

**DISCLOSURES UNDER BASEL III CAPITAL REGULATIONS (CONSOLIDATED)
FOR THE PERIOD ENDED 30th June 2025**

I. CAPITAL ADEQUACY

The Bank is subject to the capital adequacy guidelines stipulated by RBI, which are based on the framework of the Basel Committee on Banking Supervision. As per Basel III guidelines, the Bank is required to maintain a minimum Capital to Risk Weighted Assets Ratio (CRAR) of 9% {11.5% including Capital Conservation Buffer (CCB)}, with minimum Common Equity Tier I (CET1) of 5.5% (8% including CCB) effective 1st October 2021. These guidelines on Basel III have been implemented on 1st April 2013 in a phased manner. The minimum capital required to be maintained by the Bank for the year ended 30th June 2025 is 11.5% with minimum Common Equity Tier I (CET1) of 8% (including CCB of 2.5%)

An assessment of the capital requirement of the Bank is carried out through a comprehensive projection of future businesses that takes cognizance of the strategic intent of the Bank, profitability of particular businesses and opportunities for growth. The proper mapping of credit, operational and market risks to this projected business growth enables assignment of capital that not only adequately covers the minimum regulatory capital requirement but also provides headroom for growth. The calibration of risk to business is enabled by a strong risk culture in the Bank aided by appropriate, technology-based risk management systems. As part of the Internal Capital Adequacy Assessment Process (ICAAP), the Bank also assesses the adequacy of capital under stress. A summary of the Bank's capital requirement for credit, market and operational risk and the capital adequacy ratio as on 30th June 2025 is presented below:

(₹ in millions)

Capital Requirements for various Risks	Amount
CREDIT RISK	
Capital requirements for Credit Risk	
- Portfolios subject to standardized approach	12,37,653
- Securitisation exposures	1,021
MARKET RISK	
Capital requirements for Market Risk	
- Standardised duration approach	59,100
- Interest rate risk	31,671
- Foreign exchange risk (including gold)	6,315
- Equity risk	21,114
OPERATIONAL RISK	
Capital requirements for Operational risk	
- Basic indicator approach	1,60,149

Note: - Capital requirement has been computed at 11.5% of RWA.

Capital Adequacy Ratios	Consolidated	Standalone
Common Equity Tier – 1 CRAR	14.68%	14.68%
Tier – 1 CRAR	15.08%	15.10%
Total CRAR	16.76%	16.85%

II. RISK MANAGEMENT: OBJECTIVES AND ORGANISATION STRUCTURE

The wide variety of businesses undertaken by the Bank requires it to identify, measure, control, monitor and report risks effectively. The key components of the Bank's risk management rely on the risk governance architecture, comprehensive processes and internal control mechanism based on approved policies and guidelines. The Bank's risk governance architecture focuses on the key areas of risk such as credit, market (including liquidity) and operational risk and quantification of these risks, wherever possible, for effective and continuous monitoring and control.

Objectives and Policies

The Bank's risk management processes are guided by well-defined policies appropriate for various risk categories, independent risk oversight and periodic monitoring through the sub-committees of the Board of Directors. The Board sets the overall risk appetite and philosophy for the Bank.

The Committee of Directors, the Risk Management Committee and the Audit Committee of the Board, which are sub-committees of the Board, review various aspects of risk arising from the businesses of the Bank.

Various executive risk committees are mandated by the Risk Management Committee to look at individual components of risk as under:

Credit Risk Management Committee (CRMC)	Credit risk, counterparty risk
Asset Liability Management Committee (ALCO)	Liquidity risk, market risk, interest rate risk
Operational Risk Management Committee (ORMC)	Operational risk, people risk, process risk, technology risk
Central Outsourcing Committee (COC)	Outsourcing risk, vendor risk
BCP & Crisis Management Committee (BCPMC)	Continuity risk
Apex Committee	Risk based supervision submissions
Subsidiary Governance Committee (SGC)	Subsidiary governance
Information Security Systems Committee (ISSC)	Information security risk
Enterprise & Group Risk Management Committee (EGRMC)	Group level risk

The Bank has put in place policies relating to management of various kinds of risk (eg: credit risk, market risk, operational risk, information security risk, subsidiary risk and liquidity risk) for the domestic as well as overseas operations along with overseas subsidiaries as per the respective host regulatory requirements and business needs. The overseas policies are drawn based on the risk perceptions of these economies and the Bank's risk appetite.

