes overdue for 90 days from the date of partial / full termination of the derivative contract; or (ii) if the amount becomes overdue for 90 days from the due date of payment of subsequent instalments.
- (10) a credit card account where the minimum amount due, as mentioned in the statement, is not paid fully within 90 days from the payment due date mentioned in the statement.

Out of Order status: A CC/OD account shall be treated as 'out of order' if the outstanding balance in the CC/OD account remains continuously in excess of the sanctioned limit/drawing power for 90 days, or the outstanding balance in the CC/OD account is less than the sanctioned limit/drawing power but there are no credits continuously for 90 days, or the outstanding balance in the CC/OD account is less than the sanctioned

limit/drawing power but credits are not enough to cover the interest debited during the previous 90 days period.

**Overdue:** Any amount due to the bank under any credit facility is 'overdue' if it is not paid on the due date fixed by the bank.

### Quantitative Disclosures:

#### Credit Risk Exposures

##### a) Total Gross Credit Risk Exposures as on 31<sup>st</sup> March, 2026

	Rs in crs
Fund Based*	5,12,221
Non-Fund Based**	95,742
<b>Total Exposures<sup>#</sup></b>	<b>6,07,963</b>

\* Includes all exposures such as Cash Credit, Overdrafts, Term Loan, Cash, SLR securities, etc., which are held in banking book.

\*\* Off-Balance items such as Letter of Credit, Bank Guarantee and credit exposure equivalent of Inter-bank forwards, merchant forward contracts and derivatives, etc. and undrawn exposures.

<sup>#</sup> Includes all entities considered for Basel III capital adequacy computation.

##### b) Geographic Distribution of Exposures as on 31<sup>st</sup> March, 2026

	Domestic (Rs in crs)	Overseas* (Rs in crs)
Fund Based	4,92,847	19,374
Non-Fund Based	90,559	5,183
<b>Total Exposures</b>	<b>5,83,406</b>	<b>24,557</b>

\* Exposures pertaining to IBU GIFT City Branch

##### c) Industry-Wise Distribution of Exposures as on 31<sup>st</sup> March, 2026

Industry Name	Fund Based (Rs in crs)	Non-Fund Based (Rs in crs)
<b>NBFCs</b>		
NBFCs (other than HFCs)	15,918	1,032
NBFC - Gold Loans	4,312	41
NBFC - MFI	1,868	0
<b>Construction</b>		
Construction related to infra - EPC	1,199	6,662
Roads/other infra project	1,129	2,022
Contract Construction - Civil	1,048	4,166

Industry Name	Fund Based (Rs in crs)	Non-Fund Based (Rs in crs)
<b>Real Estate</b>		
Real Estate Developers	12,765	1,419
Lease Rental Discounting - Real Estate	545	
Housing Finance Companies	2,529	150
RE Infra (Affordable Housing, Warehousing, etc.)	692	97
<b>Power</b>		
Power Generation:		
- Renewable	6,082	7,482
- Non-Renewable	4,133	1,226
Power Transmission	1,315	1,192
Power Distribution	623	460
Power Trading	-	288
<b>Cables</b>		
Telecom Cables	104	220
Power Cables	240	399
<b>Steel</b>		
Steel - Long Products	1,472	878
Steel Flats - CR,GP/GC	1,278	166
Steel Flats - HR	1,271	1,156
Steel - Alloy	908	362
Steel Pipes	325	379
Sponge Iron	756	55
Casting & Forgings	568	294
Stainless Steel	1,155	184
Pig Iron	65	39
<b>Textiles</b>		
Textiles - Readymade Garments	852	54
Textiles - Cotton fabrics	338	39
Textiles - Cotton fibre / yarn	406	42
Textiles - Others (incl. manmade fibres, synthetic fabrics, etc.)	571	471
<b>Telecom</b>		
Telecom - Cellular	13	1,125
Telecom - Fixed	1,850	22
Telecom Infrastructure	1,495	128
Telecom Equipment	97	155
<b>Pharmaceuticals</b>		
Pharmaceuticals - Bulk Drugs	1,775	341
Pharmaceuticals - Formulations	1,558	114

Industry Name	Fund Based (Rs in crs)	Non-Fund Based (Rs in crs)
<b>Fertilisers</b>		
Fertilisers - Phosphatic	77	0
Fertilisers - Nitrogenous	156	3,080
<b>Paper</b>		
Paper - Writing and Printing	345	332
Paper - Industrial	527	124
Paper Newsprint	3	-
Chemicals	2,621	1,165
Petroleum & Products	1,278	300
Gas Distribution	16	4,821
Engineering & Machinery	1,095	4,224
Gems and Jewellery	9,848	1,317
Edible Oils	617	369
Agriculture	5,994	438
Auto Ancillaries/Components	2,904	946
Diversified	8	28
Food Credit	125	-
Capital Market Brokers	0	2,991
Lease Rental Disc (Equipments)	36	-
Plastic & Plastic Products	1,144	294
Food Products & Beverages and Food Processing	3,669	405
Sugar	237	71
SME - Miscellaneous-Mfg.	553	186
Electronic components	305	96
Commodity Market Brokers	9	-
Hotels & Tourism	1,602	64
Shipping	427	414
Educational Institutions	2,448	170
Coal	26	0
IT Enabled Services	1,278	481
Petrochemicals	1,625	424
Banks	19,280	13,803
Mining, Quarrying & Minerals	2,252	2,355
Construction Equipment	254	181
Airlines	289	166
Transport Services	545	336
Oil & Gas	282	2,065
Electric Equipment	741	583
Media, Entertainment & Advertisement	575	362
Organised Retail	550	198
Road Projects - Operational	1,654	1,069

Industry Name	Fund Based (Rs in crs)	Non-Fund Based (Rs in crs)
Trading - Wholesale	2,833	2,398
Trading - Retail	1,317	46
Services	1,916	2,488
Cement and Cement Products	1,698	349
Other Industries	41,925	13,743
<b>Residual Exposures</b>		
Credit Cards	9,751	-
Micro Loans	15,142	-
Micro Finance Loans #	1,640	-
Merchant Advances	8,042	-
Other Retail Assets	22,038	-
Consumer Finance	99,876	-
GOI Securities / Reverse Repo and Balances with RBI	1,09,110	
Residual Assets	60,283	-
<b>Total Assets</b>	<b>5,12,221</b>	<b>95,742</b>

# Loans to borrowers with Household Income (HHI) below Rs 3 lacs. Retail Advances are reported on net basis.

**d) Exposures to industries (other than Consumer Finance) in excess of 5% of total exposure**

Industry	Fund Based (Rs in crs)	Non-Fund Based (Rs in crs)
Banks	19,280	13,803

**e) Residual Contractual Maturity breakdown of assets**

(Rs in crs)

Time Bucket	Cash	Balances with RBI	Balances with other Banks	Investments	Advances*	Fixed Assets	Other Assets	Total
Day 1	690	17,836	2,707	44,082	2,798	-	4,101	72,214
2 to 7 Days	-	492	13,410	2,766	6,878	-	892	24,438
8 to 14 Days	-	545	-	3,028	5,569	-	-	9,142
15 to 30 Days	-	702	2,798	4,976	10,120	-	1,537	20,132
31 days to 2 months	-	702	-	6,222	10,606	-	288	17,819
Over 2 months to 3 months	-	899	-	8,613	16,478	-	1,863	27,853
Over 3 months to 6 months	-	1,734	-	11,001	24,602	-	16,334	53,671
Over 6 months to 1 year	-	1,542	-	12,468	42,721	-	15,093	71,824

Time Bucket	Cash	Balances with RBI	Balances with other Banks	Investments	Advances*	Fixed Assets	Other Assets	Total
Over 1 year to 3 years	-	1,957	-	13,459	1,33,237	-	7,496	1,56,149
Over 3 years to 5 years	-	647	-	4,891	34,283	-	2,047	41,868
Over 5 years	-	2,129	-	13,542	28,579	2,438	1,621	48,310
<b>Total</b>	<b>690</b>	<b>29,186</b>	<b>18,914</b>	<b>1,25,047</b>	<b>3,15,871</b>	<b>2,438</b>	<b>51,273</b>	<b>5,43,419</b>

\*Includes IBPC Borrowings of Rs. 2,123 crs, BRDS Borrowings of Rs. 2,500 crs and BRDS Lending of Rs. 600 crs.

