Build a Better Life

# Pillar III Disclosures for quarter ended June 30, 2026

2026-2027

[Ujjivan Small Finance Bank (hereinafter called "the Bank") is primarily subject to the Reserve Bank of India (Small Finance Banks – Prudential Norms on Capital Adequacy) Directions, 2025 (updated time to time). The document provides a review of key observations pertaining to the Bank's capital adequacy, credit quality, key business highlights and a review of its key risks as at June 30, 2026.]

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# 1. *List of key abbreviations*

| Abbreviation | Full form |
|---|---|
| **ACR** | Automated Cash Recycler |
| **AFS** | Available for Sale |
| **ALCO** | Asset Liability Committee |
| **ANBC** | Adjusted Net Bank Credit |
| **ATM** | Automated Teller Machine |
| **AIF** | Alternate Investment Fund |
| **BC** | Business Correspondent |
| **BIA** | Basic Indicator Approach |
| **BRACO** | Business Risk and Compliance Officer |
| **BSE** | Bombay Stock Exchange |
| **BV** | Book Value |
| **CC** | Cash Credit |
| **CASA** | Current Account Savings Account |
| **CBDR** | Common But Differentiated Responsibilities (CBDR) and respective capabilities |
| **CERSAI** | Central Registry of Securitisation Asset Reconstruction and Security Interest of India |
| **CET1** | Common Equity Tier 1 Capital |
| **CFO** | Chief Financial Officer |
| **CFP** | Contingency Funding Plan |
| **CIC** | Core Investment Company |
| **CRAR** | Capital to Risk-weighted Assets Ratio |
| **CRMC** | Credit Risk Management Committee |
| **CRO** | Chief Risk Officer |
| **DPD** | Days Past Due |
| **DSA** | Direct Selling Agent |
| **DSCB** | Domestic Scheduled Commercial Bank |
| **ECL** | Expected Credit Loss |
| **ECLGS** | Emergency Credit Line and Guarantee Scheme |
| **ECRA** | External Credit Rating Agency |
| **ESG** | Environment, Social and Governance |
| **EMDE** | Emerging Market & Developing Economies |
| **EWS** | Early Warning Signal |
| **FIG** | Financial Institutions Group |
| **FOIR** | Fixed Obligation to Income Ratio |
| **FLOD** | First line of Defence |
| **FP** | Floating provision |
| **FPI** | Foreign Portfolio Investor |
| **GDP** | Gross Domestic Product |
| **GA** | Gross Advances |
| **GLB** | Gross Loan Book |

| | |
|---|---|
| **GLC** | General Ledger Code |
| **GNPA** | Gross Non-Performing Asset |
| **GVA** | Gross Value Added |
| **HFT** | Held for Trading |
| **HHI** | Household Income |
| **HTM** | Held to Maturity |
| **HQLA** | High Quality Liquid Assets |
| **HUF** | Hindu Undivided Family |
| **IBJA** | Indian Bullion and Jewellers' Association |
| **IBPC** | Inter Bank Participation Certificate |
| **ICAAP** | Internal Capital Adequacy Assessment Process |
| **ICAI** | Institute of Chartered Accountants of India |
| **ICE** | Internal Combustion Engine |
| **IFSC** | Indian Financial System Code |
| **IGAAP** | Indian Generally Accepted Accounting Principles |
| **IMPS** | Immediate Payment Service |
| **IPDI** | Innovative Perpetual Debt Instrument |
| **IPO** | Initial Public Offer |
| **IRAC** | Income Recognition and Asset Classification |
| **IRRBB** | Interest Rate Risk in Banking Book |
| **IWG** | Internal Working Group |
| **KRI** | Key Risk Indicator |
| **LAP-SENP-SEP** | Loan Against Property- Self Employed Nonprofessional- Self Employed Professional |
| **LCR** | Liquidity Coverage Ratio |
| **LGD** | Loss Given Default |
| **LMS** | Loan Management System |
| **LR** | Leverage Ratio |
| **LWE** | Left Wing Extremism |
| **MB** | Micro banking |
| **MCA** | Ministry of Corporate Affairs |
| **MD** | Modified Duration |
| **MD & CEO** | Managing Director and Chief Executive Officer |
| **MDG** | Modified Duration Gap |
| **MSE** | Micro and Small Enterprises |
| **MVE** | Market value of Equity |
| **MV** | Market Value |
| **NBFC-ND-SI-CIC** | Non-Banking Financial Company-Non-Deposit-taking-Systemically Important-Core Investment Company |
| **NE** | Northeastern |
| **NEFT** | National Electronic Funds Transfer |
| **NGFS** | Network for Greening the Financial System |
| **NPA** | Non-Performing Asset |

| | |
|---|---|
| **NNPA** | Net Non-Performing Asset |
| **NPI** | Non-Performing Investment |
| **NSE** | National Stock Exchange |
| **NSFR** | Net Stable Funding Ratio |
| **Non-URC** | Non-Unbanked Rural Centre |
| **OD** | Overdraft |
| **ORMC** | Operational Risk Management Committee |
| **OSP** | Outstanding Principal |
| **PAT** | Profit After Tax |
| **PAR** | Portfolio at Risk |
| **PB** | Payments Bank |
| **PD** | Probability of Default |
| **PNCPS** | Perpetual Non-Cumulative Preference Shares |
| **PPOP** | Pre – provision operating profit |
| **PSL** | Priority Sector Lending |
| **QIP** | Qualified Institutional Placement |
| **QRT** | Quick Response Team |
| **RB** | Rural Banking |
| **RBI** | Reserve Bank of India |
| **RCA** | Root Cause Analysis |
| **RCSA** | Risk Control and Self-Assessment |
| **RMCB** | Risk Management Committee of the Board |
| **ROA** | Return on Asset |
| **ROE** | Return on Equity |
| **RSA** | Risk Sensitive Assets |
| **RSL** | Risk Sensitive Liabilities |
| **RWA** | Risk Weighted Assets |
| **SA** | Standardized Approach |
| **SDA** | Standardized Duration Approach |
| **SEBI** | Securities and Exchange Board of India |
| **SEL** | Secured Enterprise Loan |
| **SFB** | Small Finance Bank |
| **SLOD** | Second Line of Defence |
| **SLR** | Statutory Liquidity Ratio |
| **SMA** | Special Mention Accounts |
| **TVR** | Tele verification report |
| **UAT** | User Acceptance Testing |
| **UPI** | Unified Payments Interface |
| **URC** | Unbanked Rural Centre |
| **USD** | United States Dollar |
| **VaR** | Value at Risk |
| **WEO** | World Economic Outlook |
| **YTD** | Year till Date |

## 2. *Key Performance highlights of the Bank*

Ujjivan Small Finance Bank (hereinafter referred to as "the Bank") is required to publish disclosures under the Pillar III framework as required in terms of RBI guidelines on New Capital Adequacy Framework issued vide RBI/2015-16/58; DBR.No.BP.BC.1/21.06.201/2015-16 dated July 1, 2015. This document provides a review of key observations pertaining to the Bank's capital adequacy, credit quality, key business highlights and a review of its key risks as at June 30, 2026. All exposure related figures quoted in the document are 'Rs. in lakh', unless otherwise specifically stated.

**A. Branch network and distribution reach:**

The branch position of the Bank as at June 30, 2026, was as follows:

| Particulars | Count |
|---|---|
| Total Banking outlets, of which | 814 |
| Banking outlets[1] (non-URC) | 608 |
| Banking outlets (URC)[2], *of which* | 206 |
| i Qualifying URC Branches (Branches situated in tier 3-6 locations in NE[3] states and LWE[4] districts) | 193 |
| ii Business Correspondents (BC) | 13 |
| Total ATMs | 605 |
| *Of which, ACR (Automatic Cash Recycler)* | 62 |

During the quarter ended Q1 FY27, the Bank had opened 38 new branches across regions (South- 11, North - 9, East- 16, West- 2). With 25.307 % of Banking outlets in URC, the Bank is fully compliant with RBI guidelines in this regard. The Bank has decided to discontinue the opening of its Unbanked Rural Centre (URC) branches and to instead engage Corporate Business Correspondent (CBC) partners to deliver banking services at URC locations.

**B. Financial highlights for Q1 FY 2026-27:**

Some of the key achievements for the period ended June 30, 2026, were as follows:

| | |
|---|---|
| **Customer base** | • Total customer outreach was 102.2 lakh customer through 814 branches as at June 30, 2026 (101.5 lakh as at March 31, 2026; 99.6 lakh as at December 31, 2025). |
| **Loan Portfolio** | • Gross Loan Book (GLB) (without netting off IBPC/Securitization/Direct Assignment): Rs. 42,90,157 lakh as at June 30, 2026 (Rs. 40,65,507 lakh as at |

[1] A 'Banking Outlet' for a Small Finance Bank (SFB) is a fixed-point service delivery unit, manned by either bank's staff or its Business Correspondent where services of acceptance of deposits, encashment of cheques/cash withdrawal or lending of money are provided for a minimum of 4 hours per day for at least 5 days a week. It carries uniform signage with name of the bank and authorisation from it, contact details of the controlling authorities and complaint escalation mechanism. The bank should have a regular off-site and on-site monitoring of the 'Banking Outlet' to ensure proper supervision, 'uninterrupted service' except temporary interruptions due to telecom connectivity, etc. and timely addressing of customer grievances. The working hours/days need to be displayed prominently.

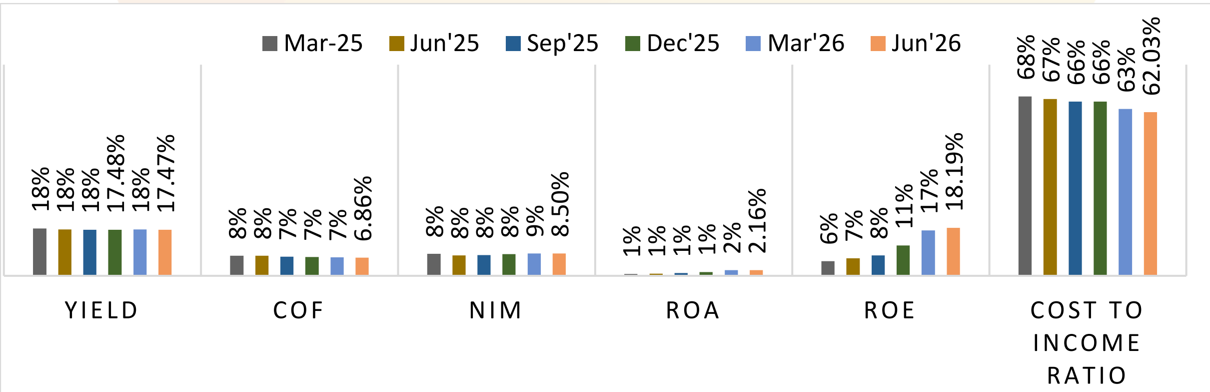
' [2] An unbanked rural centre (URC) is defined as a rural (Tier 5 and 6) centre that does not have a CBS-enabled 'Banking Outlet' of a Scheduled Commercial Bank, a Payment Banks or an SFB or a Regional Rural Bank nor a branch of a Local Area Bank or licensed Co-operative Bank for carrying out customer-based banking transactions.

[3] Northeastern states

[4] Districts with active Left-Wing Extremism (LWE)

| | |
|---|---|
| | March 31, 2026; Rs. 37,05,680 lakh as at December 31, 2025)<br>• Gross Advances (GA) (after netting off IBPC/Securitisation/Direct Assignment): Rs. 42,76,222[5] lakh as at June 30, 2026 (Rs. 40,50,682[6] lakh as at March 31, 2026; Rs. 36,89,927[7] lakh as at December 31, 2025)<br>• Non-Microfinance book was 49.70% as at June 30, 2026 on GLB basis (49.06% as at March 31, 2026; 47.72% as at December 31, 2025) |
| **Deposit Portfolio** | • Total Deposits (Retail plus Institutional): Rs.48,12,911 lakh as at June 30, 2026 (Rs.45,66,833 lakh as at March 31, 2026; Rs.42,22,333 lakh as at December 31, 2025)<br>• CASA: 26.9% as at June 30, 2026 (28.6% as at March 31, 2026; 27.3% as at December 31, 2025) |
| **Asset Quality** | • Gross Non-Performing Assets (GNPA): 2.16%[8] as of June 30, 2026 (2.26%[9] as of March 31, 2026; 2.38%[10] as of December 31, 2025)<br>• Net Non-Performing Assets (NNPA): 0.34% as at June 30, 2026[11], (0.43% as at March 31, 2026[12]; 0.57% as at December 31, 2025[13]) |
| **Capital Adequacy** | • CRAR ratio of the Bank as at June 30, 2026 was 20.36% (March 31, 2026 was 21.14%; December 31, 2025 was 21.62%) |
| **Employee strength** | • 27,041 as at June 30, 2026 (26,555 as at March 31, 2026; 26,533 as at December 31, 2025) |
| **Provisions and Credit costs** | • Total provisions including Floating Provision as at June 30, 2026 was Rs.99,546 lakh (Rs.94,763 lakh as at March 31, 2026; Rs.85,654 lakh as at December 31, 2025)<br>• Total NPA provision (excluding floating provision) held was Rs 65,199 lakh as at June 30, 2026 (Rs 61,628 lakh as at March 31, 2026; Rs 54,131 lakh as at December 2025) |

