



Pillar III Disclosures for year ended
March 31, 2026

2025-2026

[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 as on January 09, 2026). 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 March 31, 2026.]

TABLE OF CONTENTS

1. List of key abbreviations	3
2. Key Performance highlights of the Bank	6
3. Table DF- 1: Scope of Application	12
4. Table DF-2: Capital Adequacy	13
5. Table DF-3: Credit Risk: General Disclosures for all Banks	17
6. Table DF-4: Credit Risk: Disclosures for Portfolios subject to the Standardised Approach	28
7. Table DF-5: Credit Risk Mitigation: Disclosures for Standardised Approach	29
8. Table DF-6: Securitisation: Disclosure for Standardised Approach	30
9. Table DF-7: Market Risk in Trading Book	34
10. Table DF – 8: Operational Risk	37
11. Table DF-9: Interest Rate Risk in the Banking Book (IRRBB)	43
12. Table DF-13: Main features of Regulatory capital Instruments	44
13. Table DF-14: Terms and conditions of Regulatory Capital Instruments Equity Shares	50
14. Table DF-15: Disclosure on Remuneration.....	51
15. Table DF-17: Summary Comparison of Accounting Assets vs. Leverage Ratio Exposure Measure	60
16. Table DF-18: Leverage Ratio Common Disclosure Template.....	60

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 March 31, 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 March 31, 2026, was as follows:

Particulars	Count
Total Banking outlets, of which	776
Banking outlets ¹ (non-URC)	579
Banking outlets (URC) ² , of which	197
i Qualifying URC Branches (Branches situated in tier 3-6 locations in NE ³ states and LWE ⁴ districts)	193
ii Business Correspondents (BC)	4
Total ATMs	612
Of which, ACR (Automatic Cash Recycler)	62

During the quarter ended Q4 FY26, the Bank did not open any new branch. With **25.387%** of Banking outlets in URC, the Bank is fully compliant with RBI guidelines in this regard. The physical reach continues to be supplemented by a strong and focused investment in digital platforms to aid in business development, on both asset and the liabilities side.

B. Financial highlights for Q4 FY 2025-26:

Some of the key achievements for the period ended March 31, 2026, were as follows:

Customer base	<ul style="list-style-type: none">Total customer outreach was 101.5 lakh customer through 776 branches as at March 31, 2026 (99.6 lakh as at December 30, 2025; 98.8 lakh as at September
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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)

	30, 2025).
Loan Portfolio	<ul style="list-style-type: none"> Gross Loan Book (GLB) (without netting off IBPC/Securitization/Direct Assignment): Rs. 40,65,507 lakh as at March 31, 2026 (Rs. 37,05,680 lakh as at December 31, 2025; Rs. 34,58,846 lakh as at September 30, 2025). Gross Advances (GA) (after netting off IBPC/Securitisation/Direct Assignment): Rs. 40,50,682⁵ lakh as at March 31, 2026 (Rs. 36,89,927⁶ lakh as at December 31, 2025; Rs. 34,42,079⁷ lakh as at September 30, 2025). Non-Microfinance book was 49.06% as at March 31, 2026 on GA basis (47.72% as at December 31, 2025; 46.31% as at September 30).
Deposit Portfolio	<ul style="list-style-type: none"> Total Deposits (Retail plus Institutional): Rs.45,66,833 lakh as at March 31, 2026 (Rs.42,22,333 lakh as at December 31, 2025; Rs.39,21,091 lakh as at September 30, 2025) CASA: 28.6% as at March 31, 2026 (27.3% as at December 31, 2025; 27.52% as at September 30, 2025)
Asset Quality	<ul style="list-style-type: none"> Gross Non-Performing Assets (GNPA): 2.26%⁸ as of March 31, 2026 (2.38%⁹ as of December 31, 2025; 2.45%¹⁰ as of September 30, 2025) Net Non-Performing Assets (NNPA): 0.43% as at March 31, 2026¹¹, (0.57% as at December 31, 2025¹²; 0.67% as at September 30, 2025¹³)
Capital Adequacy	<ul style="list-style-type: none"> CRAR ratio of the Bank as at March 31, 2026 was 21.14% (December 31, 2025 was 21.62%; September 30, 2025 was 21.36%)
Employee strength	<ul style="list-style-type: none"> 26,555 as at March 31, 2026 (26,533 as at December 31, 2025, 26,484 as at September 30, 2025)
Provisions and Credit costs	<ul style="list-style-type: none"> Total provisions including Floating Provision as at March 31, 2026 was Rs.94,763 lakh (Rs.85,654 lakh as at December 31, 2025; Rs. 78,684 lakh as at September 30, 2025). Total NPA provision (excluding floating provision) held was Rs 61,628 lakh as at March 31, 2026 (Rs 54,131 lakh as at December 2025; Rs 48,320 lakh as at September 2025).

⁵ Outstanding balance in IBPC/Securitisation/ Direct Assignment as on March 31,2026 is Rs 14,824 lakh

⁶ Outstanding balance in IBPC/Securitisation/ Direct Assignment as on December 31,2025 is Rs 15,753 lakh

⁷ Outstanding balance in IBPC/Securitisation/ Direct Assignment as on September 30,2025 is Rs 16,767 lakh

⁸ Computed as a percentage to Gross advances. GNPA% on GLB basis as at March 31,2026 is 2.27%

⁹ Computed as a percentage to Gross advances. GNPA% on GLB basis as at December 31, 2025 is 2.38%

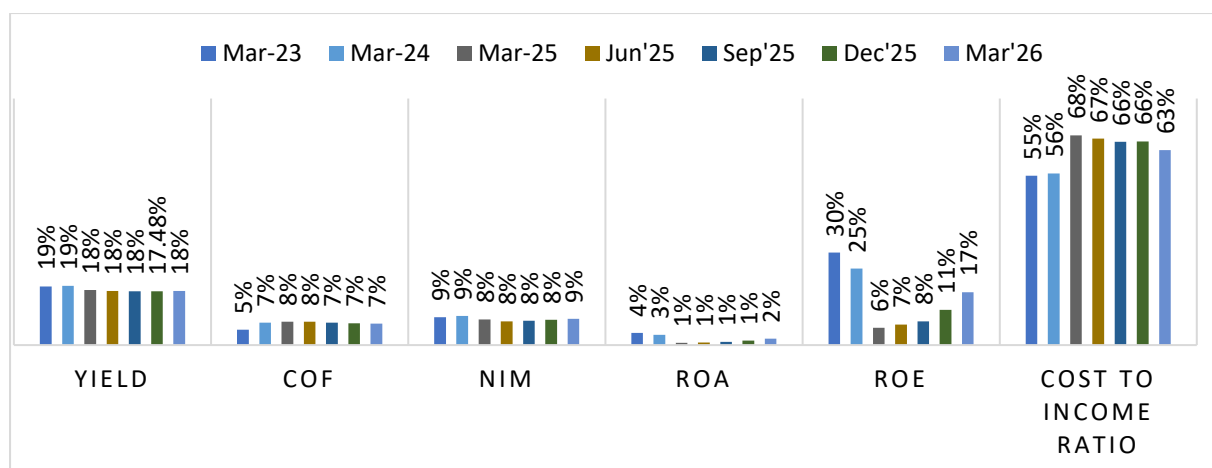
¹⁰ Computed as a percentage to Gross advances. GNPA% on GLB basis as at September 30, 2025 is 2.45%

¹¹ Computed as a percentage to Net advances. NNPA% as a ratio to Net GLB was 0.43%

¹² Computed as a percentage to Net advances. NNPA% as a ratio to Net GLB was 0.57%

¹³ Computed as a percentage to Net advances. NNPA% as a ratio to Net GLB was 0.67%

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



The Bank demonstrated a strong performance in Q4FY26, achieved by a strengthened revenue mix and a significant enhancement in asset quality. A summary of the key highlights the Bank as of March 31, 2026, is given below:

- Pre-Provision Operating Profit for Q4 FY 2025-26 was Rs. 51,460 lakhs; up by 43% Y-o-Y.
- Disbursements were at Rs.9,81,097 lakh in Q4 FY 2025-26; up by 32.1%/ 18.3% on YoY/QoQ basis.
- Deposit position was Rs.45,66,833 lakh as of March 31st, 2026; up by 21%/8.15% YoY/QoQ respectively. CASA was at Rs 13,06,165 lakh; up 35% YoY. CASA ratio was 28.60% as of March 2026. Retail TD (TDs less than Rs. 300 lakh) increased 11%/ 6% YoY/QoQ.
- **Other Key performance metrics:** Continued traction on collections with ~97.42% efficiency in March 2026; NDA collection stood at ~99.8%. Portfolio At Risk (PAR) was at 3.54% as of March 2026. GNPA on GLB basis at 2.3% as of March 2026; NNPA continued to be negligible at 0.43% as at March 2026. A total of Rs.3,914 lakh was technically written off in Q4 FY26; Provision Coverage Ratio (PCR) as of March 2026 was 81%.

The improvement in PAT in Q4 FY 2025-26 was primarily attributable to a strengthened revenue mix and a significant enhancement in asset quality. This further supported by Priority Sector Lending Certificate (PSLC) income of Rs. 500 lakh, and accelerated recovery from written-off accounts, which increased from Rs. 2,500 lakh in Q3 FY26 to Rs. 3,400 lakh in Q4 FY26. Simultaneously, credit costs declined as asset quality improved — Gross NPA moderated from 2.4% to 2.3% and Net NPA declined from 0.58% to 0.44% of Gross Advances. The combined impact of enhanced non-interest income and reduced provisioning requirements drove a meaningful improvement in profitability in Q4 FY26.