**f) Movement of NPAs and Provision for NPAs as on 31<sup>st</sup> March, 2026**

(Rs in crs)

<b>A) Amount of NPAs (Gross)</b>	<b>11,095</b>
Sub-standard	6,681
Doubtful 1	923
Doubtful 2	439
Doubtful 3	80
Loss	2,971
<b>B) Net NPAs</b>	<b>3,169</b>
<b>C) NPA ratios</b>	
Gross NPA to Gross advances (%)	3.43%
Net NPA to Net advances (%)	1.00%
<b>D) Movement of NPAs (Gross)</b>	
Opening Balance as on 01.04.2025	11,046
Additions during the period	9,490
Reductions during the period	9,442
<b>Closing Balance as on 31.03.2026</b>	<b>11,095</b>
<b>E) Movement of provision for NPAs</b>	
Opening as on 01.04.2025	7,759
Provision made till 31.03.2026	8,466
Write off	7,662
Write back of excess provisions	637
Any other adjustments, including transfers between provisions	-
<b>Closing as on 31.03.2026</b>	<b>7,926</b>

Particulars	Amount (Rs in crs)
Write offs booked directly to income statement	Refer to E above
Recoveries booked directly to income statement	464

**g) Non Performing Investments and Movement of provision for depreciation on investments**

(Rs in crs)

A	Amount of Non-Performing Investments	112
B	Amount of provisions held for non-performing investments	112
C	Movement of provisions for depreciation / appreciation on investments (including NPI Investments)	
	Opening as on 01.04.2025	997
	Add: Provisions made during the year	605
	Less: Write-off/ write-back of excess provisions*	(331)
	<b>Closing Balance as on 31.03.2026</b>	<b>1,271</b>

\*includes transfer of opening provision to reserves and subsequent MTM on AFS and FVTPL category as per Reserve Bank of India (Commercial Banks – Classification, Valuation and Operation of Investment Portfolio) Directions, 2025 dated 28<sup>th</sup> November 2025, applicable to the Bank.

**h) Major Industry Break up of NPA and Provision**

(Rs in crs)

Industry	Gross NPA	Specific Provision
NPA in Top 5 Industry	599	540

**i) Geography wise Distribution of NPA and Provision**

(Rs in crs)

Geography	Gross NPA	Provision
Domestic	10,968	7,799
Overseas*	127	127
<b>Total</b>	<b>11,095</b>	<b>7,926</b>

\* Exposures pertaining to IBU GIFT City Branch

**DF-4: Credit Risk: Disclosures for Portfolios Subject to the Standardised Approach**
**Qualitative Disclosures:**

The Bank uses the Standardised Approach under the RBI's Basel III capital regulations for its credit portfolio. As per the Basel III guidelines on Standardised approach, the risk weight on certain categories of domestic counter parties is determined based on the external rating assigned by specified External Credit Assessment Agencies (ECAIs) assigned by any one of the accredited rating agencies, i.e. CRISIL Ratings Ltd, ICRA, CARE, India Ratings, Acuite, Infomeric and Brickwork. For Foreign counterparties and banks, rating assigned by S&P, Moody's and Fitch are used.

**Types of exposure for which each agency is used**

The Bank has used ratings assigned by the above approved credit rating agencies for all eligible exposures, both on balance sheet and off-balance sheet, whether short term or long term, in the manner permitted in the RBI guidelines on Basel III capital regulations.

### Public issue ratings transferred onto comparable assets

Bank computes risk weight on the basis of external rating assigned, both Long Term and Short Term, for the facilities availed by the borrower. The external ratings assigned are generally facility specific. As per the recent notifications all the external rating agencies shall mention the amount of loan rated in public domain. Bank follow below mentioned procedures as laid down in Basel III guidelines for usage of external ratings:

- Ratings assigned by external credit rating agency (conservative approach is used as per regulatory guidelines in case multiple rating agency has rated the borrower) is used for all the types of claims on the borrowing entity.
- Long term ratings are used for facilities with contractual maturity of more than one year. Short term ratings are generally applied for facilities with contractual maturity of less than or equal to one year.
- If either the short term or long term ratings attracts 150% risk weight on any of the claims on the borrower, Bank assigns uniform risk weight of 150% on all the unrated claims, both short term and long term unless the exposure is subjected to credit risk mitigation.
- In case of multiple ratings, if there are two ratings assigned to the facility that maps to different risk weights, the rating that maps to higher risk weight is used. In case of three or more ratings, the ratings corresponding to the two lowest risk weights is referred to and the higher of those two risk weights is be applied. i.e., the second lowest risk weight.
- For securitized and guaranteed transactions, SO ratings assigned by the rating agency are applied for arriving at the risk weights.
- Bank also ensures that the external rating of the facility/borrower is reviewed at least once by the ECAI during the previous 15 months and is valid.

### Quantitative Disclosures: Risk Weight-wise distribution of Gross Credit Exposures –

Category	Rs in crs
Below 100% Risk Weights	4,12,284
100% Risk Weights	92,723
More than 100% Risk Weights	86,342
Deducted	16,614

### **DF-5: Credit Risk Mitigation: Disclosures for Standardised Approach**

Risk mitigation starts with proper customer selection through assessment of the borrower, along with financial and non-financial parameters as laid by credit risk policy. While granting credit facilities, the sanctioning authorities takes decision based on the credit standing of the borrower, source of repayment and debt servicing ability. Based on the risk profile of the borrower while unsecured facilities may be provided, within the Board approved limits for unsecured lending, collateral is taken wherever needed, depending upon the level of borrower risk profile and the type of loan granted. Common credit risk mitigation techniques are facility structuring, obtaining security/collateral, guarantees and financial covenants.

### **Qualitative Disclosures:**

Bank mitigates credit exposure with eligible collaterals and guarantees to reduce the credit risk of obligors as stipulated under Basel III. In principle with mitigating credit risk, Bank has put in place a comprehensive Policy on Credit Risk Mitigants and Collaterals for recognizing the eligible collaterals and guarantors for netting the

exposures and reducing the credit risk of obligors. Basic procedures and descriptions of controls as well as types of standard/acceptable collaterals, guarantees necessary in granting credit, evaluation methods for different types of credit and collateral, applicable “haircuts” to collateral, frequency of revaluation and release of collateral are stipulated in the Bank’s credit policy, policy on collateral management and credit risk mitigant policy. The Bank uses net exposure for capital calculations after taking cognizance of eligible financial collaterals. All collaterals and guarantees are recorded and the details are linked to individual accounts. Perfection of security interest, date, currency and correlation between collateral and counterparty are also considered. The Bank enters into Credit Support Annexes under ISDAs with specific counterparties under which Independent Amount and Variation Margin is receivable/payable.

As lending is subject to default risk, Bank accepts collateral securities to minimize the impact of loss and consequently reducing the credit risk. The type of collaterals is determined based on the nature of facility, product type, counter party risk and its credit quality. However, as explained earlier, collateral is not the sole criteria for granting credit. For Corporate and SME clients, working capital facility is generally secured by charge on current assets and Term loan is secured by charge on fixed assets. In case of project financing, Bank generally stipulates escrow of receivables/project cash flows along with the charge on underlying project assets. The credit risk policy clearly defines the types of secondary securities and minimum percentage in relation to the total exposures that is required to be obtained in case of credit granted to obligors falling outside the preferred rating grade. Credit facilities are also granted against the security of assets such as cash deposits, NSC, guarantee, mortgages, pledge of shares and commodities, bank guarantees, accepted bills of exchange, assignment of receivables etc. The credit facilities, in terms of risk policies, are secured by secondary collaterals such as cash deposits, NSC, guarantee, mortgages, fixed assets etc. Bank also grants unsecured credit to the borrowers with high standing and low credit risk profile. Customers under Credit card programme are assessed by means of comprehensive customer selection parameters.