The key performance ratios (quarterly positions) of the Bank were as follows:




[5] Outstanding balance in IBPC/Securitisation/ Direct Assignment as on June 30, 2026 is Rs 13,935 lakh
[6] Outstanding balance in IBPC/Securitisation/ Direct Assignment as on March 31, 2026 is Rs 14,824 lakh
[7] Outstanding balance in IBPC/Securitisation/ Direct Assignment as on December 31, 2025 is Rs 15,753 lakh
[8] Computed as a percentage to Gross advances. GNPA% on GLB basis as at June 30, 2026 is 2.17%
[9] Computed as a percentage to Gross advances. GNPA% on GLB basis as at March 31, 2026 is 2.27%
[10] Computed as a percentage to Gross advances. GNPA% on GLB basis as at December 31, 2025 is 2.38%
[11] Computed as a percentage to Net advances. NNPA% as a ratio to Net GLB was 0.34%
[12] Computed as a percentage to Net advances. NNPA% as a ratio to Net GLB was 0.43%
[13] Computed as a percentage to Net advances. NNPA% as a ratio to Net GLB was 0.57%

The Bank demonstrated a strong performance in Q1FY27, achieved by a strengthened revenue mix and a significant enhancement in asset quality. A summary of the key highlights the Bank as of June 30, 2026, is given below:

- Pre-Provision Operating Profit for Q1 FY 2026-27 was Rs. 54,806 lakhs; up by 52.0%/6.5% Y-o-Y/QoQ
- Disbursements were at Rs.9,24,479 lakh in Q1 FY 2026-27; up by 41.4% /-5.8% on YoY/QoQ basis.
- Deposit position was Rs.48,12,911 lakh as of June 30, 2026; up by 24.6%/5.4% YoY/QoQ respectively. CASA was at Rs 12,93,550 lakh. CASA ratio was 26.88% as of June 2026. The moderation in CASA ratio during Q1 compared to Q4 is primarily due to two factors: Growth in TD significantly outpaced CASA growth during Q1 and the fact that Q1 is cyclically a softer Quarter for CASA growth.
- Retail TD (TDs less than Rs. 3 crores) increased 18.8%/8.5% YoY/QoQ.
- ROE increased due to improvement in ROA driven by better profitability on account of reduction in Credit Cost compared to Q4FY26.
- **Other Key performance metrics:** Continued traction on collections with ~97.7% efficiency in Jun 2026; NDA collection stood at ~99.7%. Portfolio At Risk (PAR) was at 3.59% as of June 2026. GNPA on GLB basis at 2.16% as of June 2026; NNPA continued to be negligible at 0.34% as at Jun2026. A total of Rs.6,787 lakh was technically written off in Q1 FY27; Provision Coverage Ratio (PCR) as of Jun 2026 was 85%.

The improvement in PAT in Q1 FY 2026-27 was primarily attributable to a strengthened revenue mix and a significant enhancement in asset quality. This was further supported by Insurance Income of Rs. 3,588 lakh, and accelerated recovery from written-off accounts, which increased from Rs. 2,334 lakh in Q1FY26 to Rs. 2,927 lakh in Q1FY27. Simultaneously, credit costs declined as asset quality improved — Gross NPA moderated from 2.5% in Q1FY26 to 2.2% in Q1FY27 and Net NPA declined from 0.44% to 0.34% of Gross Advances. The combined impact of enhanced non-interest income and reduced provisioning requirements drove a meaningful improvement in profitability in Q1 FY27.

**C. Macro-Economic Outlook[14]:**

The Indian economy sustained healthy momentum during Q1 FY27 (April–June 2026), supported by domestic consumption, government-led infrastructure spending, continued manufacturing and services activity, and healthy credit demand. The external environment remained challenging, with geopolitical tensions in West Asia, crude-oil price volatility and continuing uncertainty around global trade and tariff measures.

**Growth and Inflation**

Domestic economic activity remained resilient during Q1 FY27, supported by continued expansion in manufacturing and services, healthy corporate earnings, robust domestic demand and strong exports. Investment activity remained supported by government infrastructure spending, high-capacity utilization and strong credit growth. Reflecting this resilience, the RBI **raised its FY27 real GDP growth forecast to 6.7% (from 6.6%)**, with a quarterly path of 7.0% in Q1, 6.4% in Q2, 6.5% in Q3 and 6.8% in

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[14] https://rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=63267
https://rbi.org.in/scripts/FS_PressRelease.aspx?prid=63287&fn=2752
https://www.mospi.gov.in

Q4. GST rate rationalization and steady urban discretionary demand supported retail lending momentum, while central government capex remained supportive.
Headline CPI inflation for Q1 FY27 averaged **3.9%** — 30 bps below the RBI's June projection — with June printing at **4.4%**, above the 4% target for the first time in sixteen months, driven largely by food and fuel prices. Core inflation was steady at 3.9%, and core inflation excluding precious metals remained benign at 2.3–2.5%, indicating that underlying demand-driven pressures remain contained.

In its August 2026 MPC, the RBI kept the **repo rate unchanged at 5.25%** and retained the **neutral stance** with a unanimous vote. This was reaffirmed in the August 2026 policy, where the RBI also **lowered its FY27 CPI projection to 5.0% (from 5.1%)**.

**Banking Sector**

Bank credit growth remained strong during Q1 FY27, with overall bank credit growing by 18.6% YoY as at June 2026, while deposits grew by 13.3% YoY. Non-food bank credit growth remained robust at around 18.3% YoY, supported by continued growth in industry, services and retail lending. The credit-deposit growth differential remained elevated, keeping deposit mobilisation and funding costs as key areas of focus for banks.

Banking-sector asset quality remained resilient, with SCB GNPA declining to **1.8% as at March 2026**, a multi-decadal low, while provisioning and capital buffers remained comfortable. Profitability remained stable with contained credit costs, although NIM recovery is expected to be gradual as deposit rates remain sticky amid competition for retail funding. System liquidity remained comfortable, supported by RBI measures and the phased CRR reduction, with CRR at **3.0%**. However, the continued gap between credit and deposit growth keeps deposit mobilisation, funding costs and liquidity management as key focus areas. **Microfinance, unsecured retail and select MSME portfolios** remain key asset-quality monitorable.

**Outlook for FY27**

The banking-sector outlook remains broadly positive, supported by resilient domestic growth and healthy credit demand. For SFBs, opportunities remain across **MSME, affordable housing, vehicle finance, gold loans and other priority-sector segments**. Key risks include deterioration in microfinance and unsecured retail asset quality, deposit competition and higher funding costs, adverse monsoon conditions, geopolitical and trade-related disruptions, and a sharper-than-expected slowdown in economic activity. Continued focus on **asset quality, granular deposit mobilisation, liquidity/ALM management and prudent credit growth** will remain important through FY27.

**D. Brief on Risk Management Framework:**

The Bank's Risk Management Framework is based on a clear understanding of material risks, disciplined risk assessment and measurement procedures and continuous monitoring. The policies and procedures established for this purpose are continuously benchmarked with best practices. The Bank has oversight on all material risks (maintained in the form of Risk Register in ICAAP), through regular monitoring of Key Risk Indicators and benchmarks/tolerance/appetite against each type of risk. Further, the Board reviews the Risk Management Framework of the Bank and verifies adherence to various risk parameters and compliances at least at quarterly intervals or more frequently if the situation so warrants. The Board provides a recommendation to approve risk-related policies, including the quarterly/half-yearly/annual review reports of major risks. From a governance perspective, the Bank has in place an effective risk management policy(s) which is duly approved by the Board, that highlights the functions, implementation and role of the Risk Management Committee of the Board and the Board of Directors. In compliance to the Pillar-III requirements, the Bank has in place a Board approved policy on Disclosures that addresses its approach for determining what disclosures it will make and the internal controls over the disclosure process. The Enterprise Risk Management unit (detailed below in next section) is responsible for preparation and publication of Pillar III disclosures. The Bank has dedicated sub-units to have oversight on credit risk, market risk (including ALM), operational risk and Information security risks (including Technology risk). In addition to the stated units, the Bank has two specialized units within Risk Management Department, which are as below:

**Enterprise Risk Management unit:**

The Enterprise Risk Management (ERM) unit in the Bank plays a central coordinating role in integrating risk management practices across all functions to provide a holistic view of the institution's risk profile. Unlike silo-based risk units that focus on specific risk types, the ERM unit drives the Bank’s overall risk governance, ensuring alignment between strategy, risk appetite, and capital planning by monitoring risk-adjusted performance metrics to inform strategic decisions. It facilitates the identification of cross-cutting and emerging risks (For e.g.: climate risks), promotes risk aggregation across portfolios, and enables scenario analysis and stress testing at the enterprise level. The ERM team supports ICAAP development, tracks risk appetite statement adherence, and presents consolidated/integrated risk dashboards to senior management and the RMCB/Board. The unit plays an integral role in monitoring the prevailing risk culture through periodic surveys, focused group discussions and feedback mechanism. Additionally, ERM leads the coordination of reporting to the RMCB and ensures regulatory alignment on comprehensive risk frameworks and disclosures. The scope of activities undertaken by the unit on a day-to-day basis are as below (inclusive but not exhaustive): 1) Strategic risk management and identification of changes from a risk perspective on account of internal and external factors 2) Integrated risk reporting/scoring and oversight on Risk Appetite statements 3) Capital risk management and Regulatory reporting (RCA & LR returns) 4) Economic capital, RAROC and capital linked FTP incentivisation 5) Balance sheet and business benchmarking 6) Pricing strategies/risks on the lending side for various products/groups of products of various SBUs 7) Management of emerging risks like climate risk, AI etc 8) Stress testing and scenario analysis 9) Model risk management and model validation activities 10) Regulatory Disclosures (Pillar III, TCFD etc.).

**Risk Analytics and Monitoring Unit:**

The latest addition to the Bank’s Risk Management Department in FY 2024-25 was the creation of a dedicated unit for Risk Analytics and Monitoring (RAM) with a direct reporting line to the Chief Risk Officer (CRO). This unit is specifically created to cater to the ever-increasing needs of data/analytics led decisioning in risk related matters. Since this unit is created, positioned and operated as a second line of defence, it avoids conflict of interests and bolsters independent oversight. The Terms of Reference (ToR) for the RAM unit are to standardize and report Risk Intelligence dashboards and undertake predictive analytics in Credit Risk (statistical scorecards, credit KRI dashboards etc.) and

Market Risk (Value at Risk models) areas. The outputs/findings of the RAM unit are integrated to the silo level risk management units viz. Credit risk, Asset Liability management, Market Risk management and Operational Risks and thus aid in creating a robust risk management lifecycle within the Bank.

# 3. *Table DF- 1: Scope of Application*

## 3.1 Qualitative Disclosures

**Parent Organization/Holding Company**: NIL

The disclosures in this document pertain to the Bank as a stand-alone and independent entity. The Bank does not have any subsidiary. The operating guidelines for Small Finance Banks (SFBs) do not permit SFBs to have subsidiaries) nor does the Bank have any interest in any insurance entity.

**3.1.1 List of group entities considered for consolidation: NA**

**3.1.2 List of group entities not considered for consolidation both under the accounting and regulatory scope of consolidation: NA**

## 3.2 Quantitative Disclosures

**3.2.1 List of group entities considered for consolidation**

| Name of the entity / country of incorporation | Principal activity of the entity | Total balance sheet equity | Total balance sheet assets |
|---|---|---|---|
| NIL | NIL | NIL | NIL |

**3.2.2 Aggregate amount of capital deficiencies in all subsidiaries which are not included in the regulatory scope of consolidation**

| Name of the subsidiaries/ country of incorporation | Principal activity of the entity | Total balance sheet equity | % of the Bank's holding in the total equity | Capital deficiencies |
|---|---|---|---|---|
| NIL | NIL | NIL | NIL | NIL |

**3.2.3 Aggregate amounts (e.g. current book value) of the Bank's total interests in insurance entities, which are risk-weighted**

| Name of the insurance entities/ country of incorporation | Principal activity of the entity | Total balance sheet equity | % of the Bank's holding in the total equity / proportion of voting power | Quantitative impact of regulatory capital using risk weighting methods versus using the full deduction method |
|---|---|---|---|---|
| NIL | NIL | NIL | NIL | NIL |

**3.2.4 Any restrictions or impediments on transfer of funds or regulatory capital within the banking group:** NA

# 4. *Table DF-2: Capital Adequacy*

## 4.1 Qualitative Disclosures

Since inception, the Bank is well capitalized and aided by the internal capital generated through the profits earned from operations helping the Bank to maintain minimum capital requirements set by the Regulator.

The Bank follows guidelines with respect to RBI – Prudential Norms on Capital Adequacy) Directions, 2025 updated time to time. Though SFBs are not required to have a separate capital charge for Market Risk and Operational Risk, as a good governance practice, and as directed by its Board, the Bank separately computes capital charge for all the Pillar 1 risks viz. Credit, Market and Operational Risk using Standardized Approach (SA), Standardized Duration Approach (SDA) and the New Standardized Approach (NSA)/Basic Indicator Approach (BIA) respectively. Besides this, the Bank also computes and maintains LCR at above 100%, NSFR at above 100% and Leverage Ratio above 4.5%.

