Basel III - Pillar 3 Disclosures

Consolidated Position as on March 31, 2026

1. Scope of Application

Top bank in the group

The Basel III Capital Regulation ('Basel III') is applicable to HDFC Bank Limited (hereinafter referred to as the 'Bank') and its subsidiaries which together constitute the Group in line with the Reserve Bank of India ('RBI') guidelines on the preparation of consolidated prudential reports.

Accounting and regulatory consolidation

For the purpose of financial reporting, the Bank consolidates its subsidiaries in accordance with Accounting Standard ('AS') 21, Consolidated Financial Statements, on a line-by-line basis by adding together like items of assets, liabilities, income and expenditure.

For the purpose of consolidated prudential regulatory reporting, the consolidated Bank includes all group entities under its control, except group companies which are engaged in insurance business and businesses not pertaining to financial services. Details of entities along with the consolidation status for accounting and regulatory purposes are given below:

Name of entity [Country of incorporation]	Included under accounting scope of consolidation	Method of accounting consolidation	Included under regulatory scope of consolidation	Method of regulatory consolidation	Reasons for difference in the method of consolidation	Reasons for consolidation under only one of the scopes of consolidation
HDFC Securities Limited [India]	Yes	Consolidated in accordance with AS-21, Consolidated Financial Statements.	Yes	Consolidated in accordance with AS-21, Consolidated Financial Statements.	Not Applicable	Not Applicable
HDFC Securities IFSC Limited [India]	Yes	Consolidated in accordance with AS-21, Consolidated Financial Statements.	Yes	Consolidated in accordance with AS-21, Consolidated Financial Statements.	Not Applicable	Not Applicable
HDB Financial Services Limited [India]	Yes	Consolidated in accordance with AS-21, Consolidated Financial Statements.	Yes	Consolidated in accordance with AS-21, Consolidated Financial Statements.	Not Applicable	Not Applicable
HDB Employee Welfare Trust [India]	Yes	Consolidated in accordance with AS-21, Consolidated Financial Statements.	No	Not Applicable	Not Applicable	This is a non-financial entity and not required to be consolidated for regulatory reporting. The Bank has no investment in this entity.

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Name of entity [Country of incorporation]	Included under accounting scope of consolidation	Method of accounting consolidation	Included under regulatory scope of consolidation	Method of regulatory consolidation	Reasons for difference in the method of consolidation	Reasons for consolidation under only one of the scopes of consolidation
HDFC Life Insurance Company Limited [India]	Yes	Consolidated in accordance with AS-21, Consolidated Financial Statements.	No	Not Applicable	Not Applicable	This is an insurance entity and not required to be consolidated for regulatory reporting. Investment in this entity is deducted from capital funds for capital adequacy computation.
HDFC International Life and Re Company Limited [Dubai]	Yes	Consolidated in accordance with AS-21, Consolidated Financial Statements.	No	Not Applicable	Not Applicable	This is an insurance entity and not required to be consolidated for regulatory reporting. Investment in this entity is deducted from capital funds for capital adequacy computation.
HDFC ERGO General Insurance Company Limited [India]	Yes	Consolidated in accordance with AS-21, Consolidated Financial Statements.	No	Not Applicable	Not Applicable	This is an insurance entity and not required to be consolidated for regulatory reporting. Investment in this entity is deducted from capital funds for capital adequacy computation.
HDFC Pension Fund Management Limited [India]	Yes	Consolidated in accordance with AS-21, Consolidated Financial Statements.	Yes	Consolidated in accordance with AS-21, Consolidated Financial Statements.	Not Applicable	Not Applicable

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Name of entity [Country of incorporation]	Included under accounting scope of consolidation	Method of accounting consolidation	Included under regulatory scope of consolidation	Method of regulatory consolidation	Reasons for difference in the method of consolidation	Reasons for consolidation under only one of the scopes of consolidation
HDFC Asset Management Company Limited [India]	Yes	Consolidated in accordance with AS-21, Consolidated Financial Statements.	Yes	Consolidated in accordance with AS-21, Consolidated Financial Statements	Not Applicable	Not Applicable
HDFC AMC International IFSC Limited [India]	Yes	Consolidated in accordance with AS-21, Consolidated Financial Statements.	Yes	Consolidated in accordance with AS-21, Consolidated Financial Statements	Not Applicable	Not Applicable
HDFC Trustee Company Limited [India].	Yes	Consolidated in accordance with AS-21, Consolidated Financial Statements.	Yes	Consolidated in accordance with AS-21, Consolidated Financial Statements.	Not Applicable	Not Applicable
HDFC Capital Advisors Limited [India]	Yes	Consolidated in accordance with AS-21, Consolidated Financial Statements.	Yes	Consolidated in accordance with AS-21, Consolidated Financial Statements.	Not Applicable	Not Applicable
HDFC Sales Pvt. Limited [India]	Yes	Consolidated in accordance with AS-21, Consolidated Financial Statements.	Yes	Consolidated in accordance with AS-21, Consolidated Financial Statements.	Not Applicable	Not Applicable
Griha Pte Limited [Singapore]	Yes	Consolidated in accordance with AS-21, Consolidated Financial Statements.	Yes	Consolidated in accordance with AS-21, Consolidated Financial Statements.	Not Applicable	Not Applicable
Griha Investments [Mauritius]	Yes	Consolidated in accordance with AS-21, Consolidated Financial Statements.	Yes	Consolidated in accordance with AS-21, Consolidated Financial Statements.	Not Applicable	Not Applicable

Group entities not considered for consolidation under both accounting scope and regulatory scope

Nil

Group entities considered for regulatory scope of consolidation

Regulatory scope of consolidation refers to consolidation in such a way as to result in the assets of the underlying group entities being included in the calculation of consolidated risk-weighted assets of the group. Following is the list of group entities considered under regulatory scope of consolidation.