For Business Banking clients, who are driven by product programmes and templated scoring models, the facilities are ordinarily secured by adequate collaterals. The programmes have a robust mechanism for collateral acceptance, valuation and monitoring.

In case of schematic products such as Home Loan, LAP, Auto Loan, etc., Loan to value ratio, margin and valuation/revaluation of collaterals is defined in the respective product programme. The valuation is generally carried out by the empaneled valuer of the Bank. Bank has also put in place approved product paper on loan against warehouse receipts, shares and other securities. The margin, valuation and revaluation of the assets are specified in the product note.

The credit approving authorities also decides on the type and amount of collaterals for each type of facility on a case-to-case basis. For schematic loans and facilities offered under product programme, securities are obtained as defined in the product note.

#### **Quantitative Disclosures:**

##### **Eligible financial asset collateral and guarantor**

For the purpose of credit risk mitigation, i.e. offsetting the amount of collateral/ basket of collaterals against the individual/ pool of exposures to which the collaterals are assigned, financial asset collateral types are defined by the Bank as per the Capital Adequacy Framework to include Fixed deposits, KVP, IVP, NSC, Life Insurance Policies, Gold, Securities issued by Central and State Governments and units of Mutual Fund. On a similar note, the eligible guarantors are classified into the following categories:

- Sovereigns, Sovereign entities, Banks and Primary Dealers with lower risk weights than the counterparty
- Other entities including guarantee cover provided by parent, subsidiary and affiliate companies when they have lower risk weight than the obligor.

(Rs in crs)

Particulars	Eligible Financial Collaterals	Supported by guarantee
Exposure before applying eligible mitigants	58,177	3,768
Exposure after applying eligible mitigants	31,715	-

Bank also makes use of credit mitigation by way of guarantees / letters of credit provided by other eligible guarantors / banks as per RBI guidelines over and above collateral.

#### **DF-6: Securitisation Exposures: Disclosure for Standardised Approach**

##### **Qualitative Disclosures:**

‘Securitisation’ means a structure where a pool of assets is transferred by an originator to a Special Purpose Entity (SPE) and cash flow from this pool of assets is used to service securitisation exposures of at least two different tranches reflecting different degrees of credit risk, where payments to the investors depend upon the performance of the specified underlying exposures, as opposed to being derived from an obligation of the originator.

‘Special Purpose Entity (SPE)’ means a company, trust, or other entity organized for a specific purpose, the activities of which are limited to those appropriate to accomplish the purpose of the SPE, and the structure of which is intended to isolate the SPE from the credit risk of an originator.

The Bank’s primary objective of securitisation activities is to increase the efficiency of capital and diversifying the sources of funding. During the year ending March 31, 2026, the Bank has invested in PTC instruments.

The Bank, in the past, had carried out securitization transaction and such deals were done on the basis of ‘True Sale’, which provides 100% protection to the Bank from the default in case of assets originated by it. All risks in the securitised portfolio were transferred to the Special Purpose Entity (SPE). Post-securitisation, Bank continued to service the loans transferred under securitization. Bank had also provided for credit enhancements in the form of cash collaterals to a minimum extent.

Apart from managing credit risk, Bank also considers different types of risks viz. interest rate risk and liquidity risk for the retained assets or acquired portfolio and ensure its adequate assessment and mechanism for mitigating the same. The securitized portfolio, both the retained part and acquired assets are monitored regularly in terms of various risk parameters such as repayment, cash flows to service the interest, principal and other charges, counterparty risk, servicer’s capability, underlying asset risk profile and interest rate risk.

**Quantitative Disclosures: Banking Book**
**Exposure details on account of securitization transactions**
**(a) Securitization exposures in Banking Book**

Aggregate amount of on-balance sheet exposures retained or purchased and outstanding as at 31<sup>st</sup> March, 2026 is given below:

S No	Exposure type	On Balance Sheet Amount (Rs in crs)
1	Total amount of exposures retained	
	Securities purchased	
	MSME Loan	1,122
	Vehicle Loans	2,664
	Personal Loan	52
	Home Loan	392
	Other	189
2	Liquidity facility	-
3	Credit commitments (cash collateral)	-
4	Other commitments	-
	<b>Total*</b>	<b>4,419</b>

\*PTC Purchased

Risk-weight wise and bucket wise details of exposures on the basis of book value:

Exposure type	Amount (Rs in Crs)	Capital Charge (Rs in crs)
Below 100% risk weight	4,419	104
100% risk weight	-	-
More than 100% risk weight	-	-
Deductions	-	-
-Entirely from Tier I capital	-	-
-Credit enhancing I/Os deducted from total capital	-	-
- Credit enhancement (cash collateral)	-	-

**(b) Amount of Assets intended to be securitized within a year:**

For the time being Bank does not have any plans to undertake securitization of its assets. However, for the purpose of balance sheet management and if the opportunities arise, securitization of exposure may be explored.

**Quantitative disclosures: Trading Book**
**(c) Securitisation exposures in Trading Book:**

Aggregate amount of on-balance sheet securitisation exposures retained or purchased broken down by exposure type:

Exposure Type	Amount (Rs in crs)
-	-

Aggregate amount of securitisation exposures retained or purchased subject to Comprehensive Risk Measure for specific risk:

Exposure Type	Amount (Rs in crs)
-	-

Aggregate amount of securitisation exposures retained or purchased subject to securitisation framework for specific risk broken down into different risk weight bands:

Risk Weight band	Amount (Rs in crs)
<100% risk weight	-
100% risk weight	-
>100% risk weight	-
<b>Total</b>	-

Aggregate amount of the capital requirements for the securitisation exposures, subject to the securitisation framework broken down into different risk weight bands:

Risk Weight band	Capital Charge Amount (Rs in crs)
<100% risk weight	-
100% risk weight	-
>100% risk weight	-
<b>Total</b>	-

Securitisation exposures deducted from capital

Exposure Type	Exposures deducted entirely from Tier-1 capital	Credit enhancing interest-only strips deducted from total capital	Other exposures deducted from total capital
NA			

**DF-7: Market Risk in Trading book**
**Qualitative Disclosures:**

Market Risk may be defined as the possibility of loss to a bank caused by changes in the market variables. The market risk for the Bank is governed by the Market Risk Policy and GMG Policies comprising Funds and Investment policy, Foreign Exchange policy, Derivative policy, Equity Policy and IBU policy which are approved by the Board. These policies serve to outline the Bank's risk appetite and risk philosophy in respect of Treasury / Forex / Equity / Derivatives / Bullion operations, and the controls that are considered essential for the

management of market risks. The policies are reviewed periodically to update it with changed business requirements, economic environment and revised regulatory guidelines.

#### Sources of market risk:

Market risks arise from the following risk factors:

- ▶ Price risk for Bonds, Equities and Bullion
- ▶ Interest rate risk for Investments, Derivatives, etc.
- ▶ Exchange rate risk for Currencies; and
- ▶ Liquidity Risk.