The Bank has also internally automated the generation of Risk Weights on a continuous basis. The Bank has commenced a parallel run to analyse variances in outputs between manual and system generated reports. The system generated RWA is being utilised for the computation of CRAR ensuring therefore that there are very limited manual touch points in this exercise.

RBI has recently issued draft guidelines to transition from an Incurred Credit Loss to an Expected Credit Loss (ECL) model, but the transition will be effective from FY 2027. The Bank has commenced work on the transition (general state of preparedness) to be equipped with systems and processes to comply with the timeline. Pending the full implementation of ECL, the comparison of capital adequacy under both regimes as part of the disclosures is not required. It is pertinent to mention that the guidelines are applicable only to SCBs (except RRBs, SFBs and PBs), but the Bank has commenced the evaluation and enhancements in anticipation of the Universal Bank license. The work is an extension to the considerable work and expertise that the Bank had developed while preparing ECL for its erstwhile Holding Company.

The Bank has a comprehensive Internal Capital Adequacy Assessment Process (‘ICAAP’). The ICAAP covers the capital management policy of the Bank, sets the process for assessment of the adequacy of capital to support current and future activities / risks and a report on the capital projections. The Bank has a structured ICAAP framework for the identification and evaluation of the material risks that it faces, which may have a bearing on its business and financial position.

The Bank has implemented a Board approved Stress Testing policy and framework which forms an integral part of the Bank's ICAAP. Stress Testing involves the use of various techniques to assess the Bank’s potential vulnerability to extreme but plausible stressed business conditions. The changes in the levels of credit risk, market risk, liquidity risk, IRRBB, operational risk and reputational risk are assessed under assumed “stress” scenarios factors. Typically, these relate, inter alia, to the impact on the Bank’s profitability and capital adequacy. The stress test findings are reported to the Risk Management Committee of the Board (RMCB), for their review and guidance. The Bank periodically assesses and refines its stress tests to ensure that the stress scenarios capture material risks as well as reflect possible extreme market moves that could arise as a result of business environment conditions.

The stress tests are used in conjunction with the Bank's business plans for the purpose of capital planning in the ICAAP.

## 4.2 Quantitative Disclosures

### 4.2.1 Capital Requirements for Credit Risk

**Portfolios subject to Standardised Approach**

The detailed break up of Credit RWA is as follows: **Rs. in lakh**

| Asset Description | RWA |
|---|---|
| Cash and Balances with Reserve Bank of India | 0 |
| Balances with Banks and Money at Call and Short Notice | 44,597 |
| Investments | 1,548 |
| Advances | 32,21,986 |
| Fixed Assets | 28,667 |
| Other Assets | 61,600 |
| Off Balance Sheet | 42,693 |
| **Total Credit RWA** | **34,01,090** |
| **Capital Requirement @ 15%** | **5,10,163** |
| **Capital position of the Bank** | **6,92,333** |

### 4.2.2 Capital Requirements for Market Risk

Capital charge for Market Risk is not applicable for Small Finance Banks, however, to assess the likely capital charge, the Bank has referred the Reserve Bank of India (Commercial Banks - Prudential Norms on Capital Adequacy) Directions, 2025 (Updated as on July 01, 2026) guidelines and applied the applicable risk weight and capital charge as per the said guidelines under standardized approach. As at Jun 30, 2026, the HTM & AFS book comprised Government Securities and Treasury Bills for which no market risk capital charge is applicable since HTM, AFS book is classified as Banking Book as per said guidelines. HFT book (including FVTPL) consisted of Government Securities, Commercial Paper, Treasury Bills, Certificates of Deposit, Non-Convertible Debentures, unlisted equity, listed equity and PTC investments. Since the Bank has commenced the Fx business, in line with the guidelines the Bank has reckoned Open position or Net Overnight Open Position (NOOPL) to compute capital charge.
The risk weight computed basis the guidelines enumerated above, and applicable for market risk is mentioned below:

**Rs. in lakh**

| Capital Requirement for Market Risk | Amount |
|---|---|
| Interest Rate Risk | 1,990.58 |
| Equity Position Risk | 35.03 |
| Foreign Exchange Risk | 52.31 |
| **Total** | 2,077.92 |
| **Total Market Risk RWA** | **25,974.02** |

### 4.2.3 Capital Requirements for Operational Risk

While SFBs are not mandated to maintain a capital charge for operational risk, the Bank has put in place frameworks to assess an operational risk capital charge, predominantly from a good governance perspective and to ensure a state of preparedness to transition to a Universal Bank. To that effect, the Bank has computed the capital charge in compliance to Master Directions on Minimum Capital Requirements for Operational Risk under the New Standardized Approach (NSA) dated June 26, 2023 for the purpose of reporting and disclosures.

**Disclosure on the BI** **Rs. in lakh**

| | | |
|---|---|---|
| 1 | Business indicator component (BIC) | 26,616 |
| 2 | Internal loss multiplier (ILM) | 0.62 |
| 3 | Minimum required operational risk capital (ORC) | 26,616 |
| **4** | **Operational risk RWA** | **3,32,708** |

### 4.2.4 Common Equity Tier1, Tier1 and Total Capital Ratios

The break-up of Basel II capital funds as at June 30,2026 is as follows: **Rs. in Lakh**

| | Description | Amount |
|---|---|---|
| | **Core Equity Tier 1 Capital - Instruments and Reserves** | |
| | Directly issued qualifying common share capital plus related stock surplus (share premium) | 1,94,526 |
| | Retained earnings | 5,06,038 |
| **A** | CET1 capital before regulatory adjustments | 7,00,564 |
| | **Core Equity Tier 1 Capital - Regulatory Adjustments** | |
| | Deferred tax assets arising from temporary differences | 25,370 |
| | Intangibles (Prepaid Expenses & Computer Software) | 21,686 |
| | Credit Enhancements | 2,021 |
| | Regulatory Adjustments applied to CET1 Capital due to insufficient funds in Tier 2 to cover deductions | 0 |
| **B** | Total regulatory adjustments to CET1 Capital | 49,077 |
| **C** | **CET1 capital (A-B)** | 6,51,486 |
| | **Additional Tier 1 Capital - Instruments and Reserves** | |
| | Preference Shares | - |
| **E** | AT1 capital before regulatory adjustments | - |
| | **Additional Tier 1 Capital - Regulatory Adjustments** | |
| **F** | Total regulatory adjustments to AT1 Capital | - |
| **G** | AT1 Capital | - |
| **H** | **Tier 1 Capital (C + G)** | 6,51,486 |
| | **Tier 2 Capital - Instruments and Provisions** | |
| | Sub - debt eligible as Tier 2 capital | 6,000 |
| | General Provisions on Std. Assets admissible as Tier 2 | 24,347 |
| | Investment Fluctuation Reserve | 10,500 |
| | Investment Reserve Account | 0 |
| **I** | Tier 2 Capital before regulatory adjustments | 40,847 |
| | **Tier 2 Capital - Regulatory Adjustments** | |
| **J** | Total Regulatory Adjustments to Tier 2 Capital | - |
| **K** | **Tier 2 Capital (I - J)** | 40,847 |
| **L** | **Total Regulatory Capital (H + K)** | **6,92,333** |

**Rs. In Lakh**

| Particulars | RBI thresholds | Amount/Ratio |
|---|---|---|
| Tier I Capital | -- | 6,51,486 |
| Tier II Capital | -- | 40,847 |
| **Total Capital** | **--** | **6,92,333** |
| **Credit RWA** | **--** | **34,01,090** |
| CET Ratio | Minimum 6% | 19.16% (Complied) |
| Tier I Ratio | Minimum 7.5% | 19.16% (Complied) |
| Tier II Ratio | Maximum cap at 7.5% of CRWA | 1.20% (Complied) |
| **CRAR- as per SFB guidelines** | **Minimum 15%** | **20.36% (Complied)** |
| **Total RWA** | **--** | **37,59,772** |
| **CRAR (all Pillar I risks)** | **Minimum 13%, post conversion to Universal Bank for first 3 years of operation** | **18.41%** |

It is evident from the above CRAR calculation that even after inclusion of other two Pillar 1 risks i.e., Market and Operational risk, the CRAR of the Bank is 18.41%, which continues to be above the regulatory prescribed regulatory requirement of 15% (only for credit risk)/13%, for first 3 years of operations, post conversion to Universal Bank.

# 5. *Table DF-3: Credit Risk: General Disclosures for all Banks*

## 5.1 Qualitative disclosures

Credit risk arises as a result of failure or unwillingness on part of customer or counterparties to fulfil their contractual obligations. The Bank is exposed to credit risk in its lending operations. 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. The Bank has implemented an extensive credit risk management architecture. The Board of Directors of the Bank endorses the credit risk strategy and approves the credit risk policies. This is done taking into consideration the Bank's risk appetite, derived from perceived risks in the business and balanced by the targeted profitability level for the risks taken up. The Board oversees the credit risk management functions of the Bank. The Risk Management Committee of the Board (RMCB) is entrusted with the development of policies, procedures and systems for managing credit risk and towards implementing a robust credit risk strategy of the Bank. The RMCB reviews the credit risk profile and keeps an eye on both internal and external contexts, their impact on the Bank's portfolio and devises management strategies accordingly. The RMCB regularly reviews the Bank's portfolio composition and the status of impaired assets.

The Bank's Risk Management department drives credit risk management centrally. It is primarily responsible for implementing the risk strategy approved by the Board, developing procedures and systems for managing risk, carrying out an independent assessment of various risks, providing guidance in individual credit exposures for accepting deviations and monitoring portfolio composition and quality. With regard to the Institutional Lending business, the Bank's Risk Management functions are centralised. In respect to the Bank's retail assets business, while the various functions relating to policy, portfolio management and analytics are centralised, the underwriting function is distributed across various geographies within the country. The Risk Management function in the Bank is clearly demarcated and independent from the operations and business units of the Bank. The Risk Management department is not assigned with any business targets.

The Credit Risk Management Committee (CRMC) is responsible for overseeing implementation of the credit risk management framework across the Bank and providing recommendations to the RMCB. CRMC ensures monitoring of credit risks on Bank wide basis and in ensuring compliance with the Board approved risk parameters/prudential limits and monitor risk concentrations. It also reviews the status of portfolio management, loan review mechanism, risk monitoring and evaluation, regulatory/legal compliance, adequacy of provision, risk concentrations, industry reviews, and suggests corrective measures and activity reviews for credit management. It reviews and approves the use of credit scorecards for business and risk management purposes, tests its performance and effectiveness and places recommendations before the RMCB.

The Bank's Credit Policy, Credit Risk Management Policy, Credit Manuals, Product Programs, NPA Management Policy, Collateral Management Policy and Interest Rate Policy, form the core set of internal guidelines for management of credit risk in various activities and products. These articulate the credit risk strategy of the Bank and thereby the approach for credit origination, approval and maintenance. These policies define the Bank's overall credit granting criteria, including the general terms and conditions. The policies / programs typically address areas such as target markets / customer segmentation, qualitative and quantitative assessment parameters, portfolio mix, prudential exposure ceilings, concentration limits, price and non-price terms, structure of limits, approval authorities, exception reporting system, prudential accounting and provisioning norms. They take cognizance of prudent and prevalent banking practices, relevant regulatory requirements, nature and complexity of the Bank's activities, market dynamics etc.

Credit concentration risk arises mainly on account of concentration of exposures under various categories including industry, products, geography, underlying collateral nature and single / group borrower exposures. To ensure adequate diversification of risk, concentration ceilings have been set up by the Bank on different risk dimensions, in terms of borrower/ business group, geographic state, unsecured lending ratio and risk grading (for institutional lending).

The Board sets concentration ceilings which are monitored by the respective credit verticals and by the independent credit risk department. The Risk Management department reviews the exposure level under each dimension and ensures that the portfolio profile meets the approved concentration limits. Any breaches to these limits are periodically reported to CRMC and the RMCB. The regulatory prudential norms with respect to ceilings on credit exposure to individual borrowers or group of borrowers also ensure that the Bank avoids concentration of exposure.

In compliance with the RBI circular on consumer credit dated November 16, 2023, and pursuant to approval by the Risk Management Committee of the Board (RMCB), the Bank has established an internal limit management framework governing its consumer credit exposures. These limits define the maximum permissible share of consumer-classified loans as a proportion of the Bank's Gross Advances, across defined product sub-groups. The aggregate consumer credit exposure limit approved by the Board stands at 25.00% of Gross Advances. This aggregate limit is further sub-divided by product group as well. The Risk Management department reviews the consumer credit exposure on a quarterly basis and reports the status to the RMCB. The progressive trend of actual utilisation over the course of FY 2025-26 demonstrates disciplined adherence to approved limits across all product categories, reflecting the Bank's commitment to balanced portfolio diversification.