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(₹ million)

Name of entity [Country of incorporation]	Principal activity of the entity	Total balance sheet equity* as of March 31, 2026 (per accounting balance sheet)	Total balance sheet assets as of March 31, 2026 (per accounting balance sheet)
HDFC Securities Limited [India]	Securities Brokerage	35,787.6	218,560.9
HDB Financial Services Limited [India]	Retail Assets Financing	209,439.6	1,219,312.3
HDFC Pension Fund Management Limited [India]	Pension Fund Management	843.8	1,396.4
HDFC Asset Management Company Limited [India]	Investment Manager	92,303.6	97,680.8
HDFC Trustee Company Limited [India]	Trusteeship Services	45.9	51.9
HDFC Capital Advisors Limited [India]	Investment Manager	5,889.1	6,972.3
HDFC Sales Pvt. Limited [India]	Marketing, Sourcing and Distribution of financial products; Corporate Agent for distribution of insurance products	3,295.3	5,753.5
Griha Pte Limited [Singapore]	Asset Manager	403.8	413.4
Griha Investments [Mauritius]	Asset Manager	60.1	64.5

**includes reserves & surplus*.

Capital deficiency in subsidiaries which are not included in the regulatory scope of consolidation

Nil

The aggregate amounts of the bank's total interests in insurance entities, which are risk-weighted:

(₹ million)

Name of the insurance entities / country of incorporation	Principle activity of the entity	Total balance sheet equity ^ (as stated in the accounting balance sheet of the legal entity) *	% of bank's holding in the total equity /proportion of voting power*	Quantitative impact on regulatory capital of using risk weighting method versus using the full deduction method
Go Digit Life Insurance Limited	Insurance Business	14,140.5	8.2%	Insignificant impact (Less than 1 bps)

^ includes reserves and surplus
** Position as on March 2025*

Restrictions on transfer of funds within the Group

Transfer of funds are subject to local laws and regulation of host countries as applicable

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2. Capital Adequacy

Assessment of capital adequacy

The Bank has a process for assessing its overall capital adequacy in relation to the Bank's risk profile and a strategy for maintaining its capital levels. The process provides an assurance that the Bank has adequate capital to support all risks inherent to its business and an appropriate capital buffer based on its business profile.

As part of the Enterprise Risk Management (ERM), the Bank identifies, assesses and manages comprehensively the risks that it is exposed to through sound governance and control practices, robust risk management framework and an elaborate process for capital calculation and planning.

The Bank has a comprehensive Internal Capital Adequacy Assessment Process ('ICAAP') which is integral to the ERM. The Bank's ICAAP covers the capital management 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 for a period of 3 years.

The Bank has a structured management framework in the internal capital adequacy assessment process for the identification and evaluation of the significance of all risks that the Bank faces, which may have a material adverse impact on its business and financial position. The Bank considers the following as material risks it is exposed to in the course of its business and therefore, factors these while assessing / planning capital:

- Credit Risk, including residual risks
- Market Risk
- Operational Risk
- Interest Rate Risk in the Banking Book
- Liquidity Risk
- Intraday Liquidity Risk
- Intraday Credit Risk
- Credit Concentration Risk
- Model Risk
- Outsourcing Risk
- People Risk
- Business Risk
- Strategic Risk
- Compliance Risk
- Reputation Risk
- Technology Risk
- Third Party Products Risk
- Group Risk (various risks pertaining to subsidiaries)

At an enterprise-wide level, the Bank has implemented a Board approved Stress Testing Policy & Framework which forms 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 and Interest Rate Risk in the Banking Book ('IRRBB'), etc. and the changes in the on and off balance sheet positions of the Bank are assessed under assumed "stress" scenarios and sensitivity factors. The suite of stress scenarios include topical themes as well depending on prevailing geopolitical / macroeconomic / sectoral and other trends. Stress tests are conducted on a quarterly basis at consolidated levels in order to assess the impact on capital adequacy of the Group. The stress test results are put up to the Risk Policy & Monitoring Committee of the Board on a half yearly basis and to the Board annually, for their review and guidance. The Bank periodically assesses and refines its stress tests in an effort to ensure that the stress scenarios capture material risks as well as reflect possible extreme market moves that could arise as a result of business environment conditions. The stress tests are used in conjunction with the Bank's business plans for the purpose of capital planning in the ICAAP.

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Common Equity Tier 1 ('CET1'), Tier 1 and Total capital ratios

The Bank is required to maintain minimum ratio of capital to risk-weighted assets (RWAs) as at March 31, 2026 as below:

Minimum ratio of capital to RWAs	% of RWAs
CET1 capital ratio	8.40
Tier 1 capital ratio	9.90
Total capital ratio	11.90

The above minimum ratios include Capital Conservation Buffer (CCB) and additional requirement for the bank on account of being designated as Domestic-Systemically Important Bank (D-SIB) is 0.40% effective April 01, 2025 (Previous year: 0.20%).

The Bank's position in this regard is as follows:

Particulars	Standalone	
	March 31, 2026	March 31, 2025
CET1 capital ratio	17.28%	17.23%
Tier 1 capital ratio	17.73%	17.69%
Total capital ratio	19.71%	19.55%

Particulars	Consolidated	
	March 31, 2026	March 31, 2025
CET1 capital ratio	17.06%	17.12%
Tier 1 capital ratio	17.48%	17.56%
Total capital ratio	19.37%	19.34%

Capital requirements for credit risk

(₹ million)

Particulars	March 31, 2026	March 31, 2025
Portfolios subject to standardised approach	3,349,656.6	2,958,592.4
Securitisation exposures	23,649.5	18,475.7
Total	**3,373,306.1**	**2,977,068.1**

Capital requirements for market risk

(₹ million)

Standardised duration approach	March 31, 2026	March 31, 2025
Interest rate risk	21,405.4	20,010.7
Foreign exchange risk (including gold)	10,308.4	9,483.6
Equity risk	7,964.7	899.3
Total	**39,678.5**	**30,393.6**

Capital requirements for operational risk

(₹ million)

Particulars	March 31, 2026	March 31, 2025
Basic indicator approach	341,019.8	281,836.9

3. Credit Risk

Credit Risk Management

Credit risk is defined as the possibility of losses associated with diminution in the credit quality of borrowers or counterparties. In a bank's portfolio, losses stem from outright default due to inability or unwillingness of a customer or counterparty to meet commitments in relation to lending, trading, settlement and other financial transactions. Alternatively, losses result from reduction in portfolio value arising from actual or perceived deterioration in credit quality. Credit risk typically emanates from a bank's dealings with an individual, corporate, bank, financial institution or a sovereign.

Architecture

The Bank has a comprehensive credit risk management architecture. The Board of Directors of the Bank endorses the credit risk strategy and approves the credit risk policies of the Bank. This is done taking into consideration the Bank's risk appetite, derived from perceived risks in the business, balanced by the targeted profitability level for the risks taken up. The Board oversees the credit risk management functions of the Bank. The Risk Policy & Monitoring Committee ('RPMC'), which is a committee of the Board, guides the development of policies, procedures and systems for managing credit risk, towards implementing the credit risk strategy of the Bank. The RPMC ensures that these are adequate and appropriate to changing business conditions, the structure and needs of the Bank and the risk appetite of the Bank. The RPMC periodically reviews the Bank's portfolio composition and the status of impaired assets as put by credit team.

The Risk Management Group, under the Group Chief Risk Officer (CRO), drives credit risk management centrally in the Bank. It is primarily responsible for implementing the risk strategy approved by the Board, developing procedures and systems for managing risk and ensuring portfolio composition and quality. The Group Chief Risk Officer will be associated in the credit sanction process in the role of an advisor. The Group Chief Risk Officer will highlight risks / concerns (if any) and will not have any sanctioning powers. Within the Risk Management Group, and independent of the credit approval process, there is a framework for review and approval of credit ratings. The risk management function is clearly demarcated and independent from the operations, credit and business units of the Bank.