FY26 vs FY25 performance analysis:

For the full year FY 2025-26, PAT moderated relative to FY 2024-25, primarily due to growth in operating and funding costs outpacing the rate of income growth. The average interest-earning portfolio expanded by 13.6%, providing an underlying revenue tailwind; however, this was partly offset by a shift in portfolio mix as the higher-yield microfinance exposure declined gradually, compressing blended asset yields. On the cost side, interest expense increased by 13%, reflecting growth in the borrowing base, partially offset by the benefit of cumulative repo rate reductions during the year.

Operating expenses rose on account of a 6.5% increase in average employee compensation, a 10% expansion in headcount, and higher expenditure on direct business activities, outsourced manpower, and IT and connectivity infrastructure. Consequently, total expenses grew by 17%, exceeding the 12% growth in total income. Credit costs, however, moderated from 2.5% to 2.3% of average Outstanding Principal (OSP), reflecting sustained improvement in collection efficiency and portfolio quality.

Despite the moderation in PAT at the full-year level, FY 2025-26 was marked by meaningful improvements in the quality and composition of the Bank's earnings. Revenue diversification gained traction and recoveries from written-off accounts improved, which added to the total income. Credit costs declined, reflecting disciplined portfolio management and the progressive adoption of guardrails on microfinance indebtedness at the industry level. Asset quality strengthened through the year, with Gross NPA moderating to 2.3% and Net NPA to 0.44% of Gross Advances as at March 31, 2026 — both representing improvements over the prior year.

The Bank's Cost-to-Income ratio rose to 68% in FY 2024-25, reflecting the deliberate investment cycle undertaken to diversify the asset book into secured lending verticals and upgrade technology and distribution infrastructure. In FY 2025-26, this ratio improved gradually Q on Q and reduced by approximately 500 basis points in Q4 FY 2025-26 to 63% , driven by strong PPOP growth of 43% year-on-year in Q4, higher processing fee income, improved recovery, and disciplined cost management. While some cost pressures may persist in FY 2026-27 from regulatory compliance investments and potential NIM compression, Management targets a continued improvement in operating efficiency over the medium term, as the Bank scales its diversified business model and extracts operating leverage from prior-period investments.

C. Macro-Economic Outlook¹⁴:

FY26 (April 2025 – March 2026) was a year of resilient growth, sharp disinflation, accommodative monetary policy and stable external balances, though the closing months brought fresh headwinds from the West Asia conflict and US tariff pressures. India retained its position as the fastest-growing major economy for the fourth consecutive year.

Growth and Inflation

Real GDP grew 7.6% in FY26 (second advance estimate, new 2022-23 base series), up from 7.1% in FY25 and well above the Budget's initial 6.3–6.8% range. Nominal GDP expanded 8.6%. Growth was driven by a “double engine” of private consumption (PFCE at 61.5% of GDP) and a pickup in fixed capital formation, with government spending remaining elevated. The combination of strong nominal growth and benign inflation provided a constructive backdrop for the banking industry, supporting both corporate working capital and retail credit demand while easing real-rate pressures on borrowers.

Headline CPI averaged around **2.1%** — the lowest annual average in recent years — on sustained food deflation and improved supply conditions. CPI fell to 1.33% in December 2025 before edging up to 2.7–

¹⁴ <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2219912>
<https://www.pib.gov.in/PressReleasePage.aspx?PRID=2258009>
https://www.business-standard.com/industry/banking/bank-credit-growth-surges-to-16-in-fy26-outpaces-deposit-growth-126041501398_1.html
<https://visionias.in/current-affairs/news-today/2026-01-02/economy/reserve-bank-of-india-rbi-releases-financial-stability-report-fsr>

3.2% in early 2026. Core inflation stayed firmer (4.0–4.4%), supported by elevated precious metal prices.

Monetary Policy and Liquidity

The RBI front-loaded a substantial easing cycle:

- **Repo rate** was cut from 6.00% (start of FY26) to 5.25% by December 2025 — cumulative **125 bps** of easing since February 2025. Held in February and April 2026, with the stance shifted to **neutral**.
- **CRR** was cut by **100 bps to 3.00%** in four phased tranches from September 2025, releasing about **₹2.5 lakh crore** of durable liquidity.
- **LCR norms** were recalibrated in April 2025, freeing up additional lendable resources.

Banking Sector

Credit and deposit growth. Non-food bank credit grew **~15.9% YoY** at end-March 2026 — the fastest since FY24 — to around **₹213–219 lakh crore**. Deposit growth picked up to **~13.4% YoY** at **~₹262–268 lakh crore**. The credit–deposit gap narrowed in absolute terms (incremental deposits ₹31.7 lakh crore vs incremental credit ₹30.1 lakh crore), though the LDR remained elevated, keeping deposit mobilisation a strategic priority. Growth was led by corporates returning to bank funding as rates softened, with NBFC and unsecured retail lending decelerating.

Asset quality. GNPA of SCBs declined to **2.2%** in September 2025 — a multi-decadal low — with net NPAs sub-1%. PSB GNPA fell to **~2.5%** and private bank GNPA to **~1.8%**. RoA and RoE were near decadal highs, making FY26 one of the most profitable years for the system in over a decade. The RBI's December 2025 FSR flagged emerging stress in fintech-originated unsecured loans (segment growth 36.1%), borrowers with multiple unsecured exposures, and select MSME segments, warranting tighter underwriting and borrower-level monitoring.

Capital and resilience. CRAR remained well above regulatory minima. FSR baseline stress tests projected GNPA rising modestly to **~3%** by March 2026, with banks remaining adequately capitalised even under adverse scenarios.

Outlook for FY27

The RBI projects **FY27 real GDP growth at 6.9%** (revised down from 7.4%) and **CPI inflation at 4.6%**, reflecting higher crude prices, currency pressures and supply-chain risks from the West Asia conflict. Private consumption and fixed investment remain the principal growth drivers; private capex and urban demand bear watching.

For the industry, system **credit growth is expected to moderate to ~13%** as the base effect kicks in and corporate disbursements normalise. Deposit mobilisation will remain a strategic priority given the elevated LDR. Net interest margins (NIMs) are expected to remain under pressure as the cost of deposits is not expected to decline materially. Asset quality is expected to stay broadly stable, with risks concentrated in unsecured retail, fintech-sourced loans and select MSME pockets. Key downside

risks: prolonged geopolitical tensions and elevated crude prices, US trade policy actions, currency volatility, and any sharper deterioration in the unsecured retail cycle.

D. Transition to Universal Banking regime:

In FY 2024-25, the Bank officially filed its application with RBI to transition to a Universal Bank. Based on the Board approval dated January 23, 2025, the Bank had submitted the formal application to the Reserve Bank of India ("RBI") for obtaining the Universal Banking License as per the RBI Guidelines for 'on tap' Licensing of Universal Banks in the Private Sector dated August 01, 2016 read with RBI circular on Voluntary transition of Small Finance Banks to Universal Banks dated April 26, 2024.

In April 2026, the RBI returned the application and guided the Bank to reapply after achieving further diversification in the loan portfolio. The Bank remains committed to its long-term strategic objectives and will continue engaging constructively with the Regulator and re-apply at an appropriate time, demonstrating a diversified portfolio.

E. 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 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) 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 making 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.

As per RBI Operating Guidelines for Small Finance Banks (SFBs), the Bank is required to follow BASEL II standardised approach for Credit Risk (external rating-based risk weight for rated exposure and regulatory retail approach for small retail loans). While SFBs are required to comply with Basel II norms for Capital Adequacy calculation purposes, the structure and nature of capital instruments such as Common Equity, Additional Tier 1 instruments are required to be compliant with the Basel III guidelines. In essence therefore, in the case of SFBs, the Regulator has adopted a hybrid model.

Though SFBs are not required to have a separate capital charge for Market Risk and Operational Risk for the time being in terms of an RBI communication dated November 8, 2017 (DBR. NBD. No. 4502/16.13.218/2017-18), 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 completed an internal process and automated CRAR generation on a continuous basis. The automation has addressed the RBI requirement to have the least possible manual intervention in preparation and submission of its regulatory reports. The Bank has done a parallel run to analyse variances in outputs between hitherto manual and system generated reports and the variances are minimal, almost negligible. The system generated CRAR is under an independent review.

RBI has recently issued final guidelines to banks to transition from an Incurred Credit Loss to an Expected Credit Loss (ECL) model; however, this is not applicable to SFBs. The Bank however continues to prepare ECL, something it was doing for its erstwhile HOLDCO and uses the results as an effective overlay over the extant process to derive some risk triggers. Continued use of ECL ensures that the Bank remains familiar with all aspects of the guidelines and the transition from an incurred loss to expected loss model will be smooth, and the impact of a one-time provisioning will be small, once the Bank has the requisite approval to transition to a Universal Bank.

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 and sensitivity 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 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	6,443
Investments	1,440
Advances	30,38,260
Fixed Assets	28,469
Other Assets	61,340
Off Balance Sheet	37,895.43
Total Credit RWA	31,73,848

Capital Requirement @ 15%	4,76,077
Capital position of the Bank	6,70,862

4.2.2 Capital Requirements for Market Risk

Since SFBs are exempt from capital charge on Market Risk, the computation of the Market risk RWA is performed as per Reserve Bank of India (Commercial Banks - Prudential Norms on Capital Adequacy) Directions, 2025 (Updated as on May 18, 2026). As at March 31, 2026, the HTM and AFS books comprised Government Securities and Treasury Bills for which no market risk capital charge is applicable since HTM and AFS book are classified as Banking Book as per said revised guidelines. HFT (FVTPL also included) book consisted of Government Securities, Commercial Paper, Treasury Bills, Certificates of Deposit, Non-Convertible Debentures, unlisted equity and PTC investments. Since the Bank has commenced FX/AD 1 business, capital charge on Fx risk has also been computed as per extant guidelines. The Bank calculates the risk charge on market risk based on standardized approach as prescribed by RBI.