#### Objectives of Market risk management:

The broad objectives of Market Risk management are:

- ▶ Management of Price Risk, Interest rate risk and Currency risk of the trading portfolio.
- ▶ Adequate control and reporting of Investments, Forex, Equity and Derivative portfolios and their P&L.
- ▶ Compliance with regulatory and internal policy/guidelines.
- ▶ Monitoring and Control of transactions of market related instruments

#### Scope and nature of risk reporting and measurement systems:

##### Reporting

Market Risk group reports various Investment positions, Equity positions, Foreign exchange positions and Derivatives position with their related risk measures to top management daily and to Committees of the Board on a periodic basis. Bank periodically reports the related positions to regulators in compliance with regulatory requirements.

##### Measurement

Bank monitors its risks through risk management tools and techniques such as are Value-at-Risk (VaR), Sensitivity based limits (PV01, Greeks, etc.), Stop Loss amongst others. Various risk limits are placed vide the policy documents which are monitored on a daily basis.

Value at Risk (VaR) is computed on a daily basis with a 99% confidence level for a one-day holding period and a historical observation period of 1 year. The VaR model is validated through the process of Back-testing. Stress Testing is carried out at quarterly intervals to quantify the impact of extreme but low-probability market movements. Both historical and hypothetical stress scenarios are used for this purpose. Results are reported to Market Risk Management Committee, Risk Management Committee and the Board of the Bank.

#### Quantitative Disclosures:

##### Capital requirements for Market risks @ 9%

(Rs in crs)	
Market Risk elements	Amount of capital required
Interest Rate Risk	400
Foreign Exchange Risk (including gold)	278
Equity Risk	-

## **DF-8: Operational Risk**

### **Qualitative Disclosures:**

Bank has framed Operational Risk Management Policy duly approved by the Board.

Operational Risk Management Policy adopted by the Bank outlines organization structure and detailed process for management of Operational Risk. Basic objective of the policy is to closely integrate operational management system to risk management processes of the Bank by clearly assigning roles for effectively identifying, assessing, monitoring and controlling / mitigating operational risk exposures, including material operational losses. Operational risks in the Bank are managed through comprehensive and well-articulated internal control frameworks. Bank has implemented the process of capturing, reporting and assessing risk events at the process level.

## **DF-9: Interest Rate Risk in the Banking Book (IRRBB)**

### **Qualitative Disclosures:**

Interest Rate Risk is the risk of loss in the Bank's net income and net equity value arising out of a change in level of interest rates and / or their implied volatility. Interest rate risk arises from holding assets and liabilities with different principal amounts, maturity dates and re-pricing dates. The Bank holds assets, liabilities and off balance sheet items across various markets with different maturity or re-pricing dates and linked to different benchmark rates, thus creating exposure to unexpected changes in the level of interest rates in such markets. Interest rate risk in the banking book refers to the risk associated with interest rate sensitive instruments that are not held in the trading book of the Bank.

### **Risk Management Framework**

The Board of the Bank has overall responsibility for management of risks and it decides the risk management policy of the Bank and set limits for liquidity, interest rate, foreign exchange and equity price risks. The Asset Liability Management Committee (ALCO) consisting of Bank's senior management including Managing Director is responsible for ensuring adherence to the limits set by the Board as well as for deciding the business strategy of the Bank (for the assets and liabilities) in line with the Bank's budget and decided risk management objectives. ALCO decides strategies and specifies prudential limits for management of interest rate risk in the banking book within the broad parameters laid down by Board of Directors. These limits are monitored on a monthly basis and the breaches, if any, are reported to ALCO.

### **Monitoring and Control**

The Board of Directors has approved the Asset-Liability Management policy. The policy is intended to be flexible to deal with rapidly changing conditions; any variations from policy should be reported to the Board of Directors with recommendations and approval from the ALCO.

The Bank has put in place a mechanism for regular computation and monitoring of prudential limits and ratios for liquidity and interest rate risk management. The Bank uses its system capability for limits and ratio monitoring. The ALCO support group generates periodic reports for reporting these to ALCO and senior management of the Bank. The ALM support group carries out various analyses related to assets and liabilities, forecast financial market outlook, compute liquidity ratios and interest rate risk values based on the earnings and economic value perspective.

### Risk measurement and reporting framework:

The estimation of interest rate risk involves interest rate sensitive assets (RSAs) and interest rate sensitive liabilities (RSLs).

The techniques for managing interest rate risk include:

- ▶ Interest rate sensitivity gap Analysis
- ▶ Earning at Risk Analysis
- ▶ Economic Value Perspective Analysis
- ▶ Stress Testing

### Quantitative Disclosures:

#### Interest Rate Sensitivity Gap:

The gap or mismatch risk as at a given date, is measured by calculating gaps over different time intervals. Gap analysis measures mismatches between rate sensitive liabilities (RSL) and rate sensitive assets (RSA) (including off-balance sheet positions).

The report is prepared by grouping liabilities, assets and off-balance sheet positions into time buckets according to residual maturity or next re-pricing period, whichever is earlier. Bucketing of non-maturity liability items for interest rate risk measurement is based on the behavioural analysis methodology for identification of core and non-core components. Bucketing rules of core and non-core portions in the interest rate sensitivity statements are laid out in the ALM policy. The difference between RSA and RSL for each time bucket signifies the gap in that time bucket. The gap report provides a good framework for determining the earnings impact.

#### Earning at Risk:

It measures the level of a bank's exposure to interest rate risk in terms of sensitivity of its NII to interest rate movements over one-year horizon. It involves bucketing of all rate sensitive assets (RSA) and rate sensitive liabilities (RSL) and off-balance sheet items maturing or getting re-priced in the next one year and computing change of income under various changes in the level of interest rates.

#### Economic Value Perspective:

Economic Value Perspective calculates the long-term impact on the market value of equity (MVE) of the Bank through changes in the economic value of its rate sensitive assets, liabilities and off-balance sheet positions. Economic value perspective is measured using Duration Gap Analysis (DGA). DGA involves computing of the Modified Duration Gap (MDG) between RSA and RSL and thereby the Duration of Equity (DoE). The DoE is a measure of sensitivity of market value of equity to changes in interest rates.

The impact of change in interest rate by 100 bps and 50 bps has been computed on open positions (as on 31<sup>st</sup> March 2026) and shown hereunder against the respective currencies.

Change in interest rates (in bps)				
Impact on NII (Rs in crs)				
Currency	-100	-50	50	100
INR	-287	-143	143	287
USD	-72	-36	36	72
Others	-74	-37	37	74
<b>Total</b>	<b>-433</b>	<b>-217</b>	<b>217</b>	<b>433</b>

Change in interest rates (in bps)				
Impact on MVE (Rs in crs)				
Currency	-100	-50	50	100
INR	2,437	1,219	-1,219	-2,437
USD	4	2	-2	-4
Others	-343	-171	171	343
<b>Total</b>	<b>2,099</b>	<b>1,049</b>	<b>-1,049</b>	<b>-2,099</b>

#### **DF-10: General Disclosures for Exposures Related to Counterparty Credit Risk**

##### **Qualitative Disclosures:**

Counterparty Credit Risk (CCR) is the risk that the counterparty to a transaction could default before the final settlement of the transaction's cash flows. An economic loss would occur if the transactions or portfolio of transactions with the counterparty has a positive economic value for the Bank at the time of default. Unlike exposure to credit risk through a loan, where the exposure to credit risk is unilateral and only the lending bank faces the risk of loss, CCR creates a bilateral risk of loss whereby the market value for many different types of transactions can be positive or negative to either counterparty. The market value is uncertain and can vary over time with the movement of underlying market factors.

The Bank has entered into Credit Support Annex ('CSA') agreements with a few domestic and foreign covered entities. CSA defines the terms or rules under which collateral is posted or transferred between derivative counterparties to mitigate the credit risk. Exposure to Central counterparties arising from over-the-counter derivative trades (subsequently guaranteed by CCP), trades executed with Central counterparties and exchange traded derivatives transactions attracts capital charges applicable to Central Counterparty. Applicable risk weights for trades guaranteed by central counterparties, which are recognised as qualifying central counterparty (QCCP) by Reserve Bank of India or SEBI or any appropriate regulator, are comparatively lower than OTC deals. These QCCPs are subjected, on an ongoing basis, to rules and regulations that are consistent with CPSS-IOSCO Principles for Financial Market Infrastructures.