The Credit Group, under the Chief Credit Officer (CCO) is primarily responsible for carrying out an independent assessment of credit, approving individual credit exposures and ensuring portfolio composition and quality. It is not assigned any business target.

Credit Process

The Bank expects to achieve its earnings objectives and to satisfy its customers' needs while maintaining a sound portfolio. Credit exposures are managed through target market identification, appropriate credit approval processes, post-disbursement monitoring and remedial management procedures.

There are two different credit management models within which the credit process operates - the Retail Credit Model and the Wholesale Credit Model. The Retail Credit Model is geared towards high volume, small transaction size businesses and is based largely on actuarial / statistical techniques and the management of aggregate product

portfolios. The Wholesale Credit Model on the other hand, is relevant to lower volume, larger transaction size, customised products and relies on a judgmental process for the origination, approval and maintenance of credit exposures.

The credit models have two alternatives for managing the credit process – Product Programs and Credit Transactions. In Product Programs, the Bank approves maximum levels of credit exposure to a set of customers with similar characteristics, profiles and / or product needs, under clearly defined standard terms and conditions. This is a cost-effective approach to managing credit where credit risks and expected returns lend themselves to a template-based approach or predictable portfolio behavior in terms of yield, delinquency and write-off. Given the high volume environment, automated tracking and reporting mechanisms are important to identify trends in portfolio behavior early and to initiate timely adjustments. In the case of credit transactions, the risk process focuses on individual customers or borrower relationships through Credit Appetite Memorandum (CAM) which formalizes the Bank's maximum risk appetite for the borrower. The approval process in such cases is based on detailed analysis and the individual judgment of credit officials, often involving complex products or risks, multiple facilities / structures and types of securities.

The Bank's Credit Policies & Procedures Manual and Credit Programs, where applicable, form the core to controlling 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, industry and risk grading.

The Board sets concentration ceilings which are monitored by the independent operations department. The Risk Management Group reviews the exposure level under each dimension and ensures that the portfolio profile meets the approved concentration limits. These concentration ceilings and exposure levels are periodically reported to the RPMC and the Board. 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.

As an integral part of the credit process, the Bank has a fairly sophisticated credit rating model appropriate to each market segment in Wholesale Credit. In Retail Credit, score cards have been introduced in the smaller ticket, higher volume products like credit cards, two-wheeler loans, auto loans, unsecured loans etc. For the other retail products which typically have relatively higher ticket sizes, loans are underwritten based on credit models along with credit norms, which are in turn governed by the respective Board approved product programs. All retail portfolios are monitored regularly at a highly segmented level.

Management monitors overall portfolio quality and high-risk exposures periodically, including the weighted risk grade of the portfolio and industry diversification. Additional to, and independent of, the internal grading system and the

RBI norms on asset classification, the Bank has a labeling system, where individual credits are labeled based on the degree of risk perceived in them by the Bank. Remedial strategies are developed once a loan is identified as an adversely labeled credit.

Definition of Non-Performing Assets

The Bank follows extant guidelines of the RBI on income recognition, asset classification and provisioning. A Non-Performing Asset ('NPA') is a loan or an advance where:

a) Interest and / or installment of principal remain overdue for a period of more than 90 days in respect of a term loan. Any amount due to the Bank under any credit facility is "overdue" if it is not paid on the due date fixed by the Bank.

I. The account remains 'out of order', in respect of an Overdraft/ Cash Credit (OD/CC) In cases where the outstanding balance in the principal operating account is less than the sanctioned limit/drawing power, the extant instructions, inter alia, stipulate that the account should be treated as 'out of order' if there are no credits continuously for 90 days as on the date of Balance Sheet or credits are not enough to cover the interest debited during the same period. An account shall be treated as 'out of order' in the following scenarios:

   i) The outstanding balance in the CC/OD account remains continuously in excess of the sanctioned limit/drawing power for 90 days,

   ii) or the outstanding balance in the CC/OD account is less than the sanctioned limit/drawing power but there are no credits continuously for 90 days, or the outstanding balance in the CC/OD account is less than the sanctioned limit/drawing power but credits are not enough to cover the interest debited during the previous 90 days period (inclusive of the day for which the day-end process is being run).

   The definition of "out of order" as above shall be applicable to all loan products being offered as an overdraft facility, including those not meant for business purpose and/or which entail interest repayments as the only credits.

b) The bill remains overdue for a period of more than 90 days in the case of bills purchased and discounted.

c) A loan granted for short duration crops will be treated as NPA, if the installment of principal or interest thereon remains overdue for two crop seasons. A loan granted for long duration crops will be treated as NPA, if the installment of principal or interest thereon remains overdue for one crop season.

d) The amount of liquidity facility remains outstanding for more than 90 days, in respect of a securitisation transaction undertaken as per extant RBI regulations.

e) 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.

In case of interest payments in respect of term loans, an account will be classified as NPA by Bank if the interest applied at specified rests remains overdue for more than 90 days. All the facilities granted by a Bank to a borrower would have to be treated as NPA and not the particular facility or part thereof which has become irregular.

Advances against term deposits, National Savings Certificates eligible for surrender, Indira Vikas Patras, Kisan Vikas Patras and Life Insurance policies need not be treated as NPAs, provided adequate margin is available in the accounts. Credit facilities backed by the Central Government though overdue may be treated as NPA only when the Government repudiates its guarantee when invoked. State Government guaranteed advances and investments in State Government guaranteed securities would attract asset classification and provisioning norms if interest and / or principal or any other amount due to the Bank remains overdue for more than 90 days.

Guidelines for Classification of Projects under implementation as NPA

Deferment of Date of Commencement of Commercial Operation (DCCO)

i. Deferment of DCCO and consequential shift in repayment schedule for equal or shorter duration (including the start date and end date of revised repayment schedule) will not be treated as restructuring provided that:

a) The revised DCCO falls within the period of 2 years and one year from the original DCCO stipulated at the time of financial closure for infrastructure projects and non-infrastructure projects (including commercial real estate projects) respectively; and

b) All other terms and conditions of the loan remain unchanged.