**Definitions of past due and impaired loans**

An asset, including a leased asset, becomes non-performing when it ceases to generate income for the bank. A Non-Performing Asset (NPA), as defined by the RBI, shall be a loan or an advance where-

- Interest and/or instalment remains overdue for a period of more than 90 days in respect of a Term Loan;
- The account remains out of order with respect to CC/ OD for 90 days on a continuous basis;
- The bill remains overdue for a period of more than 90 days in the case of bills purchased and discounted.
- In case of advances granted for Agricultural purposes:
  - The instalment or interest thereon remains overdue for two crop seasons for short duration crops
  - The instalment or interest thereon remains overdue for one crop season for long duration crops
- 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 (Securitisation of Standard Assets) Directions, 2021.
- In respect of derivative transactions, the overdue receivables representing positive mark to-market value of a derivative contract, if these remain unpaid for a period of 90 days from the specified due date for payment. The Bank had no derivative transaction on its books.

The Bank is guided by the provisions laid down in Master Circular - Reserve Bank of India (Small Finance Banks – Income Recognition, Asset Classification and Provisioning) Directions, 2025 dated November 28, 2025 (updated in January 2026) as amended from time to time.

**Provisioning and Regulatory norms applicable to the Bank**

1. The Bank is required to adhere, at a minimum, to the RBI's Master Circular on Prudential Norms on Income Recognition, Asset Classification and Provisioning (IRAC) for Small Finance Banks pertaining to Advances, as amended from time to time (latest update: April 2026). Accordingly, the Bank has framed its NPA Management Policy to ensure full compliance with all directions and dispensations issued by RBI. This policy is applicable to all lending activities of the Bank.
2. The Bank follows stringent provisioning norms that are consistently and materially higher than the RBI-prescribed regulatory minimum. The Board reviews the provisioning norms of the Bank at regular intervals to determine if any enhanced provisioning is required based on credit performance. Despite a better Portfolio at Risk (PAR) and delinquency compared to Industry, the micro banking portfolio of the Bank (which forms 50% of the Bank’s asset book) is unsecured where adverse and acute events can impact the portfolio quality. To enhance the coverage on Micro Banking portfolio, the Bank continuously identifies incipient stress in specific accounts and geographies where accelerated provisions may be required on an on-going basis. The Bank carried out accelerated provision during FY2026 considering impact due to MFIN guardrails on MFI portfolio, even though the Bank continued to outperform the industry during the correction cycle.

Considering the Bank's performance as well as Industry normalisation, further accelerated provision may not be required in the immediate future.

3. The Bank's Risk Management Department undertakes a proactive assessment of the likely GNPAs, NNPA, Provision Coverage Ratio (PCR) and incremental credit/provisioning costs by studying historical delinquency trends and external developments which can have a bearing on the asset quality and credit costs. Beyond its structurally elevated base provisioning norms, the Bank has operationalised a framework for accelerated provisioning that enables the Bank to pre-emptively recognise stress before it is formally classified under IRAC norms. This mechanism is a critical second line of defence against underestimation of credit risk.
4. The Bank also carries Rs. 18,067 lakh of Floating provision to strengthen financial stability as well as to augment NNPA and PCR. Out of the same, Rs. 3,000 lakhs is utilised towards Tier II capital, Rs. 13,000 lakh towards adjustment of GNPA and PCR calculation and Rs. 2066.9 lakh kept as idle provisions on June 30, 2026.

**Credit Risk Portfolio review and Monitoring:**

**Micro Banking (MB) Portfolio:**

A comprehensive review of the MB Portfolio is given below:

**Rs. in Lakh**

| MB | Jun-25 | Sep-25 | Dec-25 | Mar-26 | Jun-26 |
|---|---|---|---|---|---|
| **Gross Advances*** | 18,69,568 | 19,08,031 | 19,97,969 | 21,44,064 | 22,18,055 |
| **GNPA(Value)** | 59,837 | 59,618 | 63,497 | 66,837 | 65,355 |
| **GNPA%** | 3.20% | 3.12% | 3.18% | 3.12% | 2.95% |

*(Excluding IBPC/ Securitization/DA transactions)

The Bank undertakes portfolio monitoring on a periodic basis with specific focus on key portfolio triggers. Continuous review of portfolio enables the Bank to identify incipient stress at cluster/region/state/branch level. Risk indicators such as PAR30+, PAR90+, early delinquencies, quick mortality, non-starters, On Time Repayment Rates (OTRR), Collection Efficiency (CoE), stressed assets percentage and lagged PAR estimates provide useful insights in risk identification.

The Bank monitors collection trends at a bucket level on a daily basis and findings are reported to top management. Collection monitoring is aided by a strong and dedicated collection team at ground level with extensive use of analytics and digital tools. Alternate collection channels continue to scale up through existing and new channels like Fintech, Payment Banks, Money Mitra outlets (BC outlets) and the Hello Ujjivan Mobile application.

The composite collection efficiency (CE%) had reached 97.4% in the month of June 2026. The efforts of enhanced monitoring and collections enabled the Bank to arrest fresh slippages (incremental overdue) and also increase the recovery rates in delinquency buckets. During Q1 FY 2024-25, at an industry level the Microfinance portfolio faced higher delinquency levels in a few pockets of the country arising mainly due to over leveraging/indebtedness by customers. The Bank's book was affected by an increase in GNPA on a quarter-on-quarter basis. To mitigate the build-up in stress, the M-FIN (Microfinance Institutions Network India) had released specific guardrails in lending at successive intervals applicable to microfinance loans. The Bank adopted the guardrails as laid down by M-FIN along with the industry which led to a gradual recovery in repayment behaviour and customer liquidity management over a period of time. With full adoption of MFIN guardrails the overall consensus is that the stress bottomed-out in Q4FY2026.

Given that the microfinance portfolio is subject to adverse event risks, the Bank also monitors area specific communal issues, protests, sub-lending/ring leader issues, snatching attempts and others. In addition to the above, industry level information is also collected from the credit bureau/s to compare the performance in states or districts.

In FY 2026-27, in the Group Loans (GL), Individual Loans (IL) and Agri verticals, there will be increased focus on staff productivity. As required by regulation, a system enabled mechanism has been developed to capture the Loan Utilisation (LUC) with the added facility to detag the PSL classification in the event of an LUC failure.

In keeping with the Bank's objective of transitioning from rule-based to analytics-led underwriting, for both GL & IL vertical, statistical application scorecards were developed during FY 2025-26. In addition to the rule-based credit filter, scorecard represents a fully data-driven, statistical application scoring model which aggregates a range of behavioural, bureau and relationship-based attributes into a composite risk score. The development of statistical scorecards is aligned with the Bank's broader risk analytics roadmap.

**Affordable Housing Loans (including M-LAP)**

A comprehensive review of the Housing Portfolio (including M-LAP) is given below:

**Rs. in Lakh**

| **Housing Loans** | **Jun-25** | **Sep-25** | **Dec-25** | **Mar-26** | **Jun-26** |
|---|---|---|---|---|---|
| Gross Advances* | 7,78,459 | 8,58,180 | 9,40,302 | 10,32,838 | 11,07,061 |
| GNPA(Value) | 8,771 | 9,283 | 10,033 | 10,370 | 11,608 |
| GNPA% | 1.13% | 1.08% | 1.07% | 1.00% | 1.05% |

**Excluding IBPC/ Securitization/DA transactions*

The housing sector continued to be a major contributor to the asset book and the portfolio has reached Rs 11,00,000 Lakhs mark during the quarter, making it a significant achievement. This vertical has spearheaded the Bank's drive towards a diversified asset mix with emphasis on secured loan and as at 30$^{th}$ June 2026, constituted 26% of the Bank's total advances, with a nationwide presence in over 617 branches, 23 states, and 26 retail asset centres. Within the Housing sector, Micro Mortgages represent a product variation and is designed to meet the elevated credit needs of experienced borrowers from the micro banking sector and new to bank clients from comparable economic backgrounds.

Affordable Housing book portfolio quality is at par with the industry. Sourcing in the self-employed individuals was scaled up during the year to improve the yield performance. The borrower segmentation reveals that self-employed individuals account for 54%, while the salaried category comprises 46% of the total portfolio. The team closely monitors its portfolio month-on-month by various portfolio analytics and dashboards. The Bank has a dedicated collection and legal team which focuses on the secured book portfolio. The GNPA of the affordable housing book as of June 30, 2026, was 1.2% and the PAR at 3.7%, as compared to 1.1% and 3.4% respectively in the previous quarter.

The Micro Mortgages product had grown to Rs 1800 Crores as of June 30, 2026, with a QoQ growth of 14%. The team has enhanced the average (Disbursement) ticket size from 6.68 Lakhs to 6.81 Lakhs.

The book exhibited steady performance with GNPA at 0.55%. The NNPA of Housing Book stands at 0.6% as of June 30, 2026.

Credit risk monitoring of Secured Housing loans is broadly done at two levels – account level and portfolio level. While regular portfolio reviews are undertaken to assess the health of the portfolio, the Bank also assesses inter-linkages of risks especially legal risk induced credit risk. Collateral related processes and procedures are reviewed to ascertain various gaps in the process. The Bank has designed monitoring mechanisms at process level encompassing credit deviations, collateral management, documentation etc. Regular reports are placed to the CRMC for further direction and actionable.

**MSME (Micro and Small and Medium Enterprise)**

A comprehensive review of the MSME Portfolio is given below:

**Rs. in Lakh**

| MSME | Jun-25 | Sep-25 | Dec-25 | Mar-26 | Jun-26 |
|---|---|---|---|---|---|
| Gross Advances* | 2,25,346 | 2,55,852 | 2,86,469 | 3,22,963 | 3,46,904 |
| GNPA(Value) | 11,947 | 11,983 | 11,751 | 11,724 | 12,595 |
| GNPA% | 5.30% | 4.68% | 4.10% | 3.63% | 3.63% |

**Excluding IBPC/ Securitization/DA transactions*

The MSME business focusses on providing Loan Against Property (LAP) with semi-formal and formal customers as the target segment. In addition to LAP, the MSME vertical has also built a portfolio by offering tailored products on working capital facilities, supply chain financing and Fintech based loans. The bank has also introduced Purchase Invoice Financing (PIF) within Supply Chain Financing during the year. The vertical registered a growth of 54% Y-o-Y and 7% Q-o-Q during the year. No much of the GNPA has arisen from what was booked previously.

**Institutional Lending**

A comprehensive review of the Institutional Lending Portfolio is given below:

**Rs. in Lakh**

| FIG | Jun-25 | Sep-25 | Dec-25 | Mar-26 | Jun-26 |
|---|---|---|---|---|---|
| Gross Advances | 2,79,816 | 2,48,947 | 2,66,105 | 2,99,989 | 3,29,325 |
| GNPA(Value) | 442 | 442 | 442 | 442 | 442 |
| GNPA% | 0.16% | 0.18% | 0.17% | 0.15% | 0.13% |

As on June 30$^{th}$ 2026, FIG vertical had increased by 9.7% in the OSB Q-o-Q and 17.6% growth Y-o-Y.

As part of monitoring, the Bank regularly reviews compliance to financial covenants (CAR, GNPA, NNPA, Debt/Equity ratio as stipulated in sanction letters), collection of CA certified receivables statement and potential Early Warning System (EWS) alerts.

**Vehicle Loans**

The Vehicle Loans vertical was also considerably revamped and sought to focus on two-wheeler financing during the year, with Used Car loans launched on a pilot basis in select locations. As a step towards the relaunch, a new LOS was adopted, and the Bank has also embedded a scorecard in the LOS to facilitate decision making. New locations for the business were identified and locations where business was suspended were revived. The Bank also has Trade Advance (Dealer Finance) where dealers are selected basis criteria and set of parameters.

A comprehensive review of the Vehicle loan Portfolio given below:

**Rs. in Lakh**

| VF | Jun-25 | Sep-25 | Dec-25 | Mar-26 | Jun-26 |
|---|---|---|---|---|---|
| Gross Advances* | 58,778 | 68,416 | 85,410 | 97,556 | 1,06,777 |
| GNPA(Value) | 849 | 1,439 | 1,508 | 1,779 | 1,857 |
| GNPA% | 1.44% | 2.10% | 1.77% | 1.82% | 1.74% |

**Excluding IBPC/ Securitization/DA transactions*

As on June 30 2026, the vertical had registered a portfolio growth of 9.5% on Q-o-Q and 82% on Y-o-Y basis. Functionality to collect repayments through third party payment aggregators and other online portals was also enabled to provide ease of transaction. The vertical also propelled new dealerships for Two-wheeler financing. The business model is focused on sourcing new loans through tie-ups with direct dealerships. The Bank has also developed Used car product, Running Credit Limit for Used car dealer and a trade advance facility to two-wheeler dealers.

**Gold Loans:**

**Rs. in Lakh**

| Gold | Jun-25 | Sep-25 | Dec-25 | Mar-26 | Jun-26 |
|---|---|---|---|---|---|
| Gross Advances* | 29,260 | 41,165 | 55,697 | 76,934 | 1,02,010 |
| GNPA(Value) | 59 | 58 | 113 | 116 | 219 |
| GNPA% | 0.20% | 0.14% | 0.20% | 0.15% | 0.21% |

**Excluding IBPC/ Securitization/DA transactions*

The Gold loan sector is the emerging business sector in the Bank with a nationwide presence in over 454 branches in a total of 24 states. As on Jun, 2026, the vertical had registered a portfolio growth of 33% on Q-o-Q and 249% on Y-o-Y basis while maintaining a GNPA of 0.2%.