Rs. in lakh

Capital Requirement for Market Risk	Amount
Interest Rate Risk	2877.90
Equity Position Risk	0
Foreign Exchange Risk	2145.00
Total	5022.90
Total Market Risk RWA	62,786.29

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. To that effect, the Bank has computed the capital charge in compliance to Reserve Bank of India (Commercial Banks – Forthcoming Instructions) Directions, 2025 dt Nov 28, 2025 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 March 31,2026 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)	1,94,271
	Retained earnings	4,76,684
A	CET1 capital before regulatory adjustments	6,70,955

Core Equity Tier 1 Capital - Regulatory Adjustments		
	Deferred tax assets arising from temporary differences	22,870
	Intangibles (Prepaid Expenses & Computer Software)	20,838
	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	45,728
C	CET1 capital (A-B)	6,25,227
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)	6,25,227
Tier 2 Capital - Instruments and Provisions		
	Sub - debt eligible as Tier 2 capital	12,000
	General Provisions on Std. Assets admissible as Tier 2	23,135
	Investment Fluctuation Reserve	10,500
	Investment Reserve Account	-
I	Tier 2 Capital before regulatory adjustments	45,635
Tier 2 Capital - Regulatory Adjustments		
J	Total Regulatory Adjustments to Tier 2 Capital	-
K	Tier 2 Capital (I - J)	45,635
L	Total Regulatory Capital (H + K)	6,70,862

(Rs. In Lakh)

Particulars	RBI thresholds	Amount/Ratio
Tier I Capital	--	6,25,227
Tier II Capital	--	45,635
Total Capital	--	6,70,862
Credit RWA	--	31,73,848
CET Ratio	Minimum 6%	19.70% (Complied)
Tier I Ratio	Minimum 7.5%	19.70% (Complied)
Tier II Ratio	Maximum cap at 7.5% of CRWA	1.44% (Complied)
CRAR- as per SFB guidelines	Minimum 15%	21.14% (Complied)
Total RWA	--	35,69,342.38
CRAR (all Pillar I risks)	Minimum 13%, post conversion to Universal Bank for first 3 years of operation	18.80%

CRAR of the Bank has moved from 23.10% as on March 31,25 to 21.14% as on March 31,'26, a drop by 196bps over the year. However, during the year the RWA had increased by 20.95% as against an increase in advances by 26.6% reflecting active capital optimization efforts. Further, the capital of the Bank had

increased by 10.67% during the year entirely through internal accruals.

With the CRAR(Credit) standing at 21.14%, the Bank remained above the regulatory minimum by more than 6%. Further, after considering Market Risk and Operations Risk RWA, the CRAR stood at 18.80% which was above the regulatory prescribed minimum of 13% (for first 3 years) required upon conversion as a Universal Bank by around 5.8% which will adequately cover other Pillar II and Stress capital requirements comfortably.

The Y-O-Y movement in CRAR is the natural consequence of a bank that is growing its book in a risk calibrated manner, improving its assets mix and building capital organically. The sequential compression reflects the pace of the growth. The focus going forward remains on sustaining RWA efficiency through balanced mix of the Bank's portfolio, while accruals continue to support the capital base.

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: January 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 microfinance portfolio of the Bank (which forms 51% of the Bank's asset book) is unsecured where adverse and acute events can impact the portfolio quality. To enhance the coverage on Micro Finance portfolio, the Bank continuously identifies incipient stress in specific accounts and geographies where accelerated provisions may be required on an on-going basis.
3. The Bank's Risk Management Department undertakes a proactive assessment of the likely GNPA's, 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 arising out of any potential slippages in the near future as on March 31, 2026. 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 March 31, 2026.

Credit Risk Portfolio review and Monitoring:

Micro finance Portfolio:

A comprehensive review of the MBRB Portfolio is given below:

	Rs. in Lakh				
MBRB	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26
Gross Advances*	18,59,444	18,69,568	19,08,031	19,97,969	21,44,064
GNPA(Value)	47,584	59,837	59,618	63,497	66,837
GNPA%	2.56%	3.20%	3.12%	3.18%	3.12%

*(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. Breach in the internal thresholds for default is the starting point for identifying risk in the portfolio. 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. Digital collection continues 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 nearly 97.1% in the month of March 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 with 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 GL and IL 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	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26
Gross Advances*	7,11,949	7,78,459	8,58,180	9,40,302	10,32,838
GNPA(Value)	7,630	8,771	9,283	10,033	10,370
GNPA%	1.07%	1.13%	1.08%	1.07%	1.00%

**Excluding IBPC/ Securitization/DA transactions*

The housing sector continued to be a major contributor to the asset book and the portfolio crossed Rs 10,00,000 Lakhs mark during the year, 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 31st March 2026, constituted 26% of the Bank's total advances, with a nationwide presence in over 610 branches, 23 states, and 23 retail asset centres. Within the Housing sector, Micro Mortgages represent a novel product variation and is designed to meet the elevated credit needs of experienced borrowers from the micro banking sector and new 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 dedicated collection and legal team which focuses on the secured book portfolio. The GNPA of the affordable housing book as of March 31, 2026, was 1.1% and the PAR at 3.4%, as compared to 1.2% and 3.8% respectively the previous year. The NNPA was at 0.6% as of March 31, 2026.

The Micro Mortgages product had grown to Rs 1577 Crores as of March 31, 2026, with a YoY growth of 118% during FY 2025-26. The team has enhanced the average ticket size from 6.03 Lakhs to 6.38 Lakhs. The book exhibited excellent performance with GNPA at 0.47%. The sourcing borrower mix includes 65% new to bank and 35% sourced from existing micro banking base.

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	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26
Gross Advances*	2,04,662	2,25,346	2,55,852	2,86,469	3,22,963
GNPA(Value)	11,358	11,947	11,983	11,751	11,724
GNPA%	5.55%	5.30%	4.68%	4.10%	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. During the year, the vertical registered a growth of 58% Y-o-Y and 13% Q-o-Q. Much of the GNPA has arisen from what was booked previously. However, cognizant of the fact that stress tends to build up as the portfolio ages, the Bank now has an independent monitoring unit within the MSME unit, which leverages on the EWS triggers to take proactive corrective action at the first sign of stress.

Institutional Lending

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

Rs. in Lakh

FIG	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26
Gross Advances	2,78,521	2,79,816	2,48,947	2,66,105	2,99,989
GNPA(Value)	442	442	442	442	442
GNPA%	0.16%	0.16%	0.18%	0.17%	0.15%

As on March 31, 2026, FIG vertical had increased by 13% in the OSB Q-o-Q and 8% 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 in the main 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 dealer finance where dealers are selected basis certain criteria set of parameters.

A comprehensive review of the Vehicle loan Portfolio given below:

	Rs. in Lakh				
VF	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26
Gross Advances*	49,521	58,778	68,416	85,410	97,556
GNPA(Value)	858	849	1,439	1,508	1,779
GNPA%	1.73%	1.44%	2.10%	1.77%	1.82%

**Excluding IBPC/ Securitization/DA transactions*

As on March 31, 2026, the vertical had registered a portfolio growth of 14% on Q-o-Q and 97% 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 which is now active.

Gold Loans:

	Rs. in Lakh				
Gold	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26
Gross Advances*	19,609	29,260	41,165	55,697	76,934
GNPA(Value)	48	59	58	113	116
GNPA%	0.25%	0.20%	0.14%	0.20%	0.15%

**Excluding IBPC/ Securitization/DA transactions*

The Gold loan sector is the emerging business sector in the Bank with a nationwide presence in over 400 branches in a total of 24 states. As on March 31, 2026, the vertical had registered a portfolio growth of 38% on Q-o-Q and 292% on Y-o-Y basis while maintaining a GNPA of 0.2%.

Key Highlights of the year FY 2025-26

- Timely Implementation of New RBI guidelines Regarding income assessment as well as for deciding the lending price i.e. lower of last 30-day average or previous closing IBA rate.
- 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 "Swarnasaarathi" App for end-to-end Digital onboarding of the customer to reduce TAT.
- The implementation of the LOS for tracking/underwriting/onboarding brought about temporary disruption and required significant cross-functional alignment.

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.

6.2. Quantitative Disclosures

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

Vertical	Rs. in lakh			
	Gross Advances	%	Gross Loan Book	%
Micro Finance (GL+IL+Agri)	21,44,064	53%	21,44,064	53%
FIG Lending	2,99,989	7%	2,99,989	7%
Housing	10,32,838	25%	10,47,656	26%
MSME	3,22,963	8%	3,22,963	8%
Personal Loans	852	0%	852	0%
Staff Loan	29,962	1%	29,968	1%
Vehicle Finance	97,556	2%	97,556	2%
Loan/OD Against Deposit + Busimoni	45,525	1%	45,525	1%
Gold Loan	76,934	2%	76,934	2%
Total	40,50,682		40,65,507	

Exposure summary: Facility type

Exposure Type	Domestic (Rs. in Lakh)	Overseas
Fund- Based exposure	57,83,020	--
Non- Fund Based Exposure*	3,27,735	--
LESS: CRM DEDUCTIONS (GNPA Provisions held)	-74,628	
Total	60,36,127	--

*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	Advances	% Share
Karnataka	5,09,694	12.50%
Tamil Nadu	5,09,183	12.50%
West Bengal	4,66,987	11.50%
Maharashtra	4,01,115	9.90%
Gujarat	3,45,687	8.50%
Uttar Pradesh	2,97,124	7.30%
BIHAR	2,53,042	6.20%
Delhi	2,51,763	6.20%
Haryana	1,99,454	4.90%
Rajasthan	1,85,845	4.60%
Jharkhand	96,076	2.40%