Counterparty credit risk is managed and controlled through variety of risk policies and monitoring procedures including, but not limited, to the following:

- Credit Risk Policy
- Bank Risk Policy
- Foreign Exchange & Derivative Policy and
- Country Risk Policy

Wrong-way risk occurs when value of the collateral collected from the counterparty is correlated to deterioration in its creditworthiness. The collateral exchanged with counterparties having CSA (Credit Support Annex) agreement with the Bank are Cash and Sovereign securities, thereby implying no wrong way risks.

Capital is allocated to CCR exposures taking into consideration the regulatory guidelines on Basel – III capital adequacy computation.

**Bilateral Netting:** Capital Charge on Credit Risk for Market Related Off-Balance Instruments and CVA have been computed considering exposures on netted basis in line with Bilateral Netting guidelines in place. Bank has computed the exposure under the Current Exposure Method as per RBI Guidelines.

**Quantitative Disclosures:**

**Exposure on account of Counterparty Credit Risk**

Derivatives exposure as of 31<sup>st</sup> March 2026 basis Current Exposure Method (CEM) without considering the Netting Benefit:

(Rs in crs)

Particulars	Amount
Gross positive value of contracts	11,667
Netting Benefits	-
Netted current credit exposure	24,185
Collateral held	1,877
<b>Net derivative credit exposure</b>	<b>22,308</b>

**\*Bank does not have exposure to Credit Derivatives as on 31<sup>st</sup> March 2026**

Bank has computed exposure under the Current Exposure Method for counterparty credit risk capital computation based on the latest guidelines issued by RBI. However, for the purpose of calculating exposure in table above, the Bank has used Current Exposure Method ('CEM') without the impact of Bilateral Netting.

**DF-11: Composition of Capital**

(Rs. in crs)

Common Equity Tier 1 capital: Instruments and reserves		At March 31, 2026	
1	Directly issued qualifying common share capital plus related stock surplus (share premium)	19,619.92	A=a1+c1
2	Retained earnings	29,649.38	B=b1-b2
3	Accumulated other comprehensive income (and other reserves)	14,706.50	C=c2+c3+c4+c5+c6-c7+c8+c9-c10+c12+13-c14
4	<i>Directly issued capital subject to phase out from CET1 (only applicable to non-joint stock companies<sup>1</sup>)</i>	-	
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	-	
6	<b>Common Equity Tier 1 capital before regulatory adjustments</b>	-	
Common Equity Tier 1 capital: regulatory adjustments			
7	Prudential valuation adjustments	165.42	
8	Goodwill (net of related tax liability)	-	
9	Intangibles (net of related tax liability)	-	
10	Deferred tax assets <sup>2</sup>	-	
11	Cash-flow hedge reserve	-	
12	Shortfall of provisions to expected losses	-	

13	Securitisation gain on sale	-	
14	Gains and losses due to changes in own credit risk on fair valued liabilities	-	
15	Defined-benefit pension fund net assets	-	
16	Investments in own shares (if not already netted off paid-in capital on reported balance sheet)	-	
17	Reciprocal cross-holdings in common equity	-	
18	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	-	
19	Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions (amount above 10% threshold) <sup>3</sup>	-	
20	Mortgage servicing rights <sup>4</sup> (amount above 10% threshold)	NA	
21	Deferred tax assets arising from temporary differences <sup>5</sup> (amount above 10% threshold, net of related tax liability)	NA	
22	Amount exceeding the 15% threshold <sup>6</sup>	NA	
23	<i>of which: significant investments in the common stock of financial entities</i>	NA	
24	<i>of which: mortgage servicing rights</i>	NA	
25	<i>of which: deferred tax assets arising from temporary differences</i>	NA	
26	National specific regulatory adjustments <sup>7</sup> (26a+26b+26c+26d)	43.70	
26a	<i>of which: Investments in the equity capital of the unconsolidated insurance subsidiaries</i>	-	
26b	<i>of which: Investments in the equity capital of unconsolidated non-financial subsidiaries<sup>8</sup></i>	43.70	
26c	<i>of which: Shortfall in the equity capital of majority owned financial entities which have not been consolidated with the bank<sup>9</sup></i>	-	
26d	<i>of which: Unamortised pension funds expenditures</i>	-	
26e	<i>of which: deductions applicable on account of SRs guaranteed by the Government of India</i>	-	
26f	<i>of which: Intra-group exposures beyond permissible limits</i>	-	
26g	<i>of which: Net unrealised gains arising on fair valuation of Level 3 financial instruments recognised in the Profit and Loss Account or in the AFS-Reserve</i>	-	

27	Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions	-	
28	<b>Total regulatory adjustments to Common equity Tier 1</b>	<b>209.13</b>	
29	<b>Common Equity Tier 1 capital (CET1)</b>	<b>63,766.66</b>	
<b>Additional Tier 1 capital: instruments</b>			
30	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus (31+32)	-	
31	<i>of which:</i> classified as equity under applicable accounting standards (Perpetual Non-Cumulative Preference Shares)	-	
32	<i>of which:</i> classified as liabilities under applicable accounting standards (Perpetual debt Instruments)	-	D=d1
33	<i>Directly issued capital instruments subject to phase out from Additional Tier 1</i>	-	
34	Additional Tier 1 instruments (and CET1 instruments not included in row 5) issued by subsidiaries and held by third parties (amount allowed in group AT1)	-	
35	<i>of which: instruments issued by subsidiaries subject to phase out</i>	-	
36	<b>Additional Tier 1 capital before regulatory adjustments</b>	-	
<b>Additional Tier 1 capital: regulatory instruments</b>			
37	Investments in own Additional Tier 1 instruments	-	
38	Reciprocal cross-holdings in Additional Tier 1 instruments	-	
39	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold)	-	
40	Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions) <sup>10</sup>	-	
41	National specific regulatory adjustments (41a+41b)	-	
41a	<i>Of which:</i> Investments in the Additional Tier 1 capital of unconsolidated insurance subsidiaries	-	
41b	<i>Of which:</i> Shortfall in the Additional Tier 1 capital of majority owned financial entities which have not been consolidated with the bank	-	
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	-	

43	<b>Total regulatory adjustments to Additional Tier 1 capital</b>	-	
44	<b>Additional Tier 1 capital (AT1)</b>	-	
45	<b>Tier 1 capital (T1 = CET1 + AT1) (29 + 44)</b>	<b>63,766.66</b>	
<b>Tier 2 capital: instruments and provisions</b>			
46	Directly issued qualifying Tier 2 instruments plus related stock surplus	2,800.00	F=g1
47	Directly issued capital instruments subject to phase out from Tier 2	-	
48	Tier 2 instruments (and CET1 and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties (amount allowed in group Tier 2)	-	
49	<i>of which:</i> instruments issued by subsidiaries subject to phase out	-	
50	Provisions <sup>12</sup>	2,220.73	E=c11+e1-f1
51	<b>Tier 2 capital before regulatory adjustments</b>	<b>5,020.73</b>	
<b>Tier 2 capital: regulatory adjustments</b>			
52	Investments in own Tier 2 instruments	-	
53	Reciprocal cross-holdings in Tier 2 instruments	-	
54	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above the 10% threshold)	-	
55	Significant investments <sup>13</sup> in the capital banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	-	
56	National specific regulatory adjustments (56a+56b)	-	
56a	<i>of which:</i> Investments in the Tier 2 capital of unconsolidated subsidiaries	-	
56b	<i>of which:</i> Shortfall in the Tier 2 capital of majority owned financial entities which have not been consolidated with the bank	-	
57	<b>Total regulatory adjustments to Tier 2 capital</b>	-	
58	<b>Tier 2 capital (T2)</b>	<b>5,020.73</b>	
59	<b>Total capital (TC = T1 + T2) (45 + 58)</b>	<b>68,787.39</b>	
60	<b>Total risk weighted assets (60a + 60b + 60c)</b>	<b>3,93,542.92</b>	
60a	<i>of which: total credit risk weighted assets</i>	3,33,512.07	
60b	<i>of which: total market risk weighted assets</i>	7,532.81	
60c	<i>of which: total operational risk weighted assets</i>	52,498.04	