Structure and Organisation

The Chief Risk Officer is the Head of the Risk Department and reports to the Managing Director and CEO. The Risk Management Committee of the Board oversees the functioning of the Risk Department. The Department has separate teams for individual components of risk such as Credit Risk, Liquidity Risk, Market Risk (including Treasury Mid Office), Operational Risk, Enterprise Risk, Risk Analytics, Risk Data Management, Model Risk and Information Security Risk.

These teams report to the Chief Risk Officer.

III. CREDIT RISK

Credit risk refers to the deterioration in the credit quality of the borrower or the counter-party adversely impacting the financial performance of the Bank. The losses incurred by the Bank in a credit transaction could be due to inability or wilful default of the borrower in honouring the financial commitments to the Bank. The Bank is exposed to credit risk through lending and capital market activities.

Credit Risk Management Policy

The Board of Directors establishes parameters for risk appetite which are defined through strategic businesses plan as well as the Corporate Credit Policy. Credit Risk Management Policy lays down the roles and responsibilities, risk appetite, key processes and reporting framework. Corporate credit is managed through rating of borrowers and the transaction, thorough due diligence through an appraisal process alongside risk vetting of individual exposures at origination and thorough periodic review (including portfolio review) after sanctioning. Retail credit to individuals and small business is managed through definition of product criteria, appropriate credit filters and subsequent portfolio monitoring.

Credit Rating System

The foundation of credit risk management rests on the internal rating system. Rating linked single borrower exposure norms, delegation of powers and review frequency have been adopted by the Bank. The Bank has developed rating tools specific to market segments such as large and mid-corporates, SME, financial companies, microfinance companies and project finance to objectively assess underlying risk associated with such exposures.

The credit rating model uses a combination of quantitative and qualitative inputs to arrive at a 'point-in-time' view of the risk profile of counterparty. Each internal rating grade corresponds to a distinct probability of default over one year. Expert scorecards are used for various SME schematic products and retail agriculture schemes. Statistical application and behavioural scorecards have been developed for all major retail portfolios.

The Bank recognises cash, central/state government, bank and corporate guarantees, exclusive mortgage of properties and lease rental securitisation for the purpose of credit enhancement to arrive at a facility rating.

Model validation is carried out annually by objectively assessing the discriminatory power, calibration accuracy and stability of ratings. The Bank has completed the estimation and validation of PD, LGD and CCF models for corporate and retail portfolios.

Credit Sanction and Related Processes

The guiding principles behind the credit sanction process are as under:

- 'Know Your Customer' is a leading principle for all activities.
- The acceptability of credit exposure is primarily based on the sustainability and adequacy of borrower's normal business operations and not based solely on the availability of security.

The Bank has put in place a hierarchical committee structure based on the size and rating of the exposures for credit sanction and review; with sanctioning authority rested with higher level committees for larger and lesser rated exposures. Committee of Directors (COD) is the topmost committee in the hierarchy which is a sub-committee of the Board.

Review and Monitoring

- All wholesale bank credit exposures, once approved, are monitored and reviewed periodically against the approved limits. Borrowers with lower credit rating are subject to more frequent reviews.
- Credit audit involves independent review of credit risk assessment, compliance with internal policies of the Bank and with the regulatory framework, compliance of sanction terms and conditions and effectiveness of loan administration.
- Customers with emerging credit problems are identified early and classified accordingly. Remedial action is initiated promptly to minimize the potential loss to the Bank.