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

Punjab	94,687	2.30%
Kerala	91,807	2.30%
Odisha	80,854	2.00%
Madhya Pradesh	78,828	1.90%
Tripura	58,871	1.40%
Assam	51,099	1.30%
Telangana	29,299	0.70%
Uttarakhand	20,917	0.50%
Chhattisgarh	14,109	0.30%
Pondicherry	11,147	0.30%
Chandigarh	6,381	0.20%
Meghalaya	4,513	0.10%
Himachal Pradesh	4,481	0.10%
Andhra Pradesh	1,437	0.00%
Goa	1,105	0.00%
Total	40,65,506	100%

Maturity pattern of assets and liabilities

Rs. in lakh

Buckets	Net Advances	Investments	Deposits	Borrowings
Day - 1	5,477	1,96,765	11,444	533
2-7 Days	39,466	1,47,176	1,14,454	1,30,573
8-14 Days	71,120	11,191	92,686	0
15-30 Days	1,04,004	63,030	97,973	50,000
31 Days and up to 2 months	2,03,919	93,708	1,49,016	0
Over 2 months and up to 3 months	2,32,747	46,074	1,70,283	3,911
Over 3 Months and up to 6 months	5,18,157	92,917	7,11,577	7,838
Over 6 Months and up to 1 year	7,57,092	2,73,880	11,62,101	15,676
Over 1 Year and up to 3 years	10,11,332	3,36,408	20,50,794	75,506
Over 3 Year and up to 5 years	2,07,761	3,480	5,245	34,273
Over 5 years	8,24,982	7,796	1,260	55,291
Total	39,76,055	12,72,425	45,66,833	3,73,601

Note: ^Deposits – Includes FCNR Deposits

Gross non-performing assets (NPA)

Rs. in Lakhs

Category of Gross NPA	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26
Sub-standard	58,385	70,917	70,835	73,087	73,850
Doubtful	10,161	11,444	12,155	13,050	15,299
Loss	1,042	1,074	1,321	1,803	2,522
Total	69,589	83,435	84,311	87,939	91,671

Rs. in Lakhs

NNPA	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26
Net NPA	28,243	36,035	35,992	33,808	30,044
NNPA after factoring Floating Provisions	15,243	22,612	22,500	20,808	17,044

NPA Ratios	Mar-25	June-25	Sept-25	Dec-25	Mar-26
Gross NPA to Gross Advances (excluding IBPC/Securitisation/DA) ¹	2.18%	2.52%	2.45%	2.38%	2.26%
Net NPA to Net Advances (excluding IBPC/Securitisation/DA) ¹⁶	0.49%	0.70%	0.67%	0.57%	0.43%

Movement of Net NPAs (Quarterly basis)

Rs. In lakh

Particulars	Jun-25	Sept-25	Dec-25	Mar-26
Year Opening Balance	15,242.63	15,242.63	15,242.63	15,242.63
Additions during the period	28,394.61	50,451.94	68,386.66	82,735.23
Reductions during the period	20,602.81	42,703.06	62,821.18	80,680.09
Closing Balance	23,034.43	22,991.51	20,808.10	17,297.77

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

Rs. in lakh

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

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)	21,44,064	66,837	47,024	13,000	89.81%	89.81%
FIG Lending	2,99,989	442	442	0	100.00%	100.00%
Housing	10,32,838	10,370	4,809	0	46.38%	46.96%
MSME	3,22,963	11,724	7,537	0	64.28%	64.28%
Personal Loans	852.09	160	121	0	75.25%	75.25%

Staff Loan	29,961.75	11	8	0	75.63%	75.63%
Vehicle Finance	97,556.13	1,779	1,428	0	80.28%	80.28%
Loan/OD Against Deposit + Busimoni	45,525	232	202	0	87.06%	87.06%
Gold Loan	76,934	116	57	0	48.84%	48.84%
Grand Total	40,50,682.4	91,671	61,628	13,000	81.41%	81.27%

*After netting off IBPC, Securitization & Direct Assignment

Write off:¹⁷

Rs. in lakh

Particulars	Total Write off undertaken
Q1 FY 2025-26	15,405.23
Q2 FY 2025-26	21,347.06
Q3 FY 2025-26	12,487.31
Q4 FY 2025-26	4,984.88

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

¹⁷ Write off includes actual write off and technical write off

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 to clause 5.10.1 of Basel III capital regulation dated April 1, 2025, wherein rationalization of risk weights measures taken by RBI over a period of time are consolidated.

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 March 31, 2026		
Sl. No.	Risk Weight	Rs. in lakh
1	Below 100% Risk Weight	44,48,406
2	100% Risk Weight	7,95,949
3	More than 100% Risk Weight	8,04,772
4	Deductions (Floating PROVISION)	-13,000
5	Total	60,36,127

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	76,818	76,804	18.10

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	45,256	45,256	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 Q4 FY 2025-26

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 March 31, 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)	9,988	-
Direct Assignment	4,836	
Total	14,824	-

*The total outstanding for Securitization and Direct Assignment as on March 31, 2026.

Securitisations 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

Securitisations 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 viz., 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 March 31, 2026, the investment holdings in various SLR and Non SLR instruments were as under:

Rs. in lakh								
Instruments ¹⁸	AFS		HFT		HTM		FVTPL	
	BV	MV	BV	MV	BV	MV	BV	MV
<u>SLR</u>								
G Sec	0.00	0.00	0.00	0.00	6,099.10	5,954.45	0.00	0.00
SDL	0.00	0.00	4.56	4.56	3,957.92	3,865.46	0.00	0.00
T Bill	811.67	811.67	33.80	33.80	0.00	0.00	0.00	0.00
Total SLR	811.67	811.67	38.36	38.36	10,057.02	9,819.91	0.00	0.00

¹⁸ In the table, Security Receipts amounting to Rs. 7.23 Crores arising from two ARC transactions undertaken in the half year ended 31st March 2025 which have been fully provided for in the books have not been shown separately.

Non-SLR								
CD	0.00	0.00	1,116.68	1,116.68	0.00	0.00	0.00	0.00
CP	0.00	0.00	223.08	223.08	0.00	0.00	0.00	0.00
Equity	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
NCD	0.00	0.00	464.82	464.82	0.00	0.00	0.00	0.00
PTC	0.00	0.00	0.00	0.00	0.00	0.00	12.63	12.63
Total non-SLR	0.00	0.00	1,804.58	1,804.58	0.00	0.00	12.63	12.63
Total	811.67	811.67	1,842.93	1,842.93	10,057.02	9,819.91	12.63	12.63

The HTM book was maintained at an average of ~24.44% 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
Jan-26	7,40,263	9,14,695	22.24%
Feb-26	7,57,320	9,74,393	23.16%
Mar-26	7,75,724	10,63,338	24.67%

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 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 an 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. The Bank had not made any investments in equity IPO during Q4 of FY 2026 as market was very volatile and recorded a sharp correction due to ongoing geopolitical issues. During Q4 FY 26, the Bank obtained necessary approval from Board to commence trading in secondary equity market. The trading will be governed by the approved limits and covers index/stocks, total exposure, per scrip exposure and stop loss limits. The trading has since commenced albeit with small position in certain scrips.

FX/AD1 Business – during Q3 FY 2026 the Bank commenced FX AD1 operations and currently carrying out remittances for Bank’s customers and select proprietary trading in currency pairs. The operation 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.

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) Q4 FY 2026:

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			
	Q4 Quarterly Average	Amount	Rs. in lakhs Adjusted Amount
A	High Quality Liquid Assets		
	Level 1 Assets	9,79,819.47	9,79,819.47
	Level 2 A Assets	-	-
	Level 2 B Assets	0.27	0.14
B	Total Stock of HQLAs (Adjusted for Capital)	-	9,79,819.61
C	Cash Outflows	33,23,266.93	8,56,807.24

D	Cash Inflows	2,29,315.12	1,48,554.32
E	Net Cashflow	-	7,08,252.92
F	25% of Total Cash Outflow	-	2,14,201.81
G	Higher of E or F	-	7,08,252.92
Liquidity Coverage Ratio		138.34%	

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 March 31, 2026 was 124.98% as against RBI minimum requirement of 100%.

Rs. In Lakh

NSFR	Weighted Amount
Total Available Stable Funding (ASF)	37,05,250.22
Total Required Stable Funding (RSF)	29,64,609.44
NSFR	124.98%

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 is presented 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 25.

During the year under review, there were major initiatives taken by the OR team in assessing the operational risk posture of the major operating business units. The exercise focussed on the end-to-end process, starting with identification of location, and capturing control points at each stage of the journey in the operation of the business unit or the product. Each control point was tested based on samples collected and gaps identified were highlighted. A scoring matrix helped rate the operational risk posture, classifying between high, medium and low, to show the risk severity of the business

evaluated.

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

In an absolute first, using the various operational risk assessment tools that the Bank uses to measure operational risk, a presentation was made to the RMCB on the overall operational risk status of the Bank.

Other key initiatives taken during the year were the following:

1. Enhanced State Level Heatmaps to record operational risk originating from the Bank's business 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 Q4 FY'26 with Q4 FY'25, significant progress has been observed as increasing trend in Green category states (5 nos.) and improving transition of Amber category branches to Green category (5 nos.). This reflects a positive trend in overall control effectiveness.
2. 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.
3. The Bank has enhanced the business continuity management policy with the revised list of Critical Processes, Critical Vendors and Critical applications of the Bank. The Bank has constituted regional level business continuity management committees for more efficient management of disruption and ensuring business continuity at all times. Table top exercises were conducted for Information Technology, Human Resources, Administration & Infrastructure, Alliance & Electronic Payments team to validate Business Continuity Plan (BCP) preparedness, assess response effectiveness, and identify gaps for timely recovery during expected disruption scenarios.