As such project loans will be treated as standard assets in all respects, they will attract standard asset provision of 0.40% for project loans where financial closure is achieved before October 1, 2025. RBI vide recent directions on Project Finance revised provisioning requirements for project finance exposures and mandated higher provisioning during the construction phase and additional provisioning on DCCO deferment applicable to all fresh credit events and/or any change in material terms and conditions of the loan contract occurring on or after October 1, 2025. The Bank will follow directions amended from time to time.

ii. Banks may restructure project loans, by way of revision of DCCO beyond the time limits quoted in the paragraph above and retain the 'standard' asset classification, if the fresh DCCO is fixed within the following limits, and the account continues to be serviced as per the restructured terms:

a) Infrastructure Projects involving court cases
Up to another 2 years (beyond the 2 years period quoted in paragraph i(a) above, i.e., total extension of 4 years), in case the reason for extension of DCCO is arbitration proceedings or a court case.

b) Infrastructure Projects delayed for other reasons beyond the control of promoters
Up to another 1 year (beyond the 2 years period quoted in paragraph i(a) above, i.e., total extension of 3 years), in case the reason for extension of DCCO is beyond the control of promoters (other than court cases).

c) Project Loans for Non-Infrastructure Sector (including Commercial Real Estate Exposures delayed for reasons beyond the control of promoter(s))
Up to another one year (beyond the one-year period quoted in paragraph i(a) above, i.e., total extension of 2 years).

iii. A loan for a project may be classified as NPA during any time before commencement of commercial operations as per record of recovery (90 days overdue). It is further re-iterated that the dispensation at paragraph (ii) is subject to the condition that the application for restructuring should be received before the expiry of period mentioned at paragraph (i) (a) above and when the account is still standard as per record of recovery.

Non-performing assets are classified into the following three categories:

- **Substandard Assets**
  A substandard asset is one, which has remained NPA for a period less than or equal to 12 months. In such cases, the current net worth of the borrower / guarantor or the current market value of the security charged is not enough to ensure recovery of the dues to the banks in full. In other words, such an asset will have well defined credit weaknesses that jeopardize the liquidation of the debt and are characterised by the distinct possibility that banks will sustain some loss, if deficiencies are not corrected.

- **Doubtful Assets**
  A doubtful asset is one, which remained NPA for a period exceeding 12 months. A loan classified as doubtful

has all the weaknesses inherent in assets that were classified as substandard, with the added characteristic that the weaknesses make collection or liquidation in full, on the basis of currently known facts, conditions and values, highly questionable and improbable.

- **Loss Assets**

  A loss asset is one where loss has been identified by the Bank or internal or external auditors or the RBI inspection but the amount has not been written off wholly. In other words, such an asset is considered uncollectible and of such little value that its continuance as a bankable asset is not warranted although there may be some salvage or recovery value.

  Interest on non-performing assets is not recognised in the profit / loss account until received. Specific provision for non-performing assets is made based on Management's assessment of their degree of impairment subject to the minimum provisioning level prescribed by RBI.

Geographic distribution of gross credit risk exposures

(₹ million)

Exposure distribution	March 31, 2026			March 31, 2025		
	Fund based	Non-fund based	Total	Fund based	Non-fund based	Total
Domestic	32,406,588.8	3,122,308.4	35,528,897.2	29,095,091.4	2,646,886.0	31,741,977.4
Overseas	799,621.8	21,166.5	820,788.3	632,606.5	32,655.2	665,261.7
Total	**33,206,210.6**	**3,143,474.9**	**36,349,685.5**	**29,727,697.9**	**2,679,541.2**	**32,407,239.1**

Note: Exposure is comprised of outstanding loans & advances, lendings, margins, investments in debenture & bonds, commercial papers, equity shares, preference shares, units of mutual funds, certificate of deposits, security receipts, on-balance sheet securitisation exposures purchased or retained, deposits with NABARD, SIDBI & NHB under the priority/weaker section lending schemes, guarantees, acceptances & endorsements, letters of credit and credit equivalent of foreign exchange and derivative exposures.

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Industry-wise distribution of exposures

(₹ million)

Industry	As on March 31, 2026	
	Fund based	**Non-fund based**
Agriculture – Allied	722,687.4	6,438.7
Agriculture Produce – Trade	256,719.1	18,958.4
Agriculture Production – Food	569,642.4	2,547.7
Agriculture Production - Non food	237,703.6	265.0
Animal Husbandry	109,841.4	577.5
Automobile & Auto Ancillary	571,060.9	61,578.9
Banks	671,059.3	161,410.6
Business Services	610,530.8	108,400.5
Capital Market Intermediaries	95,024.6	354,897.6
Cement & Products	94,221.0	70,385.2
Chemical and Products	276,460.3	60,151.4
Coal & Petroleum Products	346,924.1	185,529.6
Consumer Durables	218,888.4	37,765.3
Consumer Loans	10,057,028.8	801.8
Consumer Services	1,167,807.0	62,073.6
Drugs and Pharmaceuticals	181,852.6	26,551.2
Engineering	533,243.6	270,341.9
Fertilisers & Pesticides	64,061.3	38,130.5
Financial Institutions*	1,057,199.5	23.7
Financial Intermediaries	264,054.0	63,611.6
FMCG & Personal Care	94,208.2	3,724.6
Food and Beverage	845,789.8	67,719.3
Gems and Jewellery	246,232.1	9,645.7
Housing Finance Companies	396,459.8	527.7
Information Technology	88,145.3	42,915.2
Infrastructure Development	538,488.9	449,702.8
Iron and Steel	658,305.2	118,167.6
Mining and Minerals	156,789.4	82,648.6
NBFCs	1,851,142.5	4,156.7
Non-ferrous Metals	151,009.5	119,435.6
Other Non-metalic Mineral Products	102,128.1	19,559.9
Paper, Printing and Stationery	159,280.6	13,698.0
Plastic & Products	141,287.5	20,075.3
Power	855,823.5	141,293.6
Real Estate & Property Services	1,242,690.6	84,654.9
Retail Trade	1,214,635.2	70,454.6
Road Transportation	971,248.9	16,477.4
Telecom	329,684.2	21,620.3
Textiles & Garments	619,607.9	49,555.3
Wholesale Trade – Industrial	639,888.0	133,611.6
Wholesale Trade - Non Industrial	817,724.1	51,737.9
Other Industries**	2,979,631.2	91,651.6
Total	**33,206,210.6**	**3,143,474.9**

** Includes public financial institutions.*

***Covers industries such as Airlines, Fishing, Glass & Products, Leather & Products, Media & Entertainment, Other Retail Assets, Railways, Rubber & Products, Shipping, Tobacco & Products, Wood & Products each of which is less than 0.25% of the total exposure.*

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Exposures to industries (other than consumer loans) in excess of 5% of total exposure:

Industry	As on March 31, 2026
NBFC	5.1%

Industry-wise distribution of exposures

(₹ million)