Concentration Risk

The Bank manages concentration risk by means of appropriate structural limits and borrower-wise limits based on credit-worthiness. Credit concentration in the Bank's portfolios is monitored for the following:

- Large exposures to the individual clients or group: The Bank has individual borrower-wise exposure ceilings based on the internal rating of the borrower as well as group-wise borrowing limits which are continuously tracked and monitored, while also adhering to regulatory limits stipulated by RBI such as the Large Exposure Framework.
- Concentration by Industry: Industry analysis plays an important part in assessing the concentration risk within the loan portfolio. Limits are set for certain individual industries based on the outlook and risk profile of these industries.

Portfolio Management

Portfolio level risk analytics and reporting to senior management examines optimal spread of risk across various rating classes, undue risk concentration across any particular industry segments and delinquencies. Borrowers or portfolios are marked for early warning when signs of weakness or financial deterioration are envisaged in order that timely remedial actions may be initiated. In-depth sector specific studies are undertaken on portfolios vulnerable to extraneous shocks and the results are shared with the business departments. The Bank has a well-defined stress testing policy in place and periodic stress testing is undertaken on various portfolios to gauge the impact of stress situations on the health of portfolio, profitability and capital adequacy.

Retail lending portfolio is composed of secured products (like mortgage, wheels business) which command a major share of the Consumer Lending Portfolio while the Bank continues to grow the unsecured lending book (personal loans and credit card business) albeit with prudent underwriting practice. The Bank has developed a robust risk management framework at each stage of retail loan cycle i.e. loan acquisition, underwriting and collections.

Underwriting strategy relies on extensive usage of analytical scoring models which also takes inputs from bureau. The Bank uses 'Rules Engine' which helps customise business rules thereby aiding in faster decision making without compromising on the underlying risks. Senior Management takes note of movement and direction of risk reported through information published on structured dashboards.

Definitions and classification of non-performing assets

Advances are classified into performing and non-performing asset (NPAs) as per Master Circular- Prudential norms on Income Recognition, Asset Classification & Provisioning norms pertaining to advances dated April 01, 2025.

A non-performing asset (NPA) is a loan or an advance where;

- Interest and/or installment of principal remains overdue for a period of more than 90 days in respect of a term loan,

- The account remains 'out-of-order' for a period of more than 90 days in respect of an Overdraft or Cash Credit (OD/CC),
- The bill remains overdue for a period of more than 90 days in case of bills purchased and discounted,
- A loan granted for short duration crops will be treated as an NPA if the installments of principal or interest thereon remain overdue for two crop seasons,
- A loan granted for long duration crops will be treated as an NPA if the installments of principal or interest thereon remain overdue for one crop season,
- 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.
- Advances against term deposits, NSCs eligible for surrender, IVPs, KVPs and life policies are not be treated as non-performing, provided adequate margin is available in the accounts.
- The amount of liquidity facility remains outstanding for more than 90 days, in respect of a securitization transaction undertaken in terms of the RBI (Securitization of Standard assets) direction, 2021.
- In case of credit card account, if the minimum amount due, as mentioned in the statement, is not paid fully within 90 days from the print (payment) due date mentioned in the statement.
- In addition, an account may also be classified as NPA due to temporary deficiencies
 - a. The outstanding in the account based on drawing power calculated from stock statements older than three months, would be deemed as irregular. A working capital borrowal account will become NPA if such irregular drawings are permitted in the account for a continuous period of 90 days even though the unit may be working or the borrower's financial position is satisfactory.
 - b. An account where the regular/ ad hoc credit limits have not been reviewed/ renewed within 180 days from the due date/ date of ad hoc sanction will be treated as non-performing.
- Further, the account may also be classified as NPA due to DCCO criteria as per para 4.2.15 Projects under Implementation of Master circular on IRAC norms dated April 01, 2025.