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 now automated 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 25-26 (as on March'26)¹⁹:

Event Type	Count of Incidents		Loss in lakhs			
	YTD Mar'25	YTD Mar'26	YTD Mar'26			YTD Mar'25
	Total	Total	Gross	Net	Ops Loss	Ops Loss
Business Disruption and Systems Failures	244	217	₹ 7.48	₹ 5.90	₹ 3.55	₹ 3.73
Clients, Products, and Business Practice	13	11	₹ 0.18	₹ 0.18	₹ 0.18	₹ 0.74
Damage to Physical Assets	35	76	₹ 0.00	₹ 0.00	₹ 0.00	₹ 0.00
Employment Practices and Workplace Safety	22	28	₹ 0.10	₹ 0.10	₹ 0.10	₹ 0.08
Execution, Delivery, and Process Management	2112	1663	₹ 63.71	₹ 15.68	₹ 11.58	₹ 42.69
External Fraud	253	660	₹ 337.69	₹ 48.44	₹ 30.90	₹ 39.98
Internal Fraud	470	195	₹ 312.69	₹ 196.39	₹ 132.96	₹ 161.97
Total	3149	2850	₹ 721.85	₹ 266.69	₹ 178.37	₹ 249.17

The Ops Loss Recovery done as on date (31st March'26) pertaining to Operational Losses booked in previous financial years is Rs. 6.01 Lakh. The number of operational risk incidents and the quantum of operational loss booked was lower in 2026 when compared to the previous year.

Key Risk Indicators (KRIs) are measurable metrics that provide an early warning signal of potential risk exposure before it becomes critical for the Bank. KRIs were revamped in Q1 FY'26 with updated parameters and thresholds, aligned to current scenario and observed trends. Whilst this has been the practice from start, considering that RCSA is now an established process, the Bank is mapping the High & Critical residual risk to identify the KRIs (wherever applicable) for the department. This will help to fine tune the process and make them more objective, than the subjective element that exists till now. KRIs are monitored on a monthly basis across 10 Business departments, 2 support functions and at

¹⁹ > Gross loss refers to total amount involved in the reported incidents, Net loss refers to loss which got netted off post recoveries and Operational loss refer to the actual loss booked in Operational loss GL (Fraud & Non-fraud) in case of unsuccessful recovery efforts.

> Out of the 2868 incidents reported in YTD March'26, 990 (~35%) were from "Cash Excess" and "Cash Shortage", owing to inclusion of all incidents reported, irrespective of amount.

the Organisational level with 188 parameters. KRI dashboard is published to respective department for Q4 FY'26 and corrective measures are taken in case of KRI breaches. Key Risk Indicators (KRIs) were developed and defined for two departments viz., Treasury and Third-Party Products in Q3 FY'26 and the dashboard were published to the respective teams.

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 January'26, the Bank completed its Half yearly user access review and Role-based access control (RBAC) review 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. Exception reports are reviewed periodically for the reports monitored by the Operational risk team to identify trends so that gaps identified on a recurring basis are addressed through process enhancements

To further strengthen monitoring capabilities, the Operational risk team is developing and automating the 36 exception reports into an exception monitoring dashboard providing visibility to respective departments. Exception reports are published periodically for department monitoring and closure of identified gaps. The report continues to be enhanced through addition of new reports and automation of manual monitoring activities.

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'26, IFC testing was carried out across 32 verticals and 1,002 controls were tested covering both Process Level controls and Entity level controls. The results and key observations of the IFC exercise are periodically presented to Operational Risk Management Committee (ORMC) and Audit Committee of the Board (ACB).

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 teams, as the First line of Defense (FLOD), are responsible for performing RCSA activities, supported by designated Business Risk and Compliance Officers (BRACOs) across 30 departments with 2,383 controls tested in FY'26. ORM performs the sample validation of assessed controls to ensure consistency and effectiveness of the exercise.

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).

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.

Technology Risk Management: The Bank has adopted a quantified risk appetite and tolerance framework under which below technology risks areas are consistently measured, monitored, and escalated.

Risk quantification parameters and thresholds defined & stated below are being assessed and reported on quarterly basis for the Risk committee review.

Risk Appetite & Tolerance Levels

Regulatory & Compliance Risk: Minimal appetite for regulatory non-compliance, with zero tolerance for material breaches of applicable regulations including RBI, DPDP Act, and other statutory requirements.

Operational Resilience (System Availability): Appetite: 99.95% uptime for Core Banking; 99.95% uptime for Digital Channels & Payments. **Tolerance:** Single downtime not exceeding 4 hours for critical systems and 4 hours for digital channels per quarter.

IT Service Continuity/DR Testing: Minimal appetite for service disruption; robust DR capabilities required for business continuity. **Tolerance:** RTO: Core Banking ≤4 hours; Digital Channels/Critical Applications ≤4 hours; RPO: Near Zero for critical payment, CBS and critical digital channel applications; DR Test Failures: ≤1 critical failure per year with mandatory root cause analysis within 30 days.

Change & Technology Risk: Appetite: Emergency changes ≤5% of all changes; Change failure rate ≤3% for critical systems.

Third-Party & Outsourcing Risk: No vendor concentration >30% of total IT spend and number of services entrusted with Vendors.

Reputational Risk: No tolerance for negative media/regulatory publicity linked to technology incidents.

In Q4 [2025'26] the overall risk posture was assessed and stated as below:

Risk Dimension [KRI's]	Q4'FY26		
	Target	Actual	Risk Category
Operational Resilience (System Availability)	99.95%	99.48%	Medium Risk
Change & Technology Risk	Emergency changes ≤5% & Change failure rate ≤3%	Change Failure - NIL Emergency change- 2 cases [Near Breach]	Medium Risk
IT Service Continuity/DR Testing	RTO: CBS - ≤4 hours; DB Channels/Critical Applications : ≤4 hours RPO: Near Zero CBS & DB channels/Critical applications;	RTO achieved for ATM switch: From DC to DR -46 minutes ; DR to DC - 44 minutes RTO achieved for IMPS : From DR to DC - 12 mins; DR to DC - 11 minutes RTO achieved for UPI : From DR to DC - 9 mins; DR to DC - 11	Low Risk

		minutes RPO achieved is : Zero.	
IT -Third-Party & Outsourcing Risk	No Concentration >30% of IT Spend	WIPRO — 31.50 % of IT outsourcing spend → Breaches the 30 % appetite limit Kyndryl — 30.92 % of outsourcing spend → Near-breach (within 0.12% of threshold)	Medium Risk
Regulatory & Compliance Risks	Minimal/NIL appetite- Non-compliance with Regulatory & Compliance Risks	No major regulatory Breaches observed in Q4.	Low Risk
System Downtime	Critical Systems/ DB Channels: ≤4 hours/Quarter	Total 4 Incidents - [11:58 Hrs of outage]	High Risk

Information Security Risk:

The Information Security Management Committee is tasked with managing and monitoring Key Risks Indicators and Key Performance Indicators, Third Party Risk Assessments (TPA), Security Project Management, managing and monitoring the vulnerability assessment and penetration testing program of the Bank, managing the Bank's ISMS (Information Systems Management Standard), regulatory and statutory compliances, formulating policies, processes and procedures relating to information security, risk assessments etc. The Security Operations – (known as Blue team) is tasked with managing the Security Operations Centre (SOC). The key activities of SOC include and are not limited to log monitoring, threat intelligence, incident management, evaluating the effectiveness of security devices, etc.

The Red Team – comprised of ethical hackers whose primary responsibility is to simulate and mount attacks similar to what a malicious attacker would do in a real-world scenario, which serves two purposes:

- Assess the effectiveness of and strengthen the Blue team.
- Evaluate the security of the infrastructure from an attacker's viewpoint; and
- Identify these vulnerabilities and plug in gaps before the same can be taken advantage of.

To strengthen cyber resilience and foster a culture of security awareness, the Bank continues to implement structured awareness initiatives. The Bank also extended its awareness outreach to critical vendors and third-party service providers through targeted vendor awareness sessions, focusing on secure practices, regulatory expectations, third-party risk management, and adherence to the Bank's information security and data protection guidelines. These initiatives were aimed at strengthening the overall security posture across the extended ecosystem and mitigating supply chain risks.

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.

Furthermore, in January, the Bank conducted a dedicated Data Privacy Awareness program focusing on key principles of data protection, secure handling of personally identifiable information (PII), and compliance with applicable regulatory requirements, thereby strengthening the organization's privacy posture and supporting adherence to emerging data protection frameworks.

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	3,285.68	-3,285.68
2	Overseas	-	-
	Total	3,285.68	-3,285.68

11.2.2 Economic Value Perspective (MDG Approach)

Rs. in Lakh

Category	Items	Amount
A	Computation of Aggregate RSA	55,93,883.77
B	Computation of Aggregate RSL	50,47,476.99
C	Weighted Avg. MD of RSL across all currencies	1.0300
D	Weighted Avg. MD of RSA across all currencies	1.6400
E	Modified Duration Gap (MDG)	0.7106
F	Change in MVE as % of equity for 200 bps	-12.56%

	change in interest rate	
G	Change in MVE in absolute terms	79,496.14

12. Table DF-13: Main features of Regulatory capital Instruments

Equity shares

Disclosure template for main features of regulatory capital instruments – Equity Shares		
Sr. No.	Particulars	Details
1	Issuer	Ujjivan Small Finance Bank Limited
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	ISIN: INE551W01018
3	Governing law(s) of the instrument	Applicable Indian Statutes and regulatory requirements
	Regulatory treatment	
4	Transitional Basel III rules	Common equity Tier 1
5	Post-transitional Basel III rules	Common equity Tier 1
6	Eligible at solo/group/ group & solo	Solo
7	Instrument type	Common Shares
8	Amount recognised in regulatory capital (Rs. in lakh, as of most recent reporting date)	Rs. 1,94,271.44 Lakh
9	Par value of instrument	Rs 10/-
10	Accounting classification	Capital
11	Original date of issuance	<ul style="list-style-type: none"> • Rs. 5 lakh – July 4, 2016 • Rs. 10,998.68 lakh –July 30, 2016 • Rs 1,33,000 Lakh – February 10, 2017 • Rs. 1,405.5 Lakh- November 11, 2019 • Rs. 7,142.9 Lakh- November 13, 2019 • Rs. 20,270.3 lakh- December 10, 2019 • Rs. 2.91 Lakh- November 7, 2020 • Rs. 2.03 Lakh- January 19, 2021 • Rs. 3.72 Lakh- February 15, 2021 • Rs. 0.44 Lakh- March 15, 2021 • Rs. 22,619.05 Lakh – September 15, 2022 • Rs. 8.78 Lakh – February 09, 2023 • Rs. 11.41 Lakh – March 14, 2023 • Rs. 2.20 Lakh – April 12, 2023 • Rs. 2.23 Lakh – May 08, 2023