**Key Highlights of the Q1 FY 2026-27**

- In response to high volatility in gold prices in last two quarters of FY25-26, the Bank has taken various measures to safeguard portfolio quality and mitigate volatility risk like putting a cap on lending as well as the Bank's lending gold price.
- The Bank has launched the Overdraft Product against Gold Jewellery in Q1FY27.

**Credit Risk Monitoring Unit (CRMU)**

CRMU, is constituted within the Credit Risk Department under the aegis of the Bank's Chief Risk Officer. To ensure continuous monitoring of portfolio health, the Bank has constituted Health Councils, convened at monthly intervals, with active oversight by senior management. The Bank reviews high-ticket accounts with early warning signs of stress, trends in quick mortality cases and other early warning signals.

**Other Credit Risk management initiatives:**

In a continuous endeavour to improve risk management practices, the Bank has, over time, transitioned from being reactive to proactive. In the post pandemic period, the Bank has put in place tools and techniques in order to transition to a proactive approach. Some of the activities undertaken during the quarter and at regular intervals were as follows:

- Policy benchmarking exercise on underwriting practices.
- Bespoke productivity trackers to measure performance by collection officers (in-house and outsourced).
- Credit linked operational risks covering, pendency in collection of documentation, policy deviations, LUC pendency's etc.
- Use of EWS triggers across all the verticals and Active monitoring of EWS triggered loan accounts.
- With the availability of credit and loan performance data in the post pandemic period, the Bank has restarted its risk analytics journey for development of statistical application scorecards. Application scorecards are being developed for housing loans after IL and GL scorecards with an intent to supplement rule-based underwriting with score-based lending.
- The credit risk models are intended to supplement the Bank's efforts in quantifying, aggregating and managing risk across geographical and product lines. The outputs of these models also play increasingly important roles in the Bank's risk management and performance measurement processes, customer profitability analysis, risk-based pricing, active portfolio management and capital structure decisions. Credit risk modelling will aid in better internal risk management and have the potential to be used in the supervisory oversight of banking operations. The Bank's Board approved policy on Model development, validation and ongoing monitoring provides the necessary oversight on this exercise. There is also a separate model validation team in place to undertake independent testing on accuracy and coverage.
- RBI guidelines on loan pricing mandates delineation of spread components and assignment of benchmarks (MCLR or EBLR) to loan pricing. The Bank undertook an internal exercise to evaluate the reasonableness and effectiveness in pricing of loans to meet strategic imperatives. The Bank developed customised pricing models using internal data estimates and external benchmarking, wherever applicable. Further, these pricing models were carefully evaluated for alignment to business strategy, budgets, system feasibility, adherence to prudential risk management norms and also ensure compliance to RBI guidelines on interest rate management on advances. A salient feature in these pricing models includes adoption of a differential pricing matrix, in that, pricing of loans to borrowers would be risk adjusted to reflect the borrower's creditworthiness. The Bank believes that the introduction of Risk Based Pricing (RBP) will aide in encouraging and incentivising borrower/s to maintain a long-term relationship.

### 5.2 Quantitative Disclosures

The overall distribution of Gross advances and Gross Loan Book was as under:

**Rs. in lakh**

| Vertical | Gross Loan Book | % | Gross Advances | % |
|---|---|---|---|---|
| **Micro Banking (GL+IL+Agri)** | 22,18,055 | 52% | 22,18,055 | 52% |
| **FIG Lending** | 3,29,325 | 8% | 3,29,325 | 8% |
| **Housing** | 11,20,995 | 26% | 11,07,061 | 26% |
| **MSME** | 3,46,904 | 8% | 3,46,904 | 8% |

| | | | | |
|---|---|---|---|---|
| Personal Loans | 547 | 0% | 547 | 0% |
| Staff Loan | 30,756 | 1% | 30,756 | 1% |
| Vehicle Finance | 1,06,777 | 2% | 1,06,777 | 2% |
| Loan/OD Against Deposit + Busimoni | 34,788 | 1% | 34,788 | 1% |
| Gold Loan | 1,02,010 | 2% | 1,02,010 | 2% |
| **Total** | **42,90,157** | | **42,76,222** | |

**Exposure summary: Facility type**

| Exposure Type | Domestic (Rs. in Lakh) | Overseas |
|---|---|---|
| Fund- Based exposure | 60,94,843 | -- |
| Non- Fund Based Exposure* | 4,61,901 | -- |
| LESS: CRM DEDUCTIONS (GNPA Provisions held) | -78,199 | |
| Total | 64,78,546 | -- |

*Non-fund-based exposure for purpose of computation of CRAR includes undrawn limits of MSME Overdrafts and KPC, yet to be disbursed portion of Secured Housing, MSME and FIG customers and Contingent liabilities.

**Geographic Distribution of advances (State-wise)[15] (Rs in lakh)**

| States | Gross Loan Book | % Share |
|---|---|---|
| Karnataka | 5,42,462 | 12.64% |
| Tamil Nadu | 5,41,611 | 12.62% |
| West Bengal | 4,83,170 | 11.26% |
| Maharashtra | 4,21,627 | 9.83% |
| Gujarat | 3,63,880 | 8.48% |
| Uttar Pradesh | 3,15,160 | 7.35% |
| NCT of Delhi | 2,71,372 | 6.33% |
| Bihar | 2,70,557 | 6.31% |
| Haryana | 2,05,871 | 4.80% |
| Rajasthan | 1,93,882 | 4.52% |
| Jharkhand | 1,01,424 | 2.36% |
| Kerala | 98,884 | 2.30% |
| Punjab | 93,757 | 2.19% |
| Madhya Pradesh | 85,883 | 2.00% |
| Odisha | 84,944 | 1.98% |
| Tripura | 61,459 | 1.43% |
| Assam | 55,232 | 1.29% |
| Telangana | 32,239 | 0.75% |
| Uttarakhand | 22,441 | 0.52% |
| Chhattisgarh | 14,328 | 0.33% |

[15] Geography wise loans and advances is including IBPC, Securitization and DA i.e. AUM basis

| | | |
|---|---|---|
| **Pondicherry** | 11,280 | 0.26% |
| **Chandigarh** | 6,416 | 0.15% |
| **Meghalaya** | 4,809 | 0.11% |
| **Himachal Pradesh** | 4,576 | 0.11% |
| **Andhra Pradesh** | 1,774 | 0.04% |
| **Goa** | 1,124 | 0.03% |
| **Grand Total** | **42,90,160** | 100.00% |

**Maturity pattern of assets and liabilities**

**Rs. in lakh**

| Buckets | Net Advances | Investments | Deposits | Borrowings |
|---|---|---|---|---|
| **Day - 1** | **5,913** | **3,78,503** | **14,233** | **1,91,475** |
| **2-7 Days** | **48,162** | **13,720** | **1,14,020** | **0** |
| **8-14 Days** | **74,287** | **18,663** | **1,24,705** | **3,716** |
| **15-30 Days** | **1,18,065** | **29,783** | **1,17,657** | **0** |
| **31 Days and up to 2 months** | **2,57,846** | **60,891** | **2,85,134** | **0** |
| **Over 2 months and up to 3 months** | **2,61,027** | **51,815** | **3,28,765** | **4,122** |
| **Over 3 Months and up to 6 months** | **5,16,113** | **1,75,359** | **7,14,712** | **7,838** |
| **Over 6 Months and up to 1 year** | **7,75,383** | **1,72,219** | **9,56,133** | **15,676** |
| **Over 1 Year and up to 3 years** | **10,40,859** | **3,33,956** | **21,45,806** | **72,706** |
| **Over 3 Year and up to 5 years** | **2,24,683** | **3,292** | **10,081** | **32,179** |
| **Over 5 years** | **8,75,686** | **12,936** | **1,665** | **52,879** |
| **Total** | **41,98,023** | **12,51,139** | **48,12,911** | **3,80,592** |

Note: ^Deposits – Includes FCNR Deposits

**Gross non-performing assets (NPA)**

**Rs. in Lakhs**

| Category of Gross NPA | Jun-25 | Sep-25 | Dec-25 | Mar-26 | Jun-26 |
|---|---|---|---|---|---|
| **Sub-standard** | 70,917 | 70,835 | 73,087 | 73,850 | 63,399 |
| **Doubtful** | 11,444 | 12,155 | 13,050 | 15,299 | 26,122 |
| **Loss** | 1,074 | 1,321 | 1,803 | 2,522 | 2,843 |
| **Total** | **83,435** | **84,311** | **87,939** | **91,671** | **92,365** |

**Rs. in Lakhs**

| NNPA | Jun-25 | Sep-25 | Dec-25 | Mar-26 | Jun-26 |
|---|---|---|---|---|---|
| **Net NPA** | 36,035 | 35,992 | 33,808 | 30,044 | 27,166 |
| **NNPA after factoring Floating Provisions** | 22,612 | 22,500 | 20,808 | 17,044 | 14,166 |

| NPA Ratios | June-25 | Sept-25 | Dec-25 | Mar-26 | Jun-26 |
|---|---|---|---|---|---|
| **Gross NPA to Gross Advances (excluding IBPC/Securitisation/DA)** [1] | 2.52% | 2.45% | 2.38% | 2.26% | 2.16% |
| **Net NPA to Net Advances (excluding** | 0.70% | 0.67% | 0.57% | 0.43% | 0.34% |

| IBPC/Securitisation/ DA)[16] | | | | | |
|---|---|---|---|---|---|

**Movement of Net NPAs (Quarterly basis)**

**Rs. In lakh**

| Particulars | Jun-25 | Sept-25 | Dec-25 | Mar-26 | June -26 |
|---|---|---|---|---|---|
| **Year Opening Balance** | 15,242.63 | 15,242.63 | 15,242.63 | 15,242.63 | 17,174.00 |
| **Additions during the period** | 28,394.61 | 50,451.94 | 68,386.66 | 82,659.00 | 13,477.54 |
| **Reductions during the period** | 20,602.81 | 42,703.06 | 62,821.18 | 80,858.00 | 16,355.34 |
| **Closing Balance** | 23,034.43 | 22,991.51 | 20,808.10 | 30,043.63 | 14,296.20 |

**Movement of Provisions for NPAs (excluding provisions on standard assets)**

**Rs. in lakh**

| Particulars | Jun-25 | Sept-25 | Dec-25 | Mar-26 | June -26 |
|---|---|---|---|---|---|
| **Opening Balance** | 41,346 | 41,346 | 41,346 | 41,346 | 61,628 |
| **Provisions made during the period** | 25,220 | 47,157 | 66,951 | 84,140 | 15,673 |
| **Write back of excess provisions** | 19,165 | 40,183 | 54,165 | 63,858 | 12,102 |
| **Closing Balance** | 47,401 | 48,320 | 54,131 | 61,628 | 65,199 |

**Provision Coverage Ratio (PCR)**

**Rs. in lakh**

| Category | Gross Advances * | GNPA on gross advances | GNPA Provisions on gross advances | Floating Provisions Considered for NNPA | PCR% on gross advances | PCR% on gross Loan Book |
|---|---|---|---|---|---|---|
| Micro Finance (GL+IL+Agri) | 22,18,055 | 65,355 | 49,682 | 13,000 | 95.91% | 95.91% |
| FIG Lending | 3,29,325 | 442 | 442 | 0 | 100.00% | 100.00 % |
| Housing | 11,07,061 | 11,608 | 5,376 | 0 | 46.31% | 46.92% |
| MSME | 3,46,904 | 12,595 | 7,891 | 0 | 62.65% | 62.65% |
| Personal Loans | 547 | 122 | 94 | 0 | 76.83% | 76.83% |
| Staff Loan | 30,756 | 12 | 9 | 0 | 78.46% | 78.46% |
| Vehicle Finance | 1,06,777 | 1,857 | 1,476 | 0 | 79.50% | 79.50% |
| Loan/OD Against Deposit + Busimoni | 34,788 | 156 | 132 | 0 | 84.54% | 84.54% |
| Gold Loan | 1,02,010 | 219 | 97 | 0 | 44.36% | 44.36% |
| **Grand Total** | **42,76,222** | **92,365** | **65,199** | **13,000** | **84.66%** | **84.52%** |

*After netting off IBPC, Securitization & Direct Assignment

**Write off:[17]**

**Rs. in lakh**

| Particulars | Total Write off undertaken |
|---|---|
| Q1 FY 2026-27 | 7,175.96 |

[17] Write off includes only NPA actual write off and technical write off

**Non-performing Investments (NPI):**

| | |
|---|---|
| **Amount of non-performing investments** | **NIL** |
| Amount of provision held for non-performing investments | NIL |

**Movement of provisions for depreciation on investments:**

| Particulars | Amount |
|---|---|
| Opening Balance | -- |
| Provisions made during the period | -- |
| Write-off | -- |
| Write- Back of excess provisions | -- |
| Closing Balance | **--** |

## 6. *Table DF-4: Credit Risk: Disclosures for Portfolios subject to the Standardised Approach*

### 6.1 Qualitative Disclosures

- The Bank has adopted Standardized Approach for computation of capital charge under Credit Risk as per RBI guidelines. These guidelines envisage different risk weights for different asset classes, which have been duly applied.
- The loan book of the Bank predominantly comprises retail category loans. Therefore, the risk weights as applicable to Regulatory Retail, claims under Residential Mortgage and staff loans are applied. For consumer loans within its microfinance portfolio, the applicable risk weight is applied.
- Institutional lending is risk-weighted as per ratings assigned by Eligible Credit Rating Agencies (ECRA) as prescribed by RBI.
- Housing loans risk weights are assigned in compliance with RBI – Prudential Norms on Capital Adequacy) Directions, 2025 updated time to time.