NPAs are further classified into sub-standard, doubtful and loss assets based on the criteria stipulated by RBI. A sub-standard asset is one, which has remained a NPA for a period less than or equal to 12 months. An asset is classified as doubtful if it has remained in the sub-standard category for a period of 12 months. A loss asset is one where loss has been identified by the Bank or internal or external auditors or during RBI inspection and the amount has not been written off fully.

Impairment of other assets

The carrying amounts of assets are reviewed at each balance sheet date to ascertain if there is an indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds the recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use.

CREDIT RISK EXPOSURES
Total Gross Credit Risk Exposure Including Geographic Distribution of Exposure – Position as on 30th June 2025

(₹ in millions)

	Domestic (Outstanding)	Overseas (Outstanding)	Total
Fund Based	1,57,05,675	5,15,868	1,62,21,542
Non-Fund Based*	21,88,024	1,99,402	23,87,426
Total	1,78,93,699	7,15,270	1,86,08,968

* Non-fund based exposures are bank guarantees issued on behalf of constituents and acceptances and endorsements and other items for which the Bank is contingently liable.

Distribution of Credit Risk Exposure by Industry Sector – Position as on 30th June 2025

(₹ in millions)

Industry Classification	Amount	
	Fund Based (Outstanding)	Non-Fund Based (Outstanding)
Banking and Finance	8,34,524	5,71,503
-of which Housing Finance Companies	95,930	3,163
Infrastructure (excluding Power)	3,75,308	2,51,500
-of which Roads, ports & airports	1,96,854	23,624
-of which Telecommunications	1,01,447	27,797
Chemicals and chemical products	3,00,976	1,73,603
-of which Petro Chemicals	21,433	21,432
-of which Drugs and Pharmaceuticals	1,07,609	13,200
Trade	6,59,693	85,512
Engineering	2,05,591	3,36,115
Power Generation & Distribution	3,07,586	1,48,111
NBFCs	6,11,011	2,390
Commercial real estate\$	6,52,447	17,835
Iron and Steel	2,07,119	1,22,923
Petroleum, Coal Products and Nuclear Fuels	93,906	84,654
Other metal and metal products	1,23,569	53,093
Textiles	1,97,516	20,815
Food Processing	2,64,522	26,472
Vehicles, Vehicle Parts and Transport Equipment	1,23,079	25,066
Cement and Cement Products	1,03,635	48,047
Professional services	1,76,551	9,649
Rubber, Plastic and their Products	1,02,185	18,234
Construction\$	38,793	57,682
Shipping Transportation & Logistics	58,584	38,989
Computer Software	80,787	18,672
Paper and Paper Products	45,716	5,266
Edible oils and Vanaspati	35,049	39,112
Mining and quarrying (incl. Coal)	16,371	20,051
Other Industries	4,65,650	93,812
Residual Exposures	1,01,41,374	1,18,321

(₹ in millions)

Industry Classification	Amount	
	Fund Based (Outstanding)	Non-Fund Based (Outstanding)
-of which Other Assets	7,34,290	-
-of which Banking Book Investments	28,75,361	-
-of which Retail, Agriculture & Others*	64,46,537	-
Total	1,62,21,542	23,87,426

* includes Cash and Balances with RBI.

\$ includes Lease Rental discounting (LRD) balance of ₹2,82,671 million.

As on 30th June 2025, the Bank's exposure to the industries stated below was more than 5% of the total gross credit exposure (outstanding):

Sr. No.	Industry Classification	Percentage of the total gross credit exposure
1.	Banking and Finance	8%

Residual Contractual Maturity Breakdown of Assets – Position as on 30th June 2025⁽¹⁾

(₹ in millions)