<b>Capital ratios and buffers</b>			
61	Common Equity Tier 1 (as a percentage of risk weighted assets)	16.20	
62	Tier 1 (as a percentage of risk weighted assets)	16.20	
63	Total capital (as a percentage of risk weighted assets)	17.48	
64	Institution specific buffer requirement (minimum CET1 requirement plus capital conservation plus countercyclical buffer requirements plus G-SIB buffer requirement, expressed as a percentage of risk weighted assets)	8.000	
65	<i>of which: capital conservation buffer requirement</i>	2.500	
66	<i>of which: bank specific countercyclical buffer requirement</i>	N A	
67	<i>of which: G-SIB buffer requirement</i>	N A	
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk weighted assets)	N A	
<b>National minima (if different from Basel III)</b>			
69	National Common Equity Tier 1 minimum ratio (if different from Basel III minimum)	5.50%	
70	National Tier 1 minimum ratio (if different from Basel III minimum)	7.00%	
71	National total capital minimum ratio (if different from Basel III minimum)	9.00%	
<b>Amounts below the thresholds for deduction (before risk weighting)</b>			
72	Non-significant investments in the capital of other financial entities	-	
73	Significant investments in the common stock of financial entities	-	
74	Mortgage servicing rights (net of related tax liability)	-	
75	Deferred tax assets arising from temporary differences (net of related tax liability)	-	
<b>Applicable caps on the inclusion of provisions in Tier 2</b>			
76	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap)	-	
77	Cap on inclusion of provisions in Tier 2 under standardised approach	-	
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)	-	
79	Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	-	

**Notes to the Template**

Row No. of the template	Particulars	(Rs. in crs)
10	Deferred tax assets associated with accumulated losses	-
	Deferred tax assets (excluding those associated with accumulated losses) net of Deferred tax liability	-
	Total as indicated in row 10	-
19	If investments in insurance subsidiaries are not deducted fully from capital and instead considered under 10% threshold for deduction, the resultant increase in the capital of bank	-
	of which: Increase in Common Equity Tier 1 capital	-
	of which: Increase in Additional Tier 1 capital	-
	of which: Increase in Tier 2 capital	-
26b	If investments in the equity capital of unconsolidated non-financial subsidiaries are not deducted and hence, risk weighted then:	-
	(i) Increase in Common Equity Tier 1 capital	-
	(ii) Increase in risk weighted assets	-
50	Eligible Provisions included in Tier 2 capital	2,220.73
	Eligible Revaluation Reserves included in Tier 2 capital	-
	Total of row 50	2,220.73

**DF-12: Composition of Capital- Reconciliation Requirements**
**Step 1**

(Rs. in crs)

		Balance sheet as in financial statements As on Mar 31, 2026	Balance sheet under regulatory scope of consolidation As on Mar 31, 2026 (*)
<b>A</b>	<b>Capital &amp; Liabilities</b>		
i	Paid-up Capital	779.11	779.11
	Reserves & Surplus	64,510.25	64,809.35
	Employees' Stock Option Outstanding	151.17	151.17
	Minority Interest	-	-
	Total Capital	<b>65,440.53</b>	<b>65,739.63</b>
ii	Deposits	<b>4,00,173.75</b>	<b>3,99,930.75</b>
	<i>of which:</i> Deposits from banks	11,937.10	11,937.10
	<i>of which:</i> Customer deposits	3,88,236.65	3,87,993.65

	<i>of which:</i> Other deposits (pl. specify)	-	-
iii	Borrowings	<b>42,789.18</b>	<b>42,789.18</b>
	<i>of which:</i> From RBI	-	-
	<i>of which:</i> From banks	25.68	25.68
	<i>of which:</i> From other institutions & agencies	28,141.46	28,141.46
	<i>of which:</i> Others (pl. specify) Borrowings from outside India	11,822.04	11,822.04
	<i>of which:</i> Capital instruments	2,800.00	2,800.00
iv	Other liabilities & provisions	<b>35,015.59</b>	<b>34,934.35</b>
	<b>Total</b>	<b>5,43,419.05</b>	<b>5,43,393.91</b>
<b>B</b>	<b>Assets</b>		
i	Cash and balances with Reserve Bank of India	<b>29,875.37</b>	<b>29,945.63</b>
	Balance with banks and money at call and short notice	<b>18,914.17</b>	<b>18,986.72</b>
ii	Investments:	<b>1,25,046.97</b>	<b>1,25,007.04</b>
	<i>of which:</i> Government securities	1,06,960.29	1,06,960.29
	<i>of which:</i> Other approved securities	-	-
	<i>of which:</i> Shares	209.05	212.82
	<i>of which:</i> Debentures & Bonds	1,051.54	1,051.54
	<i>of which:</i> Subsidiaries / Joint Ventures / Associates	43.70	-
	<i>Of which:</i> Others (Commercial Papers, Mutual Funds etc.)	16,782.39	16,782.39
iii	Loans and advances	<b>3,15,871.39</b>	<b>3,15,871.39</b>
	<i>of which:</i> Loans and advances to banks	0.01	0.01
	<i>of which:</i> Loans and advances to customers	3,15,871.38	3,15,871.38
iv	Fixed assets	<b>2,438.25</b>	<b>2,545.91</b>
v	Other assets	<b>51,272.90</b>	<b>51,037.22</b>
	<i>of which:</i> Goodwill and intangible assets	-	-
	<i>of which:</i> Deferred tax assets	225.96	225.96
vi	Good will on consolidation	-	-
vii	Debit balance in Profit & Loss account	-	-
	<b>Total Assets</b>	<b>5,43,419.05</b>	<b>5,43,393.91</b>

**Step 2**

(Rs. in crs)

		<b>Balance sheet as in financial statements As on Mar 31, 2026</b>	<b>Balance sheet under regulatory scope of consolidation As on Mar 31, 2026 (*)</b>	<b>Ref No.</b>
<b>A</b>	<b>Capital &amp; Liabilities</b>			
i	Paid-up Capital	779.11	779.11	a1
	of which: Amount eligible for CET1	779.11	779.11	
	of which: Amount eligible for AT1	-	-	
	Reserves & Surplus	64,661.42	64,960.52	
	<i>of which :</i>			
	<i>Balance in P/L a/c.</i>	29,822.23	30,121.33	b1
	<i>Current period P/L a/c not reckoned for Capital Adequacy purposes</i>	172.86	172.86	b2
	Share Premium	18,840.81	18,840.81	c1
	Statutory Reserve	13,119.03	13,119.03	c2
	General Reserve	232.21	232.21	c3
	<i>of which</i>			
	Not reckoned for Capital Adequacy purposes	88.46	88.46	c4
	Capital Reserve	1,101.01	1,101.01	c5
	AFS Reserve	-50.76	-50.76	c6
	<i>of which</i>			
	Not reckoned for Capital Adequacy purposes	-0.19	-0.19	c7
	Employee Stock Options Outstanding	151.17	151.17	c8
	Foreign Currency Translation Reserve	255.83	255.83	c9
	<i>of which</i>			
	<i>Not reckoned for Capital Adequacy purposes</i>	63.96	63.96	c10
	Investment Fluctuation Reserve	868.24	868.24	c11
	Amalgamation Reserve	50.63	50.63	c12
	Revaluation Reserve	271.03	271.03	c13
	<i>of which</i>			
	Not reckoned for Capital Adequacy purposes	271.03	271.03	c14
	Minority Interest	-	-	
	<b>Total Capital</b>	<b>65,440.53</b>	<b>65,739.63</b>	
ii	Deposits	<b>4,00,173.75</b>	<b>3,99,930.75</b>	
	<i>of which: Deposits from banks</i>	11,937.10	11,937.10	
	<i>of which: Customer deposits</i>	3,88,236.65	3,87,993.65	
	<i>of which: Other deposits (pl. specify)</i>	-	-	
iii	Borrowings	<b>42,789.18</b>	<b>42,789.18</b>	
	<i>of which: From RBI</i>	-	-	