### 6.2 Quantitative Disclosures

Amount of the Bank's Exposures (rated & unrated) in major risk buckets – under Standardized Approach, after factoring Risk Mitigants (i.e. Provisions).

| **Details of Gross Credit Risk Exposure (Fund based and Non-fund based) based on Risk Weight – Position as on June 30, 2026** | | |
|---|---|---|
| **Sl. No.** | **Risk Weight** | **Rs. in lakh** |
| 1 | Below 100% Risk Weight | 46,92,407 |
| 2 | 100% Risk Weight | 8,80,754 |
| 3 | More than 100% Risk Weight | 9,18,385 |
| 4 | Deductions (Floating PROVISION) | -13,000 |
| 5 | **Total** | **64,78,546** |

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

## 7.1 Qualitative Disclosures

The Group Loan and Individual Loan portfolio, under microfinance is unsecured. Loans to the Affordable Housing segment are collateralized by a mortgage over the property financed. There are primarily secured product variants under MSME loans. Loans to Financial Institutions are secured by a charge over book debts which are registered with CERSAI. Vehicle loans are collateralised by a charge over the vehicle financed. During the year the Bank received Board approval to commence lending to the mid corporates, being the segment just beyond the MSME threshold. This is a further attempt to diversify the asset book with greater emphasis on secured loans.

The Bank accepts Eligible Financial Collateral in a few instances for risk mitigation under secured Institutional lending and MSME loans. These financial collaterals are netted off for its collateralized transactions under comprehensive approach while computing its Risk Weighted Assets (RWA). The Bank regularly reviews the health of the portfolio/ borrowers and works on mitigation of any risk associated with the portfolio or borrower in particular through a combination of limits and restrictions.

The Bank has in place the following risk mitigation techniques for its loan portfolio which are as follows:

- Life insurance cover is voluntary for all the borrowers availing Bank's microfinance loans. Housing, 2-wheeler, and gold loans are provided with an option to avail a life insurance cover, though this is not a bundled offering along with the loan products.
- The Bank works with 4 Credit Information Companies (CICs) to ensure 100% application screening through the bureaus using their comprehensive credit reports.
- The Bank also undertakes independent surveys and analysis to identify negative areas/No- go areas based on historical events. These surveys enable the Bank to discourage increasing business from these areas
- A negative list/negative area profile is maintained at a branch level to avoid exposure to those categories.

## 7.2 Quantitative Disclosures

### 7.2.1 Gold Loan:

For the portfolio under Micro Banking, Gold Loan product has risk mitigant which can be considered as eligible financial collateral in computing Risk Weight. Details are as follows:

**Rs. in Lakh**

| Description | Outstanding Balance | Mitigant | Risk Weight |
|---|---|---|---|
| **Loan against Gold Ornaments** | 101,791 | 101,776 | 18.28 |

### 7.2.2 MSME Loans:

For the portfolio under MSME, FD backed overdraft is having eligible financial collateral. Details are as follows:

**Rs. in Lakh**

| Description | Outstanding Balance | Mitigant | Risk Weight |
|---|---|---|---|
| **Loan against FD** | 34616 | 34616 | 0 |

## *8. Table DF-6: Securitisation: Disclosure for Standardised Approach*

### 8.1 Qualitative Disclosure

#### 8.1.1 Securitisation Objectives

The Bank undertakes Securitisation transactions to increase the efficiency of capital and enhance the return on capital employed by diversifying sources of funds, managing liquidity and maximising yield on asset opportunities. The Bank has put in place appropriate policies for undertaking securitization transactions based on Master Directions – RBI (Securitisation of Standard Assets) Directions dt. 24.09.2021.(updated on November 28, 2025).

The overall framework for the Securitisation of Standard Assets for the Bank is specified in the Board approved policy on Securitisation of Standard Assets.

#### 8.1.2 The major risks inherent in Securitisation of Standard Assets and Transfer of Loans:

**Credit Risk:** In case of Securitisation transactions, where credit enhancement (CE) is provided by the originator or any third party as permitted under the revised guidelines, the investor bears the loss in case the shortfall in collections exceeds the credit enhancement provided. If CE is provided in the form of a corporate guarantee, the investor bears the loss that could arise due to default by the guarantor which is also reflected in the rating downgrade of the corporate guarantor.

**Market Risk:**

- **Liquidity Risk:** Risk arising on account of absence of a secondary market, which provides exit options to the investor/participant.
- **Interest Rate Risk:** This is the mark-to-market risk arising on account of interest rate fluctuations.

**Regulatory and Legal Risk:** These risks may arise when transactions are not compliant with applicable laws which may result in the transaction being rendered invalid. Conflict between the provisions of the transaction documents and those of the underlying financial facility agreement.

**Operational Risk:**

- **Co-mingling risk (in securitization context):** Risk arising on account of co-mingling of funds belonging to investor(s) with that of the originator and /or collection and processing servicer, when there exists a time lag between collecting amount due from the obligors and payment made to the investors.

**Reputational Risk:**

- This risk may arise due to rating downgrade of a securitised instrument due to unsatisfactory performance of the underlying asset pool.
- Inappropriate practices followed by the collection and processing agents.

**Prepayment Risk:** Risk arising on account of prepayment of dues by obligors/borrowers in the securitised pool.

In addition to above, originators are exposed to pipeline and warehousing risks which refers to the event where originating banks are unable to off-load assets, which were originated with an intention of selling thus potentially exposing them to losses arising on declining values of these assets. The Bank does not follow the "originator to distribute" model and hence is not exposed to the pipelining and warehousing risks.

The Bank has established appropriate risk management processes to monitor the risks on Securitisation of Standard Assets which include:

**Monitoring credit risk:** The Bank, in the capacity of collection and processing agent prepares monthly performance reports which are circulated to investors/ rating agencies. The securitised pools are continuously monitored and those requiring attention are subjected to specific interventions (e.g. focused collection efforts in affected geographies) to improve their performance. The pool is also monitored by the rating agencies based on amortisation level, collection efficiency, credit enhancement utilisation levels and credit cover available for balance deal tenor.

**Monitoring market risk:** The Bank ascertains market value of the securitisation exposures based on extant norms, which is compared with their book value to assess the marked to market impact of these exposures monthly.

### 8.1.3 Roles Played by the Bank

**Originator / Seller:** The Bank originates assets in its book and subsequently sells down through the securitisation or assignment route.

**Servicer:** For sold assets, the Bank undertakes the activity of collections and other servicing activities including preparation of monthly pay out reports.

**Provider of Liquidity Facilities:** The Bank may provide liquidity facility to address temporary mismatches on account of the timing differences between the receipt of cash flows from the underlying performing assets and the fulfilment of obligations to the beneficiaries.

**Credit Enhancement provider:** The Bank provides credit enhancement on Securitisation 'sale' transactions undertaken by the Bank for meeting shortfalls arising on account of delinquencies and prepayment losses in the underlying pool sold.

### 8.1.4 Significant Accounting Policy for Securitisation and Direct Assignment of Standard Assets

The Bank as originator sells assets to a special purpose entity only on cash basis. Standard Assets transferred through securitisation are de-recognised in the Balance Sheet when they are sold (true sale criteria being fully met with) and consideration is received. Sales / transfers that do not meet true sale criteria are accounted for as borrowings. Standard assets transferred through direct

assignment are de-recognised in the Balance Sheet of the Bank to the extent a portion of the rights, title and interest of the Bank in the underlying loans has been assigned. The Bank follows the accounting treatment specified in the revised securitisation guidelines and transfer of loan exposure guidelines for any realised and unrealised gain arising from the securitisation transactions.
The Bank transfers advances through inter-bank participation with risk. In the case of participation with risk, the aggregate amount of the participation issued by the Bank is reduced from advances.

### 8.1.5 Rating of Securitisation Transaction

The Bank used the ratings provided by CARE Ratings limited for the securitisation of retail pools and there has been no change to this rating since origination.

## 8.2 Quantitative Disclosures

**Details of Securitisation exposures in the Banking Book**

**Rs.in Lakh**

| | |
|---|---|
| **Total Exposures Securitised by the Bank*** | **-** |

* Represents total exposure of loans securitised & sell-downs via Direct Assignment during Q1 FY 2026-27

**For exposures securitised, losses recognised by the Bank during the current period broken by the exposure type**

**Rs.in Lakh**

| Exposure type | Losses |
|---|---|
| Pass Through Certificate (underlying assets being Loan against property) | - |

**Assets to be securitised within a year as on June 30, 2026**

**Rs.in Lakh**

| Exposure type | Amount |
|---|---|
| Amount of assets intended to be securitized within a year | - |
| Of which amount of assets originated within a year before Securitization | - |

**Total outstanding exposures securitised by the Bank and the related unrecognised gains/(losses)**

**Rs.in Lakh**

| Exposure Type | Amount* | Unrecognised gains / (losses) |
|---|---|---|
| PTC (underlying assets being Loan against property) | 9,382 | - |
| Direct Assignment | 4,553 | |
| **Total** | **13,935** | **-** |

*The total outstanding for Securitization and Direct Assignment as on June 30, 2026.

**Securitisation exposures retained or purchased** **Rs.in Lakh**

| Exposure Type | On Balance Sheet* | Off Balance Sheet | Total |
|---|---|---|---|
| Equity Tranche | 1,263 | - | 1,263 |
| Overcollateralization | 758 | - | 758 |

| | | | |
|---|---|---|---|
| Direct Assignment | 537 | - | 537 |
| **Total** | **2,558** | **-** | **2,558** |

***** Represents total principal amount of investment in Equity Tranche, Overcollateralization and Direct Assignment outstanding under risk sharing as at March 31, 2026.

**Risk weight (RW) bands break-up of securitisation exposures retained or purchased**

**Rs. In lakh**

| Exposure Type | 50% RW | 75% RW | 114% RW* | 125% RW | Total |
|---|---|---|---|---|---|
| Equity Tranche (underlying assets being Loan against property) | | | 1,263 | | 1,263 |
| **Total** | | | **1,263** | | **1,263** |

* Calculated as per formula prescribed in Master Direction – Reserve Bank of India (Securitisation of Standard Assets) Directions, 2022

**Securitisation exposures deducted from capital –**

| Exposure Type | Exposure deducted entirely from Tier-1 capital | Credit enhancing interest-only strips deducted from total capital | Other exposures deducted from total capital |
|---|---|---|---|
| Overcollateralization | 758 | - | - |
| First Loss Credit Enhancement | 1,263 | - | - |
| **Total** | **2,021** | **-** | **-** |

**Details of Securitisation Exposures in the Trading Book**: NIL

# 9. *Table DF-7: Market Risk in Trading Book*

## 9.1 Qualitative Disclosures

### 9.1.1 Overview of Market Risk Management

The Bank defines Market Risk as the risk of loss in on-balance sheet and off-balance sheet positions arising from movements in market process, in particular, changes in interest rates, exchange rates and equity and commodity prices. The Bank has adopted the Standardized Duration Approach (SDA) for Market Risk capital charge computation. While this is not a regulatory requirement as per SFB guidelines, the Bank has considered it prudent to undertake capital adequacy assessment for all Pillar I risk i.e. Credit, Market and Operational Risk from a governance perspective.

The Bank has a well-defined Investment and Market Risk Management Policy. This policy covers all important areas of market risk identification, monitoring and measurement. The policies set various prudential exposure limits and risk limits for ensuring that the investment and trading operations are in line with the Bank's expectations of return and risk appetite.

The Treasury Department of the Bank comprises 3 independent units i.e. Front Office, Middle Office and Back office. The Front Office is responsible for trading, investment and fund management activity. Front Office is headed by Head of Treasury and is guided by Board approved Investment Policy. Middle Office is responsible for limit monitoring, valuation, regulatory / internal reporting and risk evaluation. Middle Office reports to Chief Risk Officer. Back office is responsible for settlement and reconciliation activities which reports to Head of Operations.