Maturity Bucket	Cash	Balances with RBI	Balances with other Banks ⁽²⁾	Investments ⁽³⁾	Advances	Fixed Assets	Other Assets
1day	85,672	1,11,809	1,62,305	13,03,155	1,05,844	-	9,443
2 to 7 days	-	10,000	49,018	68,297	2,25,843	-	93,451
8 to 14 days	-	18,213	9,592	1,06,967	1,47,218	-	18,072
15 to 30 days	-	20,172	20,503	1,21,926	2,51,374	-	93,267
31 days to 2 months	-	21,993	80,241	1,22,608	4,43,240	-	15,875
Over 2 months and upto 3 months	-	21,301	28,540	1,15,943	3,82,278	-	13,237
Over 3 months and up to 6 months	-	38,307	19,608	1,61,955	5,47,411	-	40,335
Over 6 months and up to 12 months	-	51,546	17,755	2,78,712	8,89,270	-	25,567
Over 1 year and up to 3 years	-	39,473	153	2,64,013	24,98,502	-	57,185
Over 3 years and up to 5 years	-	5,495	3	47,132	13,21,047	-	66,224
Over 5 years	-	2,32,081	0	10,60,825	42,20,626	65,771	3,68,973
Total	85,672	5,70,389	3,87,719	36,51,533	1,10,32,651	65,771	8,01,630

1. Intra-group adjustments are excluded

2. Including money at call and short notice

3. Listed equity shares (except Strategic Investments) have been considered at 50% haircut as per RBI regulations.

Movement of NPAs (including NPIs) – Position as on 30th June 2025

(₹ in millions)

	Particulars	Amount
A.	Amount of NPAs (Gross)	1,81,239
	- Substandard	1,05,283
	- Doubtful 1	26,636
	- Doubtful 2	12,396
	- Doubtful 3	1,936
	- Loss	34,988
B.	Net NPAs[#]	52,028
C.	NPA Ratios	
	- Gross NPAs (including NPIs) to gross advances (%)	1.63%
	- Net NPAs (including NPIs) to net advances (%)	0.47%
D.	Movement of NPAs (Gross)	
	- Opening balance as on 1 st April 2025	1,48,203
	- Additions	82,285
	- Reductions	(49,250)
	- Closing balance as on 30 th June 2025	1,81,239

[#] Net of balance outstanding in interest capitalization-restructured NPA accounts

Movement of Specific & General Provision – Position as on 30th June 2025

(₹ in millions)

Movement of Provisions	Specific Provisions	General Provisions
- Opening balance as on 1 st April 2025	1,09,878	55,740
- Provision made in 2025-26 ^{(1)/(2)}	47,788	1,630
- Write-offs/Write-back of excess provision	(28,567)	-
- Closing balance as on 30 th June 2025	1,29,099	57,370

1. Includes specific provision of ₹ 41 million on account of exchange rate fluctuation.

2. Includes general provisions of ₹ 8 million on account of exchange rate fluctuation.

Details of write-offs and recoveries that have been booked directly to the income statement – for the period ending 30th June 2025

(₹ in millions)

Write-offs that have been booked directly to the income statement	1,362
Recoveries that have been booked directly to the income statement	9,118

NPIs and Movement of Provision for Depreciation on Investments – Position as on 30th June 2025

(₹ in millions)

		Amount
A.	Amount of Non-Performing Investments	5,347
B.	Amount of Provision held for Non-performing investments	5,347
C.	Movement of provision for depreciation on investments	
	- Opening balance as on 1 st April 2025	7,435
	- Provision made in 2025-26	-
	- Write-offs/Write-back of excess provision	(865)
	- Closing balance as on 30 th June 2025	6,571

Breakup of NPA by major industries* – Position as on 30th June 2025

(₹ in millions)

Particulars	Amount	
	Gross NPA	Specific Provision [#]
Trade	8,506	5,708
Food Processing	7,426	4,724
Infrastructure (excluding Power)	7,214	6,792
Engineering	1,627	1,148
Chemicals and chemical products	1,510	1,153
Power Generation & Distribution	975	911
Iron and Steel	884	697
Commercial real estate	74	51
Banking and Finance	18	15
NBFCs	0	0
Retail, Agri & Other Industries	1,53,005	1,07,900
Total	1,81,239	1,29,099