	<i>of which:</i> From banks	25.68	25.68	
	<i>of which:</i> From other institutions & agencies	28,141.46	28,141.46	
	<i>of which:</i> Others (pl. specify) Borrowings from outside India	11,822.04	11,822.04	
	<i>of which:</i> Capital instruments	2,800.00	2,800.00	
	<i>Eligible AT1 Capital</i>	-	-	d1
	<i>Eligible Tier 2 Capital</i>	2,800.00	2,800.00	g1
iv	Other liabilities & provisions	<b>35,015.59</b>	<b>34,934.35</b>	
	<i>of which: Provision for Standard Advances</i>	1,654.28	1,654.28	e1
	<i>Not reckoned for Capital Adequacy purposes</i>	301.79	301.79	f1
	<i>of which :</i> DTLs related to goodwill	-	-	
	<i>of which :</i> Details related to intangible assets	-	-	
	<b>Total Liabilities</b>	<b>5,43,419.05</b>	<b>5,43,393.91</b>	
<b>B</b>	<b>Assets</b>			
i	Cash and balances with Reserve Bank of India	<b>29,875.37</b>	<b>29,945.63</b>	
	Balance with banks and money at call and short notice	<b>18,914.17</b>	<b>18,986.72</b>	
ii	Investments:	<b>1,25,046.97</b>	<b>1,25,007.04</b>	
	<i>of which:</i> Government securities	1,06,960.29	1,06,960.29	
	<i>of which:</i> Other approved securities	-	-	
	<i>of which:</i> Shares	209.05	212.82	
	<i>of which:</i> Debentures & Bonds	1,051.54	1,051.54	
	<i>of which:</i> Subsidiaries / Joint Ventures / Associates	43.70	-	
	<i>of which:</i> Others ( Commercial Papers, Mutual Funds etc.)	16,782.39	16,782.39	
iii	Loans and advances	<b>3,15,871.39</b>	<b>3,15,871.39</b>	
	<i>of which:</i> Loans and advances to banks	0.01	0.01	
	<i>of which:</i> Loans and advances to customers	3,15,871.37	3,15,871.37	
iv	Fixed assets	<b>2,438.25</b>	<b>2,545.91</b>	
v	Other assets	<b>51,272.90</b>	<b>51,037.22</b>	
	<i>of which:</i> Goodwill and intangible assets	-	-	
	Out of which :	-	-	
	Goodwill	-	-	
	Other Intangibles (excluding MSR's)	-	-	
	Deferred tax assets	225.96	225.96	
vi	Good will on consolidation	-	-	
vii	Debit balance in Profit & Loss account	-	-	
	<b>Total Assets</b>	<b>5,43,419.05</b>	<b>5,43,393.91</b>	

**Step 3**

<b>Common Equity Tier 1 capital : instruments and reserves</b>			
		Component of regulator capital reported by bank	Source based on reference number / letters of the balance sheet under the regulatory scope of consolidation from step 2
1	Directly issued qualifying common share (and equivalent for non-joint stock companies) capital plus related stock surplus (share Premium)	19,619.92	A=a1+c1
2	Retained earnings	29,766.24	B=b1-b2
3	Accumulated other comprehensive income (and other reserves)	14,706.89	C=c2+c3-c4+c5+c6-c7+c8+c9+c10+c12+13-c14
4	Directly issued capital subject to phase out from CET1 (only applicable to non-joint stock companies)	-	
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	-	
6	<b>Common Equity Tier I capital before Regulatory adjustments</b>	64,093.04	
7	Prudential valuation adjustments	165.42	
8	Goodwill (net of related tax liability)	-	

(\*) The Bank has a non-financial wholly owned subsidiary, and hence consolidation is only for accounting purpose. Capital adequacy is being computed at the solo bank level.

**DF-13: Main Features of Regulatory Capital Instruments**

Sr. No	Particulars	Equity Shares	Tier 2 Bond (Series XV)
1	Issuer	INDUSIND BANK LTD	INDUSIND BANK LTD
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	INE095A01012	INE095A08090
3	Governing law(s) of the instrument	Indian Law	Indian Law
	<i>Regulatory treatment</i>		
4	Transitional Basel III rules	Common Equity Tier I	Tier 2 Capital
5	Post-transitional Basel III rules	Common Equity Tier I	Tier 2 Capital
6	Eligible at solo/group/ group & solo	Group and Solo	Group and Solo

Sr. No	Particulars	Equity Shares	Tier 2 Bond (Series XV)
7	Instrument type	Common Shares	Debt Instrument
8	Amount recognised in regulatory capital (Rs. in crs, as of most recent reporting date)	Rs. 779 crs	Rs. 2,800 crs
9	Par value of instrument	Rs. 10 per share	Rs. 1 cr per Bond
10	Accounting classification	Shareholder's Equity	Borrowings
11	Original date of issuance	Various	29.10.2021
12	Perpetual or dated	Perpetual	Dated
13	Original maturity date	No Maturity	29.10.2031
14	Issuer call subject to prior supervisory approval	No	No
15	Optional call date, contingent call dates and redemption amount	Not Applicable	Not Applicable
16	Subsequent call dates, if applicable	Not Applicable	Not Applicable
	<i>Coupons / dividends</i>		
17	Fixed or floating dividend/coupon	Not Applicable	Fixed
18	Coupon rate and any related index	Not Applicable	8.11% per Annum
19	Existence of a dividend stopper	Not Applicable	Not Applicable
20	Fully discretionary, partially discretionary or mandatory	Fully Discretionary	Fully Discretionary
21	Existence of step up or other incentive to redeem	No	No
22	Non-cumulative or cumulative	Non-Cumulative	Non-Cumulative
23	Convertible or non-convertible	Not Applicable	Non-convertible
24	If convertible, conversion trigger(s)	Not Applicable	Not Applicable
25	If convertible, fully or partially	Not Applicable	Not Applicable
26	If convertible, conversion rate	Not Applicable	Not Applicable
27	If convertible, mandatory or optional conversion	Not Applicable	Not Applicable
28	If convertible, specify instrument type convertible into	Not Applicable	Not Applicable
29	If convertible, specify issuer of instrument it converts into	Not Applicable	Not Applicable
30	Write-down feature	No	Yes

Sr. No	Particulars	Equity Shares	Tier 2 Bond (Series XV)
31	If write-down, write-down trigger(s)	Not Applicable	Temporary write down at Pre-Specified Trigger Event, which is Common Equity Tier 1 capital falling below the regulatory level. Permanent write down at a Point of Non-Viability (PONV) Trigger Event. The PONV Trigger Event is the earlier of (1) a decision that full permanent write off / other adjustment stipulated by RBI without which the Bank would become non-viable as determined by the RBI, and (2) the decision to make a public sector injection of capital or equivalent support without which the Bank would become non-viable as determined by the relevant authority.
32	If write-down, full or partial	Not Applicable	Fully or partially
33	If write-down, permanent or temporary	Not Applicable	Temporary or Permanent
34	If temporary write-down, description of write-up mechanism	Not Applicable	Not Applicable.
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Not Applicable	The Bonds are senior / superior to claims of investors in equity shares, perpetual non-cumulative preference shares and Additional Tier 1 Bonds issued by the Bank.
36	Non-compliant transitioned features	No	No
37	If yes, specify non-compliant features	Not Applicable	Not Applicable