		<ul style="list-style-type: none"> • Rs. 2.54 Lakh – June 09, 2023 • Rs. 7.93 Lakh- July 03, 2023 • Rs. 19.60 Lakh- August 04, 2023 • Rs. 53.97 Lakh – September 15, 2023 • Rs. 28.40 Lakh – October 09, 2023 • Rs. 36.43 Lakh – November 16, 2023 • Rs. 30.32 Lakh – December 12, 2023 • Rs. 36.65 Lakh – January 09, 2024 • Rs. 101.90 Lakh – February 09, 2024 • Rs. 83.50 Lakh – March 12, 2024 • Rs. 36.66 Lakh – April 04, 2024 • Rs. -2733.47 Lakh – May 06, 2024 (reduction in equity capital due to the merger of UFSL with the Bank in April 2024) • Rs. 77.36 Lakh – June 11, 2024 • Rs. 126.61 Lakh – July 09, 2024 • Rs. 15.45 Lakh – August 08, 2024 • Rs. 19.50 Lakh – September 09, 2024 • Rs. 27.77 Lakh – October 09, 2024 • Rs. 6.39 Lakh – November 06, 2024 • Rs. 1.79 Lakh – December 12, 2024 • Rs. 2.13 Lakh – January 08, 2025 • Rs. 21.97 Lakh – February 08, 2025 • Rs. 21.89 Lakh – March 12, 2025. • Rs. 6.23 Lakh – April 17, 2025 • Rs. 14.88 Lakh – May 14, 2025 • Rs. 13.22 Lakh – June 12, 2025 • Rs. 29.00 Lakh – July 08, 2025 • Rs. 63.33 Lakh – August 14, 2025 • Rs. 88.25 Lakh – September 06, 2025 • Rs. 31.12 Lakh – October 07, 2025 • Rs. 32.78 Lakh – November 11, 2025 • Rs. 67.14 Lakh – December 03, 2025 • Rs. 32.11 Lakh - January 04, 2026 • Rs. 193.65 Lakh - February 05, 2026 • Rs. 181.84 Lakh - March 05, 2026
12	Perpetual or dated	Perpetual
13	Original maturity date	No Maturity date
14	Issuer call subject to prior supervisory approval	No
15	Optional call date, contingent call dates and redemption amount	NA
16	Subsequent call dates, if applicable	NA
	Coupons / dividends	Dividend
17	Fixed or floating dividend/coupon	NA

18	Coupon rate and any related index	NA
19	Existence of a dividend stopper	NA
20	Fully discretionary, partially discretionary or mandatory	Fully discretionary
21	Existence of step up or other incentive to redeem	No
22	Noncumulative or cumulative	Non-Cumulative
23	Convertible or non-convertible	NA
24	If convertible, conversion trigger(s)	NA
25	If convertible, fully or partially	NA
26	If convertible, conversion rate	NA
27	If convertible, mandatory or optional conversion	NA
28	If convertible, specify instrument type convertible into	NA
29	If convertible, specify issuer of instrument it converts into	NA
30	Write-down feature	No
31	If write-down, write-down trigger(s)	NA
32	If write-down, full or partial	NA
34	If temporary write-down, description of write-up mechanism	NA
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Subordinate to the claims of all depositors, general creditors, borrowings and all capital instruments qualifying Tier II Capital instruments, perpetual debt instruments and Perpetual non-cumulative preference shares
36	Non-compliant transitioned features	No
37	If yes, specify non-compliant features	NA

During the year ended March 31, 2026, the Bank has made following allotments of equity shares pursuant to the exercise of vested stock options by its employees:

Date of issue and allotment	Method of allotment	Face value (Rs.)	Issue price (Rs.)		Number of equity shares allotted
			No. of Shares	Issue Price	
April 17, 2025	ESOP	10			62,304
			34,609	19.95	
			26,642	27.5	
			1,053	35	
May 14, 2025	ESOP	10	No. of Shares	Issue Price	1,48,894
			60,555	19.95	

			7,831	27.4	
			60,779	27.5	
			19,729	35	
June 12, 2025	ESOP	10	No. of Shares	Issue Price	1,32,268
			49,030	19.95	
			50,184	27.5	
			33,054	35	
July 08, 2025	ESOP	10	No. of Shares	Issue Price	2,89,961
			1,33,372	19.95	
			92,791	27.5	
			59,354	35	
			4,444	48.5	
August 14, 2025	ESOP	10	No. of Shares	Issue Price	6,33,268
			1,47,843	19.95	
			1,92,597	27.5	
			2,92,828	35	
September 06, 2025	ESOP	10	No. of Shares	Issue Price	8,82,460
			1,42,116	19.95	
			1,55,124	27.5	
			5,85,220	35	
October 07, 2025	ESOP	10	No. of Shares	Issue Price	3,11,166
			1,15,746	19.95	
			1,44,887	27.5	
			42,909	35	
			7,624	16.6	
November 13, 2025	ESOP	10	No. of Shares	Issue Price	3,27,767
			1,11,733	19.95	
			1,53,006	27.5	
			62,228	35	
			800	48.5	
December 03, 2025	ESOP	10	No. of Shares	Issue Price	6,71,386
			1,95,260	19.95	
			3,16,172	27.5	
			1,42,841	35	
			17,113	48.5	
January 04, 2026	ESOP	10	1,75,303	19.95	4,96,366
			1,72,823	27.5	
			98,354	35	
			7,478	48.5	

			42,408	43.78	
February 06, 2026	ESOP	10	9,98,713	19.95	19,36,509
			6,70,418	27.5	
			2,09,591	35	
			57,787	48.5	
March 09, 2026	ESOP	10	6,42,378	19.95	18,18,422
			8,32,797	27.5	
			2,40,319	35	
			1,02,928	48.5	

Non-Convertible Debentures (NCD)

Disclosure template for main features of regulatory capital instruments – NCD		
Sr. No.	Particulars	Details
1	Issuer	Ujjivan Small Finance Bank Limited
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	INE551W08013
3	Governing law(s) of the instrument	Applicable Indian Statutes & Regulatory requirements Reserve Bank of India's circular on "Master Circular - Prudential Guidelines on Capital Adequacy and Market Discipline-New Capital Adequacy Framework (NCAF)" dated July 1, 2015
	Regulatory treatment	
4	Transitional Basel III rules	Tier II Capital
5	Post-transitional Basel III rules	Tier II Capital
6	Eligible at solo/group/group & solo	Solo
7	Instrument type	Subordinated, rated, unlisted, unsecured, transferable, redeemable, fully paid up, non-convertible debentures
8	Amount recognised in regulatory capital (Rs. in lakh, as of most recent reporting date)	Rs. 30,000 lakh
9	Par value of instrument	Rs 1,00,000/-
10	Accounting classification	Capital
11	Original date of issuance	<ul style="list-style-type: none"> August 26, 2022- Rs.22,500 lakh September 09, 2022 – Rs.7,500 lakh
12	Perpetual or dated	dated
13	Original maturity date	April 26, 2028
14	Issuer call subject to prior supervisory approval	-

15	Optional call date, contingent call dates and redemption amount	-
16	Subsequent call dates, if applicable	-
	Coupons / dividends	Coupons
17	Fixed or floating dividend/coupon	Fixed
18	Coupon rate and any related index	11.95%
19	Existence of a dividend stopper	NA
20	Fully discretionary, partially discretionary or mandatory	NA
21	Existence of step up or other incentive to redeem	NA
22	Noncumulative or cumulative	NA
23	Convertible or non-convertible	NA
24	If convertible, conversion trigger(s)	NA
25	If convertible, fully or partially	NA
26	If convertible, conversion rate	NA
27	If convertible, mandatory or optional conversion	NA
28	If convertible, specify instrument type convertible into	NA
29	If convertible, specify issuer of instrument it converts into	NA
30	Write-down feature	NA
31	If write-down, write-down trigger(s)	NA
32	If write-down, full or partial	NA
34	If temporary write-down, description of write-up mechanism	NA

35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	The Debentures shall be: (a) senior to the claims of the investors in instruments eligible for inclusion in Tier I capital and Upper Tier II Capital of the Bank; and (b) subject to paragraph (a) above, subordinated to the claims of the other creditors of the Bank but shall rank pari-passu with the other Lower Tier II instruments of the Bank (whether present or future).
36	Non-compliant transitioned features	No
37	If yes, specify non-compliant features	NA