**Investments**: The Bank has a Board approved policy to make investments in both SLR and Non SLR securities. The Bank had investments in the following instruments: Government of India Securities (G Sec), Treasury Bills (T Bills), State Development Loans (SDL), Certificate of Deposits (CD), Commercial Papers (CP), Debt Mutual Funds (MF), Non-Convertible Debentures (NCD), Equity IPO's and one legacy investment in an unquoted equity. The Bank had also made a token investment in a New Umbrella Entity (NUE) in association with National Payment Corporation of India (NPCI) and investment of Rs. 1,263 lakhs as Pass through Certificates as part of the Securitisation deal executed during FY 2022. As on Jun 30, 2026, the investment holdings in various SLR and Non SLR instruments were as under:

**Rs. in lakh**

| | AFS | | HFT | | HTM | | FVTPL | |
|---|---|---|---|---|---|---|---|---|
| **Instruments** | **BV** | **MV** | **BV** | **MV** | **BV** | **MV** | **BV** | **MV** |
| **SLR** | | | | | | | | |
| **G Sec** | 0.00 | 0.00 | 19.94 | 19.94 | 6,116.22 | 6,086.45 | 0.00 | 0.00 |
| **SDL** | 0.00 | 0.00 | 0.00 | 0.00 | 3,979.12 | 3,953.71 | 0.00 | 0.00 |
| **T Bill** | 1,109.43 | 1,109.43 | 34.26 | 34.26 | 0.00 | 0.00 | 0.00 | 0.00 |
| **Total SLR** | **1,109.43** | **1,109.43** | **54.20** | **54.20** | **10,095.34** | **10,040.15** | **0.00** | **0.00** |
| **Non-SLR** | | | | | | | | |
| **CD** | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 12.63 | 13.70 |
| **CP** | 0.00 | 0.00 | 0.87 | 0.87 | 0.00 | 0.00 | 0.00 | 0.00 |
| **Equity** | 0.00 | 0.00 | 97.25 | 97.25 | 0.00 | 0.00 | 0.00 | 0.00 |
| **NCD** | 0.00 | 0.00 | 752.26 | 752.26 | 0.00 | 0.00 | 0.00 | 0.00 |
| **PTC** | 0.00 | 0.00 | 389.42 | 389.42 | 0.00 | 0.00 | 0.00 | 0.00 |
| **Total non-SLR** | **0.00** | **0.00** | **1,239.79** | **1,239.79** | **0.00** | **0.00** | **12.63** | **13.70** |
| **Total** | **1,109.43** | **1,109.43** | **1,293.99** | **1,293.99** | **10,095.34** | **10,040.15** | **12.63** | **13.70** |

The HTM book was maintained at an average of ~22.40% of NDTL. Average SLR maintained exceeded regulatory requirements, reflecting a prudent liquidity stance.

The investment into SLR securities is undertaken for the purpose of regulatory compliance i.e., SLR maintenance and for Asset Liability Management (ALM). Investment in SLR securities is held as both HTM and AFS; majority of investments in AFS is in the form of Treasury Bills with small part of the AFS portfolio held in Central Government securities. The mandatory requirement for maintenance of SLR as stipulated by RBI is 18.00% of Net Demand and Time Liabilities (NDTL). The Bank has complied with the regulatory SLR requirement and has maintained SLR much above the requirement. During the quarter, the average SLR requirement and maintenance was as below:

**Rs. in lakh**

| Month | Average SLR requirement | Average SLR maintenance | Average SLR requirement maintained as a % of NDTL |
|---|---|---|---|

| | | | |
|---|---|---|---|
| **Apr-26** | 8,03,505 | 10,41,503 | 23.33% |
| **May-26** | 8,12,640 | 10,32,357 | 22.87% |
| **Jun-26** | 8,14,073 | 10,46,416 | 23.14% |

The maintenance of SLR was higher than the minimum requirement which is in line with its Board directive. The Bank maintains a higher SLR on account of two reasons viz. 1) risk management, in that, to ensure a cushion in case of a contingency, to keep a healthy Liquidity Coverage Ratio (LCR) at all times and also to ensure that the regulatory thresholds for the Structural Liquidity Statement (SLS) limits are not breached and 2) availability of liquid assets for non-SLR investments as an avenue to optimise the yield on investment portfolio.

**Trading:** The Bank is actively trading in G-sec market on an intraday basis and also carries overnight position in HFT portfolio. The trading positions are governed by stop loss limits to minimise the loss should there be a volatility in the market. The trading limits in the form of duration limits, PV01 limits, trading book limit, exposure limits and Value at Risk (VaR) are monitored regularly by the Middle Office. Any instance of breach in limits is brought to the notice of stakeholders and remedial measures taken.

The Bank's non SLR investments are made in CD, CP, NCD and debt and liquid mutual funds. The Bank commenced investment in secondary equity market and relevant limits have been put in place for risk management. The investment is undertaken with the objective of diversifying the investment portfolio and maximising the yield on the investment portfolio by deploying surplus liquidity. The transactions in non SLR investments were within the Board approved policies and regulatory thresholds.

**FX/AD1 Business** – The Fx/AD 1 business is governed by Board approved Net Overnight Open Position (NOOPL) and Aggregate Gap Limit (AGL). Besides this, the Bank has put in place relevant policies and SOPs with clear segregation of roles and responsibilities between Front Office, Back Office and Mid Office. The limit monitoring is done by Mid Office and status report is presented to ALCO. Pursuant to RBI announcing liberalised norms to source FCNR deposits, the Bank has taken several steps such as providing attractive interest rates in select currency and tenors considering the benefit of long-term deposits with no CRR and SLR maintenance on the FCNR deposits.

### 9.1.2 Liquidity and Liquidity Risk Management:

Treasury Department is primarily responsible for the day-to-day liquidity and fund management with an oversight by the ALM desk. The day-to-day fund excess or shortfall is arrived at based on a daily liquidity statement prepared by Front Office in co-ordination with Finance department. Based on the daily shortage or excess funds, Front Office undertakes money market borrowing and lending activity. The source of borrowing and lending amongst Call money, Repo, TREPS and CROMS is decided based on the most favourable rate. The regulatory limit on Call/Notice money borrowing and lending is monitored on a daily basis by Middle office and reported to all stakeholders. Market Risk team keeps the senior management and the Board apprised of the Liquidity situation of the Bank through regular updates to the ALCO and RMCB.

Liquidity Risk Management is governed as per the provisions of the ALM policy. The ALM position for the Bank was well managed and regulatory thresholds complied during the quarter.

**9.2** Quantitative Disclosures

**Liquidity Coverage Ratio (LCR) Q1 FY 2027:**

The objective of the LCR is to promote the short-term resilience of a bank's liquidity risk profile, ensuring that it has adequate stock of unencumbered high-quality liquid assets that can easily be converted into cash to meet its liquidity needs in an acute stress scenario lasting for 30 days.

| Liquidity Coverage Ratio | | | |
|---|---|---|---|
| | **Quarterly Average** | | **Rs. in lakhs** |
| | | **Amount** | **Adjusted Amount** |
| **A** | **High Quality Liquid Assets** | | |
| | Level 1 Assets | **10,02,310.91** | **10,02,310.91** |
| | Level 2 A Assets | - | - |
| | Level 2 B Assets | 18.64 | 9.32 |
| **B** | **Total Stock of HQLAs (Adjusted for Capital)** | **-** | **10,02,320.23** |
| **C** | **Cash Outflows** | **35,87,591.30** | **9,65,676.18** |
| **D** | **Cash Inflows** | **3,05,579.70** | **2,09,167.09** |
| **E** | **Net Cashflow** | **-** | **7,56,509.09** |
| **F** | **25% of Total Cash Outflow** | **-** | **2,41,419.05** |
| **G** | **Higher of E or F** | **-** | **7,56,509.09** |
| **Liquidity Coverage Ratio** | | **132.49%** | |

**Net Stable Funding Ratio (NSFR):** NSFR is defined as the amount of available stable funding relative to the amount of required stable funding. "Available Stable Funding" (ASF) is defined as the portion of capital and liabilities expected to be reliable over the time horizon considered by the NSFR, which extends to one year. The amount of stable funding required ("Required Stable Funding") (RSF) of a specific institution is a function of the liquidity characteristics and residual maturities of the various assets held by that institution as well as those of its off-balance sheet (OBS) exposures. The minimum NSFR requirement set out in the RBI guideline is 100%.

The Bank's NSFR as at Jun 30, 2026 was 122.88% as against RBI minimum requirement of 100%.

| **NSFR** | **Weighted Amount** |
|---|---|
| Total Available Stable Funding (ASF) | 38,06,275.74 |
| Total Required Stable Funding (RSF) | 30,97,639.49 |
| **NSFR** | **122.88%** |

# 10. *Table DF – 8: Operational Risk*

## **10.1** Qualitative Disclosures

### 10.1.1 **Operational Risk Management Policy and Governance Structure:**

For effective management of Operational Risk, the Bank has constituted an Operational Risk Management Committee (ORMC) chaired and convened by the Chief Risk Officer (CRO) which meets at least once every quarter to provide an oversight on key operational risk issues. A summary of the major operational risk incidents and independent reviews conducted by the OR team and presented to ORMC is part of the regular updates to the Risk Management Committee of the Board (RMCB). The Bank has in place a Board approved Operational Risk Management policy updated to include the latest guidance note on Operational Risk Management and Operational Resilience, specifically applicable to SFBs and published by RBI on 28th November 2025.

The OR team is regularly taking new initiatives to assess the operational risks in each of the major operating business units, be it in product construct or gaps in delivery. Amongst them, an initiative that commenced the previous year, is an independent assessment of the overall operational risk posture of each business unit. This exercise focusses on the end-to-end process, starting with identification of the business location, since major operational risk challenges may arise from a wrong location, and capturing control points at each stage of the journey in the operation of the business unit or the product. Each control point is tested based on samples collected and gaps identified are highlighted. A scoring matrix helps to rate the operational risk posture, classifying between high, medium and low, to show the risk severity of the business evaluated. The aim is to provide top management and the RMCB with a holistic overview of the operational risks inherent in every process, rather than report each identified gap in process control separately.

In addition to assessing the operational risk posture of a business unit and the products being offered through the unit, an assessment of the operational risk posture from the outsourced activities was also done by the Operational Risk team. This was separate from the annual reviews of the material vendors.

Using the various operational risk assessment tools, a presentation was made to the RMCB on the overall operational risk status of the Bank as at end FY 2026. This was the first such comprehensive operational risk assessment at the organizational level and will be repeated annually.

Other key initiatives taken during the year were the following:

1. Operational Risk department has undertaken a comprehensive Gap Assessment against the RBI's Guidance Note on Operational Risk Management and Operational Resilience through PRICE WATERHOUSE COOPERS LLP. The scope covered a detailed review of policies, frameworks, and governance structures across operational risk & resilience, ICAAP and stress testing. The operational risk practices such as RCSA, Incident Management, Loss Data Analysis, Internal Financial Controls, KRI reporting, and remediation monitoring were evaluated along with benchmarking of tools and methodologies. On the Operational resilience part, the review encompassed Business Impact Analysis, Business Continuity Management, Outsourcing Risk, and

Crisis Management structures. The objective was to assess current practices against regulatory expectations, identify gaps and recommend enhancements to strengthen the Bank's operational risk and resilience posture. The report of the exercise has just been received, and the team shall be working to close the deficiencies identified within a defined time frame.

2. Enhanced State Level Heatmaps to record operational risk originating from the Bank's operations in each of the states. Historically, the Bank had a process of granular operational risk management through a scorecard matrix introduced at inception. This analysis is presented on a M-o-M basis for corrective action, especially in states or branches where the risk triggers are recurring. When compared with Q1 FY'27 with Q1 FY'26, significant progress has been observed with increasing trend in green category states (9 nos.) and improvement in transition of amber category branches to green category (7 nos.). This reflects a positive trend in overall control effectiveness.

3. Outsourcing activities and Business Continuity received additional focus during the financial year. To ensure robust oversight of vendor-related risks in alignment with prevailing regulatory guidelines, the Bank has established a comprehensive Third-Party Risk Management (TPRM) Framework. This framework is designed to categorize vendors by their inherent risk profiles and establish rigorous monitoring and control protocols. The framework provides essential control measures for each category. The Bank has also developed framework/scorecard to assess the vendor concentration risk. The primary goal of the scorecard is to provide a comprehensive view of the Bank's total exposure to specific Service Providers. By evaluating multiple service arrangements with a single vendor, this framework identifies dependencies on common infrastructure, parent companies, data processors etc. These individual scores are then aggregated into a bank-level dashboard to track. This scorecard serves as a critical control for evaluating concentration risk at the earliest stage of the vendor lifecycle. To ensure continuous oversight, this framework is also embedded as part of the periodic Risk Assessment.

4. The Bank has enhanced the business continuity management policy with a unified and structured Business Impact Analysis (BIA) Framework. The BIA framework utilizes a weighted evaluation methodology across various core impact areas - Financial Impact, Operational Impact, Customer Impact, Reputational Impact and Legal/Regulatory Impact. Risk Assessment methodology for critical business processes incorporated in the Policy providing a structured approach to measuring both inherent risk and residual risk, ensuring that appropriate risk mitigation controls are implemented and monitored. To ensure operational resilience during disruptive events, pre-defined recovery strategies and alternate execution mechanisms across all critical Business functions/ IT systems are incorporated as part of the BCM Policy. Explicit roles, responsibilities, and clear escalation protocols have been established across all tiers. The Crisis Management Team's composition along with responsibilities have been re-engineered to seamlessly address both IT and Non-IT disruption scenarios.

5. The Risk Department has launched a new bank-wide initiative focused on enhancing risk awareness among all employees through simple, relevant, and continuous communication. As part of this initiative, customized Risk Awareness posters are being designed inhouse and broadcast to employees. The posters are tailored with business environment, processes, and day-to-day risk scenarios based on true incidents, emerging concerns, control expectations, and good practices that support better risk identification and prevention in daily operations making the

communication more practical and relatable for employees across functions.