* Based on top 10 industry wise gross credit exposure

[#] Specific provisions include NPA and restructured provisions

Major industries breakup of specific provision and write-off's for the period ending 30th June 2025

(₹ in millions)

Industry	Provision	Write-offs
Specific Provision in Top 5 industries for the period/year	1,558	1,797
General Provision in Top 5 industries as on date	21,052	-

Geography wise Distribution of NPA and Provision – Position as on 30th June 2025

(₹ in millions)

Geography	Gross NPA	Specific Provision	General Provision
Domestic	1,74,583	1,22,508	52,466
Overseas	6,656	6,591	4,904
Total	1,81,239	1,29,099	57,370

Credit Risk: Use of Rating Agency under the Standardised Approach

The RBI guidelines on capital adequacy require banks to use ratings assigned by specified External Credit Assessment Agencies (ECAIs) namely CARE, CRISIL, ICRA, India Ratings, Acuite Ratings and Infomerics for domestic counterparties and Standard & Poor's, Moody's and Fitch for foreign counterparties.

The Bank is using issuer ratings and short-term and long-term instrument/bank facilities' ratings which are assigned by the accredited rating agencies viz. CARE, CRISIL, ICRA, India Ratings, Acuite Ratings and Infomerics published in the public domain to assign risk-weights in terms of RBI guidelines. In respect of claims on non-resident corporates and foreign banks, ratings assigned by international rating agencies i.e. Standard & Poor's, Moody's and Fitch is used. For exposures with contractual maturity of less than one year, a short-term rating is used. For cash credit facilities and exposures with contractual maturity of more than one year, long-term rating is used.

Issue rating is used if the Bank has an exposure in the rated issue and this would include fund-based and non-fund based working capital facilities as well as loans and investments. In case the Bank does not have exposure in a rated issue, the Bank uses the issue rating for its comparable unrated exposures to the same borrower, provided that the Bank's exposures are pari-passu or senior and of similar or lesser maturity as compared to the rated issue. Structured Obligation (SO) ratings are used where the Bank has a direct exposure in the 'SO' rated issue. If an issuer has a long-term or short-term exposure with an external rating that warrants a risk weight of 150%, all unrated claims on the same

counterparty, whether short-term or long-term, also receive 150% risk weight, unless the Bank uses recognised credit risk mitigation techniques for such claims.

Issuer ratings provide an opinion on the general credit worthiness of the rated entities in relation to their senior unsecured obligations. Therefore, issuer ratings are directly used to assign risk-weight to all unrated exposures of the same borrower.

**Details of Gross Credit Risk Exposure (Fund based and Non-fund based) based on Risk-Weight –
Position as on 30th June 2025**

(₹ in millions)

Particulars	Amount
Below 100% risk weight	1,20,66,702
100% risk weight	31,63,413
More than 100% risk weight	33,59,993
Deduction from capital funds	18,860

IV. Leverage Ratio

The leverage ratio has been calculated using the definitions of capital and total exposure. The Bank's leverage ratio, calculated in accordance with the RBI guidelines under consolidated framework is as follows:

(₹ in millions)

Particulars	Amount
Tier 1 capital	19,11,964
Exposure Measure	1,95,08,476
Leverage Ratio	9.80%

- Tier 1 capital as at March 31, 2025, December 31, 2024 and September 30, 2024 was Rs. 18,33,062 million, Rs. 17,72,669 million and Rs. 17,04,962 million respectively.
- Total exposures as at March 31, 2025, December 31, 2024 and September 30, 2024 were Rs. 1,94,54,644 million, Rs. 1,84,52,784 million and Rs. 1,81,65,060 million respectively.
- Leverage ratio as at March 31, 2025, December 31, 2024 and September 30, 2024 was 9.42% 9.61% and 9.39% respectively.