13. Table DF-14: Terms and conditions of Regulatory Capital Instruments Equity Shares

Full Terms and Conditions of Equity Shares of the Bank		
Sr. No.	Particulars	Full Terms and Conditions
1	Voting shares	Equity Shares of the Bank are Voting Shares
2	Limits on Voting Shares	Limits on Voting rights are applicable as per provisions of the Banking Regulation Act, 1949. One share has one voting right
3	Position in Subordination hierarchy	Represent the most Subordinated claim on liquidation of the Bank. It is not secured or guaranteed by issuer or related entity nor subject to any other arrangement that legally or economically enhances the seniority of the claim
4	Perpetuity	Principal is perpetual and never repaid outside of liquidation (Except discretionary repurchases/buy backs or other means of effectively reducing capital in a discretionary manner that is allowable under relevant law as well as guidelines, if any issued by RBI in the matter)
5	Accounting Classification	The paid-up amount is classified as Equity Capital in Banks Balance Sheet.
6	Distributions	Distributions are paid out of Distributable items (retained earnings included). There are no circumstances under which distributions are obligatory. Non-Payment is therefore not an event of default
7	Approval for Issuance	Issue of further shares requires requisite approval from the Board (includes duly authorised Board Committee) and the Shareholders of the Bank

Subordinated Debt Instruments:

Terms and Conditions of NCDs of the Bank		
Sr. No.	Particulars	Full Terms and Conditions
1.	Type of Instrument	Non-Convertible Debentures (Subordinated debt instruments)
2.	Seniority	The Bond shall be: (a) senior to the claims of the investors in instruments eligible for inclusion in Tier I capital and Upper Tier II Capital of the Bank; and (b) subject to paragraph (a) above, subordinated to the claims of the other creditors of the Bank but shall rank pari passu with the other Lower Tier II instruments of the Bank (whether present or future).
3.	Maturity	Bullet redemption at par, at maturity, date of maturity is April 26, 2028
4.	Listing	Unlisted
5.	Accounting Classification	The paid-up amount is classified as Borrowings in Bank's Balance Sheet.
6.	Approval for Issuance	Once the shareholders' approval is received for issue of capital, NCDs are issued only with approval given by Board of Directors/ Board Approved Committee
7.	Coupon Type	Fixed
8.	Coupon Rate	11.95% p.a.
9.	Coupon Payment Frequency	Monthly with the final Coupon Payment Date being the Maturity Date

14. Table DF-15: Disclosure on Remuneration**14.1 Remuneration- Qualitative Disclosures**

- 1. Information relating to the bodies that oversee remuneration. Name, composition and mandate of the main body overseeing remuneration.**

Name: Nomination and Remuneration Committee (NRC)

Composition of Nomination and Remuneration Committee as on March 31, 2026:

Sr. No.	Name of director	Designation/Category
1.	Ms.Rajni Mishra	Chairperson -Independent Director
2.	Mr. Banavar Anantharamaiah Prabhakar	Member-Independent Director
3.	Mr. Ravichandran Venkataraman	Member -Independent Director
4.	Mr. Rajesh Kumar Jogi	Member - Independent Director

A. Following are the main terms of reference of the Committee:

1. Items relating to Board of Directors:

- a) Formulating the criteria for determining qualifications, skills, positive attributes and independence for appointment of Directors (including Independent Directors) on the Board of the Bank.
- b) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
- c) Conducting due diligence as to the credentials of any director before his or her appointment/re-appointment, and making appropriate recommendations to the Board, in consonance the requirements of applicable laws.
- d) To carry out initial due diligence of directors in regard to their suitability for the post by way of qualifications, technical expertise, track record, integrity, etc. additionally, check for the compliance with the provisions of Sections 10A, 16 and 20 of the Banking Regulations Act, 1949.
- e) For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director.
- f) The Committee shall ensure that person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
 1. uses the services of an external agencies, if required;
 2. considers candidates from a wide range of backgrounds, having due regard to diversity; and
 3. considers the time commitments of the candidates
- g) Forming and reviewing and recommending to the Board, the Nomination & Remuneration Policy which shall inter alia include aspects related to remuneration of the Directors, Key Managerial Personnel and other employees of the Bank with due regards to the following factors:
 1. the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Bank successfully;

- 2. relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- 3. remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Bank and its goals
- h) Formulating criteria for evaluation of performance of all the directors, the complete Board and various Board Committees. The Bank shall disclose the remuneration policy and the evaluation criteria in its annual report
- i) Devising a policy on diversity of board of directors
- j) To ensure 'fit and proper' status of proposed/existing directors.
- k) Determining whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors
- l) To make recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Bank subject to the provision of the law and their service contract

2. Items relating to Human Resource:

- a) Determining the Bank's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors.
- b) The Committee on an annual basis may review the job description/key performance indicators/Key result areas of Senior Management of the Bank on an annual basis which should align with Banks long term strategy, KPI of the MD &CEO would include performance against budget, financial performance and on various parameters which includes managing risk, compliance and governance.
- c) Recommending to the Board, all remuneration, in whatever form, payable to senior management; determining compensation levels payable to the senior management personnel and other staff (as deemed necessary), which shall be market related, usually consisting of a fixed and variable component.
- d) Reviewing the Organisation Structure.
- e) Reviewing and finalizing the list of Material Risk Takers (MRTs), their KRIs and KPIs. To review and decide on the compensation of Whole Time Directors/ Chief Executive Officers/ MRTs and Control Function based on the RBI guidelines dated Nov 4, 2019, as amended.
- f) Should work in close coordination with Risk Management Committee of the Bank, to achieve effective alignment between compensation and risks. The NRC shall also ensure that the cost/income ratio of the Bank supports the compensation package consistent with maintenance of sound capital adequacy ratio.
- g) To act as the Compensation Committee in compliance with SEBI (Share Based Employee Benefits and Sweat Equity) _Regulations, 2021 and shall have the authority to formulate, adopt, administer, enforce and modify the employee stock option schemes of the Bank, including grant of options to eligible employees under the existing and future ESOP schemes of the Bank.

- h) Ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- i) To develop a succession plan and to regularly review the plan.
- j) Overseeing the framing, review and implementation of the Bank's Compensation Policy for Whole Time Directors/ Chief Executive Officers/ Risk Takers and Control function staff or ensuring effective alignment between remuneration and risks; The Bank's Compensation Policy sets out detailed and transparent disclosures on compensation and practices in respect of MD&CEO, WTD / Material Risk Takers (MRTs), and Control Function staff.
- k) Framing suitable policies and systems to ensure that there is no violation, as amended from time to time, of any securities laws or any other applicable laws in India or overseas, including:
 - The Securities and Exchange Board of India(Prohibition of Insider Trading) Regulations,2015; and
 - The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003
- l) Carrying out any other function as is mandated by the Board from time to time and/ or enforced/mandated by any statutory notification amendment or modification, as may be applicable.
- m) Review regularly and approve the Bank's Programme for executive and employee development.
- n) Review and implement the various HR policies and manual of the Bank.
- o) Develop, review and approve the principles guiding the Bank's executive compensation philosophies.
- p) Assure that the bonus plan is administered in a manner consistent with Bank's compensation principles and strategies including Bank's policies relating to executive management succession and executive organisation development; and
- q) Performing such other functions as may be necessary or appropriate for the performance of its duties.
- r) Overseeing and guiding the Bank on various Learning and Development initiatives for employees at all levels.

B. External consultants whose advice has been sought, the body by which they were commissioned, and in what areas of the remuneration process.

Not Applicable

C. A description of the scope of the Bank's remuneration policy (e.g.: by regions, business lines), including the extent to which it is applicable to foreign subsidiaries and branches.

The purpose of the Compensation Policy is to ensure statutory compliance as well as alignment with the Bank's business policies and practices. The Compensation & Benefits (C & B) Policy document is based upon the principle that a fair and competitive salary is paid for acceptable levels of

performance on the job. The compensation policy document is designed to align long-term interest of the employee and the organization.

The policy document covers all employees and Board of Directors of the Bank. This document provides guidance on:

- Compensation Philosophy
- Compensation Structure
- Grades
- Pay Review Process
- Variable Pay Plans
- Salary Pay-out

D. Description of the type of employees covered and number of such employees.

All employees of the Bank are governed by the Compensation Policy. The total number of permanent employees in the Bank as on Mar 31, 2025 was 24,374.

E. Information relating to the design and structure of remuneration processes:

- An overview of the key features and objectives of remuneration policy.
The Compensation Policy and Nomination & Remuneration Policy has been laid out keeping the following perspectives into considerations.
- Compensation principles support the Bank in achieving its mission of providing a full range of financial services to the economically active poor who are not adequately served (unserved and underserved) by financial institutions. This policy also supports the Bank to attract and retain talent and skills required to consolidate the organization's purpose and ideology.
- The pay structure and amounts always conform to applicable Income Tax and other similar statutes.
- All practices of the Bank comply with applicable labour laws.
- The pay structure should be standardized for a level of employees.
- Elements eligible for tax exemption may be introduced at appropriate levels to enable employees take applicable tax breaks. Amounts related to certain benefits may undergo change due to change in grade/ roles/ function/ state/ region in the organization.
- The compensation structure shall be easy to understand for all levels of employees.
- The compensation policy is designed to promote meritocracy in the organization i.e. other things being equal, performers in a given role are expected to earn more than his/her peer group.
- The Bank pays the Independent Directors remuneration by way of sitting fees for attending meetings of the Board and its Committees as may be decided by the Board and, if required, approved by the Shareholders from time to time.
- Whether the remuneration committee reviewed the firm's remuneration policy during the past year, and if so, an overview of any changes that were made.

The following were the changes made to the remuneration policy:

Variable Pay

- Instead of a separate Bonus Scheme, the key principles shall be embedded into the compensation policy:

- The Bank shall announce the payment of bonus, as suitable. Payment of variable pay is not guaranteed.
- The pay-out will be made as a lump-sum amount and not deferred over 3 years for all employees including MRTs, if the cash pay-out doesn't exceed 25 Lakhs. If it exceeds 25 Lakhs, 50% will be deferred over 3 years.
- Management Discretion - If there are significant developments in the year of payment (internal or external), management shall have leeway to announce a decision about bonus payment.