Industry	As on March 31, 2025	
	Fund based	Non-fund based
Agriculture – Allied	623,821.3	5,155.1
Agriculture Produce – Trade	130,852.4	14,193.9
Agriculture Production – Food	519,192.9	1,432.4
Agriculture Production - Non food	250,909.5	150.9
Animal Husbandry	126,145.7	210.6
Automobile & Auto Ancillary	532,935.4	44,571.5
Banks	554,633.6	160,783.4
Business Services	498,674.7	31,473.0
Capital Market Intermediaries	88,354.8	237,259.0
Cement & Products	79,087.8	54,375.7
Chemical and Products	229,621.2	55,504.4
Coal & Petroleum Products	184,056.6	158,187.7
Consumer Durables	246,665.4	32,159.6
Consumer Loans	10,067,949.9	132.2
Consumer Services	1,049,851.6	45,626.3
Drugs and Pharmaceuticals	158,959.1	18,103.7
Engineering	445,132.1	204,676.5
Fertilisers & Pesticides*	45,373.5	24,562.5
Financial Institutions	1,056,705.7	4,019.6
Financial Intermediaries	265,208.4	51,821.4
FMCG & Personal Care	90,949.1	6,338.0
Food and Beverage	750,150.7	61,937.4
Gems and Jewellery	198,665.5	7,033.4
Housing Finance Companies	327,125.9	562.8
Information Technology	79,926.9	35,861.8
Infrastructure Development	395,566.4	360,140.0
Iron and Steel	542,347.6	94,361.2
Mining and Minerals	112,129.2	56,671.7
NBFCs	1,669,620.3	3,044.6
Non-ferrous Metals	124,593.5	68,261.6
Other Non-metalic Mineral Products	94,996.1	15,777.4
Paper, Printing and Stationery	138,746.6	12,223.7
Plastic & Products	132,030.0	16,337.2
Power	671,776.4	102,833.5
Real Estate & Property Services	1,113,950.4	62,855.1
Retail Trade	1,099,325.5	57,306.5
Road Transportation	780,404.0	14,324.6
Telecom	359,105.5	21,656.2
Textiles & Garments	539,084.1	40,640.8
Wholesale Trade – Industrial	562,163.8	103,305.7

Basel III - Pillar 3 Disclosures

Industry	As on March 31, 2025	
	Fund based	Non-fund based
Wholesale Trade - Non Industrial	633,099.8	39,239.5
Other Industries	2,157,809.0	354,429.1
Total	**29,727,697.9**	**2,679,541.2**

** The industries are reclassified in line with current year wherever applicable*

Exposures to industries (other than consumer loans) in excess of 5% of total exposure:

Industry	As on March 31, 2025
NBFC	5.2%

Residual contractual maturity breakdown of assets*

- **As on March 31, 2026**

(₹ million)

Maturity Buckets	Cash and balances with RBI	Balances with banks and money at call and short notice	Investments	Advances	Fixed assets	Other assets	Total
1 Day	1,040,532.1	145,310.0	2,269,265.2	85,604.1	-	15,036.4	3,555,747.8
2 to 7 days	20,715.7	766,983.4	306,837.1	376,614.3	-	23,638.6	1,494,789.1
8 to 14 days	18,300.9	962.6	145,310.4	195,248.3	-	15,312.6	375,134.8
15 to 30 days	39,219.7	8,126.4	425,328.4	374,215.3	-	174,663.8	1,021,553.6
31 days to 2 Months	36,397.6	1,628.0	345,837.5	808,215.8	-	14,711.7	1,206,790.6
2 months to 3 months	31,864.0	5,990.3	358,802.8	870,415.9	-	43,256.4	1,310,329.4
3 months to 6 months	56,623.0	32,853.3	319,547.3	1,916,684.9	-	88,195.6	2,413,904.1
Over 6 months to 1 Year	104,211.0	90,115.9	664,209.6	2,577,161.2	-	210,464.7	3,646,162.4
Over 1 year to 3 Years	298,497.8	4,031.5	1,857,721.1	13,159,090.7	-	1,173,754.2	16,493,095.3
3 years and upto 5 Years	20,884.4	7.5	199,283.4	3,550,085.4	542.7	284,183.5	4,054,986.9
Over 5 Years	339,824.9	2.0	2,065,751.4	6,566,084.3	152,217.0	325,938.8	9,449,818.4
Total	**2,007,071.1**	**1,056,010.9**	**8,957,894.2**	**30,479,420.2**	**152,759.7**	**2,369,156.3**	**45,022,312.4**

* *Classification of assets and liabilities under the maturity buckets is based on the same estimates as used by the Bank for compiling the Liquidity return submitted to the RBI in line with ALM guidelines.*

Basel III - Pillar 3 Disclosures

Residual contractual maturity breakdown of assets*

- **As on March 31, 2025**

(₹ million)

Maturity buckets	Cash and balances with RBI	Balances with banks and money at call and short notice	Investments	Advances	Fixed assets	Other assets	Total
1 Day	290,162.3	213,184.5	2,846,074.5	32,558.3	-	16,295.0	3,398,274.6
2 to 7 days	20,694.7	619,347.7	197,839.2	311,436.3	-	14,703.8	1,164,021.7
8 to 14 days	12,629.9	1,586.1	88,589.3	138,969.5	-	11,562.3	253,337.1
15 to 30 days	69,132.7	24,476.0	309,699.7	411,278.3	-	184,282.4	998,869.1
31 days to 2 months	37,819.9	19,933.3	169,503.8	751,349.3	-	15,341.6	993,947.9
2 months to 3 months	33,579.5	13,774.8	241,676.3	637,791.5	-	53,287.1	980,109.2
3 months to 6 months	70,859.7	54,558.3	332,604.7	1,607,474.0	-	119,571.8	2,185,068.5
Over 6 months to 1 Year	137,414.8	49,810.1	566,581.1	2,513,470.9	-	218,531.2	3,485,808.1
Over 1 year to 3 Years	369,804.5	110.3	1,639,726.5	11,241,437.6	-	840,082.3	14,091,161.2
3 years and upto 5 Years	7,747.1	7.8	215,856.1	3,122,493.5	536.6	135,813.6	3,482,454.7
Over 5 Years	394,057.4	-	1,818,654.7	6,457,225.5	141,400.4	445,217.3	9,256,555.3
Total	**1,443,902.5**	**996,788.9**	**8,426,805.9**	**27,225,484.7**	**141,937.0**	**2,054,688.4**	**40,289,607.4**

* *Classification of assets and liabilities under the maturity buckets is based on the same estimates as used by the Bank for compiling the Liquidity return submitted to the RBI in line with ALM guidelines.*

Asset quality

- **NPA ratios**

Particulars	March 31, 2026	March 31, 2025
Gross NPAs to Gross Advances	1.20%	1.37%
Net NPAs to Net Advances	0.41%	0.46%

- **Amount of Net NPAs**

(₹ million)

Particulars	March 31, 2026	March 31, 2025
Gross NPAs	367,607.9	375,076.4
Less : Provisions	243,192.6	251,157.6
Net NPAs	**124,415.3**	**123,918.8**

Basel III - Pillar 3 Disclosures

- **Classification of Gross NPAs**

(₹ million)

Particulars	March 31, 2026	March 31, 2025
Sub-standard	156,415.3	163,780.8
Doubtful*		
▪ Doubtful 1	76,202.8	51,997.5
▪ Doubtful 2	46,090.7	91,423.2
▪ Doubtful 3	54,199.8	36,608.4
Loss	34,699.3	31,266.5
Total Gross NPAs	**367,607.9**	**375,076.4**

**Doubtful 1, 2 and 3 categories correspond to the period for which asset has been doubtful viz., up to one year ('Doubtful1'), one to three years ('Doubtful 2') and more than three years ('Doubtful 3').*
Note: NPAs include all assets that are classified as non-performing.