#### **DF-14: Full Terms and Conditions of Regulatory Capital Instruments**

Full Terms and Conditions of Regulatory Capital Instruments has been disclosed separately on the Bank's website under 'Regulatory Disclosures Section'. The link to this section is:

<https://www.indusind.com/in/en/personal/regulatory-disclosure.html>

#### **DF-15: Disclosure Requirements for Remuneration**

Remuneration details are disclosed as part of Annual Financial Statements. The link to this section is:

<https://www.indusind.com/in/en/investors/investor-landing.html>

#### **DF-16: Equities – Disclosure for Banking Book Positions**

##### **Qualitative Disclosures:**

The risk oversight relating to the equity portfolio is part of the overall independent risk management structure of the Bank and is subjected to the risk management processes and policies approved by the Bank. In accordance with the RBI guidelines, investments are classified at the time of purchase as:

- Held to Maturity ('HTM');
- Available for Sale ('AFS');
- Fair Value through Profit and Loss (FVTPL) - Held for Trading ('HFT');
- Fair Value through Profit and Loss (FVTPL) - Non HFT
- Subsidiaries, Associates and Joint Ventures (SAJV)

Investments that the Bank acquires with an intent to hold till maturity i.e. with an objective to collect contractual cash flows; and the contractual terms of the investment give rise to cash flows that are solely payments of principal and interest on principal outstanding ('SPPI criterion') on specified dates, are classified under the HTM category.

The Bank classifies Investments as AFS where the investment is acquired with an objective which is achieved by both collecting contractual cash flows and selling securities; and the contractual terms of the investments meet the SPPI criteria. Equity investment can also be classified under AFS category.

Any investment held by the Bank for one or more of the following purposes is, when it is first recognised on its books, is designated as a FVTPL HFT:

- short-term resale;
- profiting from short-term price movements;
- locking in arbitrage profits;

All other investments forming part of FVTPL category are classified as FVTPL Non-HFT.

Investments in the equity of subsidiaries/joint ventures/Associates are categorized under the category 'Investments in Subsidiaries, Associates and Joint Ventures' in accordance with the RBI guidelines.

In case of equity instruments designated under AFS at the time of initial recognition, any gain or loss on sale of such investments is transferred from AFS-Reserve to the Capital Reserve.

Equity investments under banking book are in the nature of quoted and unquoted equities.

**Quantitative Disclosures:**

The book value of the equity investments under banking book for quoted and unquoted equities is Rs. 206.12 crs and fair value (as per accounting) is Rs. 252.76 crs as per the regulatory scope of consolidation. RWA on this is Rs. 311.27 crs. The equity investments of Rs. 43.71 crs in Subsidiaries and Joint Ventures is deducted from capital as per the Basel III regulations.

The cumulative realised Loss arising from sale and liquidation of these equities in the reporting period is Rs. 24.27 crs. The total unrealised gain from equity investments under banking book is Rs. 46.64 crs.

**DF-17: Summary Comparison of Accounting Assets vs. Leverage Ratio Exposure Measure**

**Leverage Ratio:**

Leverage ratio is a non-risk based measure of exposure over capital. The leverage ratio is calibrated to act as a credible supplementary measure to the risk based capital requirements

The Basel III leverage ratio is defined as the capital measure (the numerator) divided by the exposure measure (the denominator), with this ratio expressed as a percentage.

$$\text{Leverage Ratio} = \frac{\text{Capital Measure (Tier I Capital)}}{\text{Exposure Measure}}$$

Summary comparison of accounting assets vs. leverage ratio exposure measure		
	Item	(Rs in crs)
1	Total consolidated assets as per published financial statements	5,43,419
2	Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	-
3	Adjustment for fiduciary assets recognised on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure	(44)
4	Adjustments for derivative financial instruments	9,625
5	Adjustment for securities financing transactions (i.e. repos and similar secured lending)	-
6	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off- balance sheet exposures)	83,201
7	Other adjustments	-
8	<b>Leverage ratio exposure</b>	<b>6,36,202</b>

**DF-18: Leverage Ratio**

Leverage ratio is a non-risk based measure of exposure over capital. The leverage ratio is calibrated to act as a credible supplementary measure to the risk based capital requirements.

The Basel III leverage ratio is defined as the capital measure (the numerator) divided by the exposure measure (the denominator), with this ratio expressed as a percentage.

<b>Leverage ratio common disclosure template</b>		
	<b>Item</b>	<b>(Rs in crs)</b>
<b>On balance sheet exposure</b>		
1	On-balance sheet items (excluding derivatives and SFTs, but including collateral)	5,37,029
2	(Asset amounts deducted in determining Basel III Tier 1 capital)	(44)
3	<b>Total on-balance sheet exposures</b> (excluding derivatives and SFTs) (sum of lines 1 and 2)	<b>5,36,985</b>
<b>Other off-balance sheet exposures</b>		
4	Replacement cost associated with all derivatives transactions (i.e. net of eligible cash variation margin)	6,306
5	Add-on amounts for PFE associated with <i>all</i> derivatives transactions	9,625
6	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the operative accounting framework	-
7	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	-
8	(Exempted CCP leg of client-cleared trade exposures)	-
9	Adjusted effective notional amount of written credit derivatives	-
10	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	-
11	<b>Total derivative exposures (sum of lines 4 to 10)</b>	<b>15,931</b>
12	Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	85
13	(Netted amounts of cash payables and cash receivables of gross SFT assets)	-
14	CCR exposure for SFT assets	-
15	Agent transaction exposures	-
16	<b>Total securities financing transaction exposures (sum of lines 12 to 15)</b>	<b>85</b>
<b>Other off-balance sheet exposures</b>		
17	Off-balance sheet exposure at gross notional amount	2,95,043
18	(Adjustments for conversion to credit equivalent amounts)	(2,11,842)
19	<b>Off-balance sheet items (sum of lines 17 and 18)</b>	<b>83,201</b>
<b>Capital and total exposures</b>		
20	<b>Tier 1 capital</b>	<b>63,767</b>
21	<b>Total exposures (sum of lines 3, 11, 16 and 19)</b>	<b>6,36,202</b>
<b>Leverage ratio</b>		
22	<b>Basel III leverage ratio</b>	<b>10.02%</b>

**Reconciliation of Total Published Balance Sheet Size and On Balance Sheet Exposure**

Summary comparison of accounting assets vs. leverage ratio exposure measure		
	Item	(Rs in crs)
1	Total consolidated assets as per published financial statements	5,43,419
2	Replacement cost associated with all derivatives transactions, i.e. net of eligible cash variation margin	6,306
3	Adjustment for securities financing transactions (i.e. repos and similar secured lending)	85
4	Adjustment for entities outside the scope of regulatory consolidation	-
5	On-balance sheet items(excluding derivatives and SFTs, but including collateral)	<b>5,37,029</b>

**Leverage Ratio Trend**

		Rs in crs				
Particulars	Mar 2025	Jun 2025	Sep 2025	Dec 2025	Mar 2026	
(i) Tier 1 capital	63,342	63,425	63,248	63,213	63,767	
(ii) Exposure measure	6,63,022	6,45,732	6,36,585	6,27,835	6,36,202	
<b>(iii) Leverage ratio %</b>	<b>9.55%</b>	<b>9.82%</b>	<b>9.94%</b>	<b>10.07%</b>	<b>10.02%</b>	

The Leverage Ratio of the bank has decreased from 10.07% as of Dec 2025 to 10.02% as of Mar 2026 on account of increase in exposure measure by Rs. 8,367 crs offset by increase in Tier 1 capital by Rs. 554 crs.