The awareness communication included topics on Fake app fraud, Vault dual custody management, Risk of using personal account for collections, Incident reporting, Gold loan security measures and Safe vault security controls.

While the above mentioned were the key initiatives taken during the year, the Operational Risk Unit continued with its Business-as-Usual activities which included process reviews, UAT testing including review of BRD, oversight of RCSA, monitoring of Key Risk Indicators both at an organizational level and at select functional level.

**Loss Data Management** is in place to record material incidents and learnings from errors and strengthening existing controls. Incidents are recorded as operational loss and near miss events. This is followed by a Root Cause Analysis (RCA) for critical incidents. The Bank has the process of reporting all operational risk incidents, which are classified according to Basel defined operational risk events.

The Bank has created a separate General Ledger Code (GLC) to record losses (separate for fraud and non-fraud) on account of these incidents, and these are reported to the Operational Risk Management Committee (ORMC) & Risk Management Committee of the Board (RMCB) at regular intervals. The activities broadly include the following:

- Reconciliation of General Ledgers (GL) to operational loss as recorded by Operational Risk Unit
- Root Cause Analysis (RCA) of critical events
- Quarterly loss data submission to Operational Risk Committee

**Loss Dashboard for YTD FY 26-27 (as on June'26):**

| Event Type | Count of Incidents | Loss in lakhs | | |
|---|---|---|---|---|
| | YTD June'26 | YTD June'26 | | |
| | Total | Gross Loss | Net Loss | Ops Loss |
| *Business Disruption and Systems Failures* | 32 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 |
| *Clients, Products, and Business Practice* | 29 | ₹ 1.53 | ₹ 1.53 | ₹ 0.59 |
| *Damage to Physical Assets* | 24 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 |
| *Employment Practices and Workplace Safety* | 2 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 |
| *Execution, Delivery, and Process Management* | 373 | ₹ 6.48 | ₹ 1.88 | ₹ 0.95 |
| *External Fraud* | 351 | ₹ 117.04 | ₹ 35.34 | ₹ 1.06 |
| *Internal Fraud* | 29 | ₹ 29.37 | ₹ 18.99 | ₹ 7.00 |
| *Total* | **840** | **₹ 154.42** | **₹57.73** | **₹ 9.60** |

***The Ops Loss Recovery done as on date (30th June'26) pertaining to Operational Losses booked in previous financial years is Rs. 5.80 Lakh. The number of operational risk incidents and the quantum of operational loss booked was lower in FY-2027 when compared to the previous year.***

**Key Risk Indicators (KRIs)** are measurable metrics that provide early warning signals of potential risk exposure before it becomes critical for the Bank. KRIs monitored on a monthly basis across 10 Business Departments, 2 Support Functions and at the Organizational level, covering 188 parameters. The KRI dashboard for Q1 FY'27 has been published to the respective departments, with corrective measures initiated wherever KRI thresholds are breached.

In Q1 FY'27, annual review and revamp of the KRI framework, parameters and thresholds were initiated to update the current business environment, risk profile and observed trends. While the identification of KRI has been part of the existing practice, the Bank is further strengthening the process by leveraging the RCSA framework. Under the enhancement approach, High and Critical residual risk identified through RCSA will be mapped to relevant KRIs, wherever applicable, to ensure that significant risks are supported by appropriate and measurable early warning indicators. This will strengthen the linkage between risk identification, measurement and ongoing monitoring, while reducing the subjective element in KRI identification and making the process more objective and risk based.

The enhanced KRI framework will facilitate proactive identification of emerging risks, timely escalation of threshold breaches and focused corrective actions by the respective departments, thereby strengthening the Bank's overall Operational Risk Management framework.

**User Access reviews** are conducted for critical applications to ensure that access and role matrix are well defined, and that access is commensurate with the responsibility assigned.
In June'26, the Bank completed its second half yearly User Access Review (UAR) for critical applications. The review aimed to ensure that system access remains appropriate to assigned roles and responsibilities thereby strengthening governance controls. The key observations and necessary recommendations were shared with respective stakeholders for initiating corrective action.

**Exceptions Handling Mechanism-** The Bank has established an Exception handling mechanism for monitoring exceptions to processes beyond the existing framework to determine control gaps across business functions. Currently, 30 exception reports are monitored monthly, which can be directly downloaded from the Report Server and are accessible to the respective Business Units and the Operational Risk team. A dashboard has also been developed for monthly trend monitoring, providing visibility to the respective departments.

To further strengthen monitoring capabilities, the Operational Risk team is progressively automating the remaining reports. Additional reports currently monitored manually will be automated and integrated into the dashboard going forward, thereby reducing manual intervention and enhancing monitoring and closure of identified gaps.

**Internal Financial Control (IFC) Exercise**: The Bank has transitioned from an annual review approach to a quarterly assessment to strengthen control monitoring across business and support function which helps to mitigate the observations on an immediate basis. During FY'27((Q1), IFC testing was carried out across 32 verticals and 165 controls were tested covering both Process Level controls and Entity level controls. The results and key observations of the IFC exercise are presented to Operational Risk Management Committee (ORMC) on periodical basis.

**Risk and Control Risk Assessment (RCSA) Exercise**: The Bank conducts RCSA as an ongoing exercise to proactively identify, assess and monitor inherent risks and control effectiveness across business processes. Business and Support functions, as the First line of Defence (FLOD), are responsible for performing RCSA, supported by designated Business Risk and Compliance Officers (BRACOs) across 29 departments. Total 429 controls were tested in FY’27(Q1).

The outcomes of the RCSA exercise, including identification of High and Critical residual risks are reviewed and reported to Operational Risk Management Committee (ORMC) and Risk Management Committee of the Board (RMCB) on periodical basis.

During the year the Bank had an independent third-party assessment conducted of the Operational Risk Framework to determine enhancements required based on a benchmarking exercise against extant regulations and best practices. The report is awaited and the observations will be acted upon within a time frame to ensure that the Bank’s Operational Risk framework and the tools used are in sync with the best in the industry.

**Information Security and Technology Risk:**

To strengthen Cyber resilience, Security Operations and Governance capabilities, the Bank continues to focus and monitor the operations effectiveness, implemented the structured awareness programmes to foster the culture of security awareness.

The Blue team [SOC] ensures continuous log monitoring, threat intelligence, threat hunting activities and security incident management & takes initiative to improve the periodic cyber defence capabilities and productive enhancement of all used cases.
The Red team are responsible and continue to perform the security assessment of Critical information systems through internal and external assessment. Further, team conducts the periodic vulnerability assessment as well and tracking the closure of identified VAPT observations and exceptions provided.

In Technology Risk Management area, the pertinent IT domain level risks are identified and monitored through Risk and Control Self-Assessments [RCSA], Key Risk Indicators review performed. The residual risks identified are registered & tracked to closure. The thematic study was performed in critical delivery areas such as “Patch & Change Management effectiveness”. The key observations identified & other improvement areas were presented in Risk and IT strategic committees for management direction and enhancing the process level controls.

Furthermore, in Q1, the Bank has continued strengthening the privacy governance by enhancing all process and product notes due for renewal with Privacy controls, by embedding Privacy by Design in Business Requirement Document. A dedicated awareness session was conducted for head of departments to make them aware about nuances of Digital Personal Data Protection (DPDP) Act. Record of Processing Activities (RoPA) was conducted for business processes to map personal data inventory and underlying privacy controls. Privacy notices aligned to DPDPA was made live on website.

To strengthen the overall security posture across the extended ecosystem and mitigating supply chain risks and vendor levels, Bank also extended its awareness outreach to critical vendors and third-party service providers through targeted vendor awareness sessions, with adherence to the Bank’s information security and data protection guidelines.

Recognizing the emerging risks associated with adoption of Artificial Intelligence (AI), the Bank initiated targeted awareness programs on AI security, covering key areas such as secure usage of generative AI tools, data confidentiality risks, model misuse, prompt injection threats, and adherence to internal policies governing AI usage. These initiatives were conducted to ensure responsible adoption of AI technologies while safeguarding sensitive information and maintaining regulatory compliance.

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

**11.1** Qualitative Disclosures

Interest Rate Risk in Banking Book (IRRBB) refers to the risk of loss in earnings and economic value of a bank's banking book as a consequence of movement in interest rates. For banking book, interest rate risk arises through mismatches in re-pricing of interest rate sensitive assets (RSA), rate sensitive liabilities (RSL). The Bank has identified the risks associated with changing interest rates on its exposures in the banking book from both a short-term and long-term perspective.
The interest rate risk is measured and monitored through two approaches:

- Earnings at risk (Traditional Gap Analysis): The impact of change in interest rates on net interest income is analysed under this approach and calculated under yield curve approach. Under this approach a parallel shift of 200 bps is assumed both in assets and liabilities.
- Economic Value of Equity (Duration Gap Approach): Modified duration of assets and liabilities is computed separately to arrive at modified duration gap. A parallel shift in yield curve by 200 bps is assumed for calculating the impact on economic value of equity.

**11.2** Quantitative Disclosures

**11.2.1 Earnings at Risk (Earnings Perspective)** **Rs. in Lakh**

| **Interest Rate Risk in the Banking Book (IRRBB)** | | | |
|---|---|---|---|
| **Sl. No.** | **Country** | **Interest Rate Shock** | |
| | | +200 bps shock | -200 bps shock |
| 1 | India | 2,489.56 | -2,489.56 |
| 2 | Overseas | - | - |
| | **Total** | **2,489.56** | **-2,489.56** |

**11.2.2 Economic Value Perspective (MDG Approach)** **Rs. in Lakh**

| **Category** | **Items** | **Amount** |
|---|---|---|
| A | Computation of Aggregate RSA | 59,74,149.86 |
| B | Computation of Aggregate RSL | 54,07,859.55 |
| C | Weighted Avg. MD of RSL across all currencies | 1.00 |
| D | Weighted Avg. MD of RSA across all currencies | 1.55 |
| E | Modified Duration Gap (MDG) | 0.64 |
| F | Change in MVE as % of equity for 200 bps change in interest rate | -11.69% |
| G | **Change in MVE in absolute terms** | **-77,049.02** |

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

**Rs in Lakh**

| | **Summary comparison of accounting assets versus leverage ratio exposure measure** | |
|---|---|---|
| | **Item** | **Amount** |
| **1** | Total consolidated assets as per published financial statements | 44,16,485 |
| **2** | Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation | 16,49,237 |
| **3** | Adjustment for fiduciary assets recognised on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure | - |
| **4** | Adjustments for derivative financial instruments | - |
| **5** | Adjustment for securities financing transactions (i.e. repos and similar secured lending) | 0 |
| **6** | Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off- balance sheet exposures) | 43,563 |
| **7** | Other Adjustments | -49,077 |
| **8** | **Leverage ratio exposure** | **60,60,207** |

## 13. *Table DF-18: Leverage Ratio Common Disclosure Template*

**Rs. in lakh**

| | **Table DF-18: Leverage ratio common disclosure template** | |
|---|---|---|
| | **Item** | **Amount** |
| | **On-balance sheet exposures** | |
| **1** | On-balance sheet items (excluding derivatives and SFTs, but including collateral) | 60,65,722 |
| | Domestic Sovereign | 11,24,836 |
| | Banks in India | 1,79,204 |
| | Corporates | 3,44,136 |
| | Exposure to default fund contribution of CCPs | 1,061 |
| | Other Exposure to CCPs | |
| | Others | 44,16,485 |
| **2** | (Asset amounts deducted in determining Basel III Tier 1 capital) | -49,077 |
| **3** | **Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 2)** | 60,16,644 |
| | Derivative exposures | - |
| **4** | Replacement cost associated with all derivatives transactions (i.e. net of eligible cash variation margin) | - |

| | | |
|---|---|---|
| 5 | Add-on amounts for PFE associated with all derivatives transactions | - |
| 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** | **Total derivative exposures (sum of lines 4 to 10)** | - |
| | Securities financing transaction exposures | - |
| 12 | Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions | - |
| 13 | (Netted amounts of cash payables and cash receivables of gross SFT assets) | - |
| 14 | CCR exposure for SFT assets | - |
| 15 | Agent transaction exposures | - |
| **16** | **Total securities financing transaction exposures (sum of lines 12 to 15)** | - |
| | **Other off-balance sheet exposures** | |
| 17 | Off-balance sheet exposure at gross notional amount | 4,61,901 |
| 18 | (Adjustments for conversion to credit equivalent amounts) | 4,18,338 |
| **19** | **Off-balance sheet items (sum of lines 17 and 18)** | 43,563 |
| | Capital and total exposures | |
| **20** | **Tier 1 capital** | 6,51,486 |
| **21** | **Total exposures (sum of lines 3, 11, 16 and 19)** | 60,60,207 |
| | **Leverage ratio** | |
| **22** | **Basel III leverage ratio** | **10.75%** |

Presently the contribution of Tier I capital to Total Basel II capital is 94.10%. The business model of the Bank is relatively simple with a significant portion as fund-based assets. The Leverage ratio is well above the benchmark of 4.5%.

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