- **Movement of Gross NPAs**

(₹ million)

Particulars	March 31, 2026	March 31, 2025
Opening balance	375,076.4	328,086.8
Additions	379,630.1	374,448.5
Reductions	(387,098.6)	(327,458.9)
Closing balance	**367,607.9**	**375,076.4**

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- **Movement of provisions for NPAs**

(₹ million)

Particulars	March 31, 2026	March 31, 2025
Opening balance	251,157.6	241,312.4
Provisions made during the year	270,918.4	253,643.4
Write-off	(150,425.0)	(143,986.6)
Any other adjustment, including transfer between provisions	-	-
Write-back of excess provisions	(128,458.4)	(99,811.6)
Closing balance	**243,192.6**	**251,157.6**

Recoveries from written-off accounts aggregating ₹49,338.5 million (previous year: ₹46,821.4 million) and write-offs aggregating ₹5,852.2 million (previous year: ₹3,780.3 million) have been recognized in the statement of profit and loss.

- **Non-performing investments**

(₹ million)

Particulars	March 31, 2026	March 31, 2025
Gross non-performing investments	397.5	414.4
Less: Provisions	397.5	414.4
Net non-performing investments	-	-

Basel III - Pillar 3 Disclosures

- **Provision for depreciation on investments**

(₹ million)

Particulars	March 31, 2026	March 31, 2025
Opening balance	414.4	6,036.2
Provisions made	448.0	7.3
Write-off	-	-
Any other adjustment, including transfer between provisions	-	(4,470.0)
Write-back of excess provisions	(464.9)	(1,159.1)
Closing balance	**397.5**	**414.4**

Movements in provisions held towards depreciation on investments have been reckoned on a yearly basis.

- **Provision for standard assets**

(₹ million)

Particulars	March 31, 2026	March 31, 2025
Opening balance	113,044.4	109,958.1
Provision made/reversed	7,982.0	3,078.3
Any other adjustments, including transfers between provisions *	34.2	8.0
Closing balance	**121,060.6**	**113,044.4**

**Refers to foreign currency translation adjustment relating to provision for standard assets in the Bank's overseas branches.*

- **Geographic distribution**

(₹ million)

Particulars	March 31, 2026			March 31, 2025		
	Domestic	Overseas	Total	Domestic	Overseas	Total
Gross NPA	366,703.1	904.8	**367,607.9**	373,821.2	1,255.2	**375,076.4**
Provisions for NPA	242,299.8	892.8	**243,192.6**	250,182.2	975.4	**251,157.6**
Provision for standard assets	120,672.7	387.9	**121,060.6**	112,732.6	311.8	**113,044.4**

Basel III - Pillar 3 Disclosures

Industry-wise distribution

(₹ million)

Industry	As on March 31, 2026			Financial year ended March 31, 2026	
	Gross NPA	Provisions for NPA	Provision for standard assets	Write offs	Provisions for NPA
Agriculture – Allied	19,681.6	13,214.1	2,830.6	5,345.7	7,747.1
Agriculture Produce – Trade	4,721.2	3,500.6	1,007.9	63.0	549.7
Agriculture Production – Food	31,383.0	24,086.1	2,236.4	3,911.1	5,667.6
Agriculture Production - Non-food	10,295.2	7,761.4	933.2	3,076.3	4,919.1
Animal Husbandry	35,410.3	11,103.2	431.2	120.8	5,962.1
Automobile & Auto Ancillary	6,651.3	6,088.5	2,156.9	292.8	213.8
Banks	-	-	343.6	-	-
Business Services	4,937.0	3,497.5	2,389.1	3,134.5	3,526.4
Capital Market Intermediaries	3,312.7	3,312.7	375.4	-	-
Cement & Products	409.2	196.6	361.7	108.9	123.0
Chemical and Products	904.7	439.6	1,084.0	114.8	187.5
Coal & Petroleum Products	980.4	639.7	1,344.6	58.8	184.2
Consumer Durables	2,376.1	1,597.5	859.3	1,365.3	1,589.3
Consumer Loans	69,954.9	36,456.9	38,994.1	87,316.6	82,993.8
Consumer Services	8,795.1	7,308.9	4,572.1	5,867.2	4,766.1
Drugs and Pharmaceuticals	2,460.3	1,777.8	714.0	99.4	625.9
Engineering	7,891.0	6,930.5	2,093.0	269.5	846.7
Fertilisers & Pesticides	73.3	35.6	251.4	1.7	8.7
Financial Institutions	5.8	3.0	396.2	11.1	10.7
Financial Intermediaries	58.6	21.9	74.5	19.5	12.3
FMCG & Personal Care	934.5	716.1	371.1	2,718.8	2,787.1
Food and Beverage	17,141.2	13,138.7	3,320.3	631.7	2,493.7
Gems and Jewellery	1,146.3	956.4	967.0	115.0	480.0
Housing Finance Companies	362.4	362.4	1,515.7	-	362.4
Information Technology	572.2	489.1	342.8	308.4	259.1
Infrastructure Development	5,172.4	3,758.1	2,097.4	577.4	726.1
Iron and Steel	4,754.5	2,813.9	2,485.4	80.3	1,482.3
Mining and Minerals	865.2	485.6	600.6	216.0	273.8
NBFCs	2,055.0	2,046.5	7,050.0	-	(107.1)
Non-ferrous Metals	801.5	640.2	539.0	478.4	572.4
Other Non-metalic Mineral Products	513.1	267.7	400.7	62.6	205.6
Paper, Printing and Stationery	1,936.3	1,335.1	625.5	211.8	459.0
Plastic & Products	613.1	314.7	554.7	44.8	125.9
Power	6,046.0	5,933.9	3,243.4	2.1	363.5
Real Estate & Property Services	23,203.7	22,770.0	4,928.0	421.4	(27,697.3)
Retail Trade	21,438.7	14,476.2	4,774.9	14,833.8	15,879.2
Road Transportation	18,261.0	10,162.3	3,792.8	10,161.7	11,979.1
Telecom	163.4	124.6	1,219.2	16.1	30.2
Textiles & Garments	8,605.4	6,021.0	2,432.1	667.6	1,737.0
Wholesale Trade - Industrial	11,851.5	8,940.9	2,486.0	142.8	1,403.8
Wholesale Trade - Non-Industrial	9,578.9	6,836.7	3,182.1	234.6	1,428.1
Other Industries	21,289.9	12,630.4	10,682.7	7,322.7	9,062.0
Total	**367,607.9**	**243,192.6**	**121,060.6**	**150,425.0**	**144,239.9**