- **A discussion of how the Bank ensures that risk and compliance employees are remunerated independently of the businesses they oversee.**

The Bank periodically benchmarks its remuneration practices against the market. Compensation ranges are in alignment to market pay which are derived and reviewed periodically. Remuneration payable for each function is independent of amounts payable to other function as is the market practice. Further, performance metrics for the Risk and Compliance function are completely unrelated to deliverables of any other business function. The deliverables of the risk function are periodically reviewed by the Risk Management Committee of the Board (RMCB) ensuring due independence.

F. Description of the ways in which current and future risks are considered in the remuneration processes.

- Structurally, the Control functions such as Credit, Risk and Vigilance are independent of the business functions and each other, thereby ensuring independent oversight from various aspects on the business functions.
- The Bank ensures that staff engaged in financial and risk control are independent, have appropriate authority, and are compensated in a manner that is independent of the business areas they oversee and commensurate with their key role in the firm.

G. Description of the ways in which the Bank seeks to link performance during a performance measurement period with levels of remuneration.

- A discussion of how amounts of individual remuneration are linked to the Bank wide and individual performance.
- The compensation policy is designed to promote meritocracy within the Bank i.e. other things being equal, performers in a given role are expected to earn more than his/her peer group.
 - The Bank shall, from time to time benchmark its compensation practices against identified market participants to define its pay structure and pay levels.
 - The merit and increments are finalized and approved by the Nomination and Remuneration Committee (NRC) at annual intervals, basis organization's budgets and accomplishments as well as market reality.
 - The Bank believes in paying its employees in an equitable and fair manner basis the incumbent's Role, Personal Profile (Education/Experience etc.) as well as Performance on the Job.
 - Employees rated "Below Expectations" shall not be provided any increments, unless statutorily required.

H. A discussion of the measures the Bank will, in general implement to adjust remuneration in the event that performance metrics are weak. This should include the bank's criteria for determining 'weak' performance metrics.

The Bank reviews metrics of all business units on a periodic basis and makes necessary changes to metrics to ensure satisfaction with the defined metrics and performance business outcomes across the stakeholder spectrum including investors, customers, regulator and employees. The Bank, particularly at Corporate and senior levels takes a balanced approach to performance management. High performance of an individual/ department is dependant not only on delivery of business metrics but also achievements of control functions.

For e.g.: over-achievement of business targets would not translate into a high-performance rating if there are significant issues with portfolio quality. Cost of acquisition, both in short and long term are typically evaluated to ensure healthy bottom-line.

I. A discussion of the Bank's policy and criteria for adjusting deferred remuneration before vesting and (if permitted by national law)

The Bank shall announce payment of cash variable pay as suitable. Discretion is typically applied related to staggered pay-out in case large pay-outs, particularly for functions like Credit and Risk. Payment is prorated for employees who have worked for part of the year at the Bank. If there are significant developments in the year of payment (internal or external), management shall have leeway to announce a decision about pay-outs.

The Bank believes in the philosophy of collective ownership by its employees. Thus, ESOPs of the Bank are distributed amongst employee's, basis their criticality and performance from time to time, at the discretion of the management.

Stock option schemes at the Bank vests in a staggered manner. Besides the statutory requirement of grant and 1-year vesting, the total set of options vest in various tranches for up to a period of 4 years.

Malus/ Clawback: In the event of negative contributions of the individual towards the achievements of the Banks objectives in any year, the deferred compensation should be subjected to Malus/Clawback arrangements. Similar provisions shall apply in case the individual is found guilty of any major non-compliance or misconduct issues.

Directors, if appointed/ Material Risk Takers/ other employees, as planned by the Bank/ or the relevant line of business, towards achievements of the Banks objectives in any year, the deferred compensation shall be subjected to Malus/Clawback arrangements.

J. Description of the different forms of variable remuneration that the bank utilizes and the rationale for using the same

Variable Compensation at the Bank has the following distinct forms:

Cash Variable Pay

- Statutory Bonus
- Performance Pay – Performance Bonus and Monthly Variable Pay
- Rewards & Recognition

The policy has been laid out keeping the following perspectives into considerations:

- The Variable pay structure and amounts shall always conform to applicable Income Tax statutes, Labour Laws, Regulatory Requirements, any other applicable statutes and prevalent market practice.
- It is designed to promote meritocracy in the organization i.e. other things being equal, performers in a given role are expected to earn more than his/her peer group.

Statutory Bonus: Statutory Bonus in India is paid as per Payment of Bonus Act, 1965.

Monthly Variable Pay: Employees in the Sales function, directly responsible for revenue generation shall be covered under the Monthly Variable Pay, if meeting the criteria of the respective scheme. Typically, some of the entry level roles and up to two or three levels of supervision thereof shall be covered.

Performance Bonus: All employees who are not a part of any Monthly Variable Pay but part of the year end performance review will be covered under the Performance Bonus Plan the Bank. However, the actual pay-out of performance bonus shall be paid only to employees who have met the set criteria.

The Bank shall announce the payment of bonus, as suitable year on year. If there are significant developments in the year of payment (internal or external), management shall have leeway to announce a decision about bonus payment.

Rewards & Recognition: The Bank shall design schemes and practices from time to time to celebrate employees / departmental / organizational success. These celebrations may include offering tokens of appreciation to employees as defined in specific schemes. Fairness of application and transparency of communication shall be the hallmark of all such schemes. These will be subject to income tax laws, as applicable. Examples of such schemes may include: Long Service Awards (currently at one, three, five, seven and ten yrs. of completion of service with the Bank), Functional R&R Schemes; Organizational Rewards Schemes such as: Service Champion; Process Excellence; Customer Connect Awards; Above and Beyond; etc. The EDGE (Executive Development for Growth and Excellence) programme is aimed at identifying high performers and assessing their potential for future leadership roles at Ujjivan. A mix of behavioural assessments, blended training & development journey and IDPs are deployed to make the identified individuals (EDGE selects) ready for future leadership roles.

Non-cash Variable Pay

The Bank believes in the philosophy of collective ownership by its employees. Thus, ESOPs of the Bank are distributed amongst employee's basis their criticality and performance from time to time, at the discretion of the management. Stock options are granted based on a combination of parameters such as tenure and/or employees' performance.

14.2 Quantitative Disclosures

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Sl. No	Quantitative Disclosures (Covers only Whole Time Directors/ CEO/Other Risk Takers ²⁰)	Numbers (H1)
1	Number of meetings held by the Nomination and Remuneration Committee during the second quarter and remuneration paid to its members (H1).	Total Meetings Held till March 31, 2026: 6 Total sitting fee paid: Rs.24,00,000
2	Number of employees having received a variable remuneration award during the year.	Chief Executive Officer & Managing Director, Executive Director, Business Head-Micro Banking, Chief Operating Officer#, Chief Financial Officer, Chief Credit Officer. No. of Employees-6 Nos.
3	Number and total amount of sign-on awards made during the financial year.	Nil
4	Details of guaranteed bonus, if any, paid as joining / sign on bonus.	Nil
5	Details of severance pay, in addition to accrued benefits, if any.	Nil
6	Total amount of outstanding deferred remuneration, split into cash, shares and share-linked instruments and other forms.	Cash: 78,43,144 Non-Cash ²¹ : Nil Chief Executive Officer & Managing Director, Executive Director, Business Head-Micro Banking, Chief Operating Officer#, Chief Financial Officer, Chief Credit Officer.
7	Total amount of deferred remuneration paid out in the financial year.	Cash: 1,09,43,936 Non-Cash ²² : 3,53,70,402 ESOP grants: 23,25,059 Shares
8	Breakdown of amount of remuneration awards for the financial year to show fixed and variable, deferred and non-deferred.	Fixed gross: Rs. 8,73,13,194 Variable deferred Cash ²³ : Rs. 1,09,43,936 Variable non cash ²⁴ (ESOP): Rs. 3,53,70,402 (ESOP No. of Shares 23,25,059 granted) Chief Executive Officer & Managing Director, Executive Director, Business Head-Micro Banking, Chief Operating

²⁰ Key material risk takers are internally defined as mentioned in row 2 of the above table.

²¹ ESOPs of Active MRT's included. ESOPs are granted not exercised.

²² Annual Performance Bonus included as Variable deferred.

²³ Annual Performance Bonus included as Variable deferred.

²⁴ ESOPs of Active MRT's included. ESOPs are granted not exercised.

		Officer#, Chief Financial Officer, Chief Credit Officer.
9	Total amount of outstanding deferred remuneration and retained remuneration exposed to ex post explicit and / or implicit adjustments.	Provisioned- Cash: 3,81,25,927 Non-Cash: 6,14,83,225 ESOP grants: 38,42,225 Shares (Approx.)
10	Total amount of reductions during the financial year due to ex- post explicit adjustments.	NIL
11	Total amount of reductions during the financial year due to ex- post implicit adjustments.	NIL

15. *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	43,23,247
2	Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	14,30,873
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)	46,642
7	Other Adjustments	-45,728
8	Leverage ratio exposure	57,55,034

16. *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)	57,54,120.51

	Domestic Sovereign	10,90,153.07
	Banks in India	32,137.35
	Corporates	3,08,031.89
	Exposure to default fund contribution of CCPs	551.00
	Other Exposure to CCPs	
	Others	43,23,247.21
2	(Asset amounts deducted in determining Basel III Tier 1 capital)	-45,728.41
3	Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 2)	5708392.10
	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	3,27,734.95
18	(Adjustments for conversion to credit equivalent amounts)	2,81,092.69
19	Off-balance sheet items (sum of lines 17 and 18)	46,642.27
	Capital and total exposures	
20	Tier 1 capital	6,25,226.81
21	Total exposures (sum of lines 3, 11, 16 and 19)	57,55,034.37
	Leverage ratio	
22	Basel III leverage ratio	10.86%

Presently the contribution of Tier I capital to Total Basel II capital is 93.20%. 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%.