Basel III - Pillar 3 Disclosures

Industry-wise distribution

(₹ million)

Industry	As on March 31, 2025			Financial year ended March 31, 2025	
	Gross NPA	Provisions for NPA	Provision for standard assets	Write offs	Provisions for NPA
Agriculture – Allied	16,416.7	10,788.7	2,545.6	5,337.7	6,537.1
Agriculture Produce – Trade	3,653.1	3,056.7	537.7	77.0	(98.6)
Agriculture Production – Food	28,230.0	22,327.4	2,133.5	4,995.7	2,547.0
Agriculture Production – Non-food	8,224.3	5,828.7	1,031.1	3,608.7	4,113.4
Animal Husbandry	25,425.7	5,261.9	518.4	107.4	4,459.7
Automobile & Auto Ancillary	6,734.9	6,217.4	2,127.2	258.0	718.4
Banks	-	-	201.2	-	-
Business Services	5,077.1	3,168.5	2,047.9	2,774.2	2,913.5
Capital Market Intermediaries	3,312.7	3,312.7	354.9	-	-
Cement & Products	279.7	184.4	320.2	78.2	13.1
Chemical and Products	609.0	355.2	943.2	48.7	(51.3)
Coal & Petroleum Products	699.1	522.5	739.7	84.3	186.4
Consumer Durables	2,342.5	1,413.0	1,013.6	1,001.7	1,446.6
Consumer Loans	79,499.2	40,589.4	40,836.2	86,772.8	91,213.8
Consumer Services	10,080.0	8,446.2	4,303.9	5,854.3	1,133.4
Drugs and Pharmaceuticals	1,870.0	1,251.9	651.8	130.1	860.7
Engineering	7,416.6	6,510.3	1,817.7	186.6	2,285.8
Fertilisers & Pesticides	46.9	32.6	186.5	10.1	10.6
Financial Institutions	5.0	3.3	32.0	7.5	7.1
Financial Intermediaries	53.0	29.1	57.0	14.7	25.9
FMCG & Personal Care	833.2	652.1	325.8	2,269.2	2,453.8
Food and Beverage	15,073.2	11,439.0	3,079.4	665.3	2,863.5
Gems and Jewellery	1,223.7	613.3	814.6	128.3	200.0
Housing Finance Companies	-	-	1,271.5	-	-
Information Technology	677.5	550.3	325.8	293.2	258.6
Infrastructure Development	5,017.6	3,635.5	1,595.1	1,461.2	37.3
Iron and Steel	1,961.7	1,475.2	2,143.5	104.0	712.0
Mining and Minerals	717.9	429.4	458.0	187.6	197.3
NBFCs	2,155.4	2,153.6	6,751.1	0.5	(161.1)
Non-ferrous Metals	765.5	562.5	510.5	863.6	917.1
Other Non-metalic Mineral Products	210.5	128.6	389.8	40.0	36.1
Paper, Printing and Stationery	1,727.9	1,128.1	569.4	103.1	133.0
Plastic & Products	407.4	263.6	541.8	56.5	33.1
Power	5,758.0	5,584.9	2,644.9	3.6	704.5
Real Estate & Property Services	59,831.4	51,491.6	4,623.0	363.2	(4,105.3)
Retail Trade	19,816.8	13,753.9	4,472.5	14,604.6	16,770.1
Road Transportation	16,354.5	8,348.8	3,145.7	7,062.6	7,994.4
Telecom	131.4	113.8	1,447.1	23.5	24.7
Textiles & Garments	7,335.2	5,183.6	2,210.4	527.3	1,608.4
Wholesale Trade - Industrial	9,849.2	7,802.6	2,310.0	76.3	1,977.4
Wholesale Trade – Non-Industrial	7,897.9	5,758.4	2,599.7	120.5	668.4
Other Industries	17,355.0	10,788.9	8,415.5	3,684.8	2,675.5
Total	**375,076.4**	**251,157.6**	**113,044.4**	**143,986.6**	**154,321.4**

4. Credit Risk: Portfolios subject to the Standardised Approach

Standardised approach

The Bank has used the Standardised Approach under the RBI's Basel III capital regulations for its credit portfolio. For exposure amounts after risk mitigation subject to the standardised approach (including exposures under bills re-discounting transactions, if any), the Bank's outstanding (rated and unrated) in three major risk buckets as well as those that are deducted, are as follows:

(₹ million)

Particulars	March 31, 2026	March 31, 2025
Below 100% risk weight	17,371,504.6	15,737,393.1
100% risk weight	9,836,743.4	8,637,310.6
More than 100% risk weight	9,046,802.8	7,942,245.8
Deducted	94,634.7	90,289.6
Total	**36,349,685.5**	**32,407,239.1**

Note: Exposure includes loans & advances, lendings, margins, investments in debenture & bonds, commercial papers, equity shares, preference shares, units of mutual funds, certificate of deposits, security receipts, on-balance sheet securitisation exposures purchased or retained, deposits with NABARD, SIDBI & NHB under the priority/weaker section lending schemes, guarantees, acceptances & endorsements, letters of credit and credit equivalent of foreign exchange and derivative exposures.

Treatment of undrawn exposures

As required by the regulatory norms, the Bank holds capital even for the undrawn portion of credit facilities which are not unconditionally cancellable without prior notice by the Bank, by converting such exposures into a credit exposure equivalent based on the applicable Credit Conversion Factor ('CCF'). For credit facilities which are unconditionally cancellable without prior notice, the Bank applies a CCF of zero percent on the undrawn exposure. However, undrawn portion of cash credit/overdraft limits sanctioned to large borrowers classified as per the guidelines on loan system for delivery of Bank Credit are applied a CCF of 20% irrespective of whether unconditionally cancellable or not.

Credit rating agencies

The Bank is using the ratings assigned by the external credit rating agencies, domestic/international as applicable, accredited by the Reserve Bank of India, for risk weighting claims on domestic/overseas entities.

As per the Reserve Bank of India (Commercial Banks - Prudential Norms on Capital Adequacy) Directions, 2025, the following are the domestic rating agencies (i) Acuite Ratings & Research Limited (Acuite) (ii) Brickwork Ratings India Private Limited (iii) CARE Ratings Limited; (iv) CRISIL Ratings Limited; (v) ICRA Limited; (vi) India Ratings and Research Private Limited (India Ratings); and (vii) INFOMERICS Valuation and Rating Limited (INFOMERICS) stated for risk weighting claims on domestic entities and the following are international credit rating agencies (i) Fitch; (ii) Moody's; and (iii) Standard & Poor's etc. stated for risk weighting claims on overseas entities.

Types of exposures for which each agency is used

The Bank has used the solicited ratings assigned by the approved credit rating agencies for all eligible exposures, both on balance sheet and off balance sheet, whether short term or long term, in the manner permitted in the RBI guidelines on Basel III capital regulations. The Bank has not made any discrimination among ratings assigned by these agencies nor has restricted their usage to any particular type of exposure.

Public issue ratings transferred onto comparable assets

The Bank has, in accordance with RBI guidelines on Basel III capital regulations, transferred public ratings on to comparable assets in the banking books in the following manner:

Issue Specific Ratings

- All long term and short term ratings assigned by the credit rating agencies specifically to the Bank's long term and short term exposures respectively are considered by the Bank as issue specific ratings.

- For assets in the Bank's portfolio that have contractual maturity less than or equal to one year, short term ratings accorded by the chosen credit rating agencies are considered relevant. For other assets, which have a contractual maturity of more than one year, long term ratings accorded by the chosen credit rating agencies are considered relevant.

- Long term ratings issued by the chosen domestic credit rating agencies have been mapped to the appropriate risk weights applicable as per the standardised approach. The rating to risk weight mapping furnished below was adopted for domestic corporate exposures, as per RBI guidelines:

Long Term Rating	AAA	AA	A	BBB	BB & Below	Unrated*
Risk weight	20%	30%	50%	100%	150%	100%

- In respect of issue specific short term ratings the following risk weight mapping has been adopted by the Bank, as provided in the RBI guidelines:

Short Term Rating equivalent	A1+	A1	A2	A3	A4 & D	Unrated*
Risk weight	20%	30%	50%	100%	150%	100%

* Claims on corporates and NBFCs, except CICs having aggregate exposure from banking system of more than INR 100 crore which were rated earlier and subsequently have become unrated are applied a risk weight of 150%. Additionally, all unrated claims on corporates and NBFCs, except CICs having aggregate exposure from banking system of more than INR 200 crore are applied a risk weight of 150%.

- Where multiple issue specific ratings are assigned to the Bank's exposure by the various credit rating agencies, the risk weight is determined as follows:

(i) If there is only one rating by a chosen credit rating agency for a particular claim, then that rating is used to determine the risk weight of the claim.

(ii) If there are two ratings accorded by chosen credit rating agencies, which map into different risk weights, the higher risk weight is applied.

(iii) If there are three or more ratings accorded by chosen credit rating agencies with different risk weights, the ratings corresponding to the two lowest risk weights are referred to and the higher of those two risk weights is applied, i.e., the second lowest risk weight.

Inferred Ratings

- The specific rating assigned by a credit rating agency to a debt or issuance of a borrower or a counterparty (to which the Bank may or may not have an exposure), which the Bank applies to an un-assessed claim of the Bank on such borrower or counterparty is considered by the Bank as inferred ratings.

- In terms of guidelines on Basel III capital regulations, the Bank uses a long term rating (provided the lender details are disclosed in press release/rating rationale etc.) as an inferred rating for an un-assessed long term claim on the borrower, where the following conditions are met:

(i) The Bank's claim ranks pari-passu or senior to the specific rated debt in all respects

(ii) The maturity of the Bank's claim is not later than the maturity of the rated claim.

- The un-assessed long term claim is assigned the risk weight corresponding to an inferred long term rating as given in the table under Issue Specific Ratings.

- For an un-assessed short term claim, the Bank uses a long term or short term rating as an inferred rating, where the Bank's claim ranks pari-passu to the specified rated debt.

- Where a long term rating is used as an inferred rating for a short term un-assessed claim, the risk weight corresponding to an inferred long term rating as given in the table under Issue Specific Rating is considered by the Bank.

- Where a short term rating is used as an inferred rating for a short term un-assessed claim, the risk weight corresponding to an inferred short term rating as given in the table under Issue Specific Rating is considered, however with a one level higher risk weight. If a short term rated facility to a counterparty attracts a 20% or a 50% risk weight, the unrated short term claims to the same counterparty will get a risk weight not lower than 30% or 100% respectively.

- If long term ratings corresponding to different risk weights are applicable for a long term exposure, the ratings corresponding to the two lowest risk weights are referred and the higher of those two risk weights is applied, i.e., the second lowest risk weight is considered by the Bank. Similarly, if short term ratings corresponding to different risk weights are applicable for a short term exposure, the ratings corresponding to the two lowest risk weights are referred and the higher of those two risk weights post notch up is applied, i.e., the second lowest risk weight is considered and a one level higher risk weight is applied. However, where both long term and short term corresponding to different risk weights are applicable to a short term exposure, the highest of the risk weight (one level higher risk weight in case of short term rating) is considered by the Bank for determination of capital charge.

- If a counterparty has a long term exposure with an external long term rating that warrants a risk weight of 150%, all unrated claims on the same counterparty, whether short term or long term, receives a 150% risk weight, unless recognised credit risk mitigation techniques have been used for such claims. Similarly, if the counterparty has a short term exposure with an external short term rating that warrants a risk weight of 150%, all unrated claims on the same counterparty, whether long term or short term, receive a 150% risk weight.

Issuer Ratings

- Ratings assigned by the credit rating agencies to an entity conveying an opinion on the general creditworthiness of the rated entity are considered as issuer ratings.

- Where multiple issuer ratings are assigned to an entity by various credit rating agencies, the risk weight for the Bank's claims are as follows:

(i) If there is only one rating by a chosen credit rating agency for a particular claim, then that rating is used to determine the risk weight of the claim.

(ii) If there are two ratings accorded by chosen credit rating agencies, which map into different risk weights, the higher risk weight is applied.

(iii) If there are three or more ratings accorded by chosen credit rating agencies with different risk weights, the ratings corresponding to the two lowest risk weights are referred to and the higher of those two risk weights is applied, i.e., the second lowest risk weight.

- The risk weight assigned to claims on counterparty based on issuer ratings are as those mentioned under Issue Specific Ratings.

5. Credit Risk Mitigation: Disclosures for Standardised Approach

Policies and process

The Bank's Credit Policies & Procedures Manual include the Credit Risk Mitigation policy of the Bank. The policy covers aspects such as the nature of risk mitigants/collaterals acceptable to the Bank legal certainty and statutory compliance of the collateral,, the valuation approach and periodicity etc.

For purposes of computation of capital requirement for Credit Risk, the Bank recognises only those collaterals that are considered as eligible for risk mitigation in the RBI Basel III guidelines on standardised approach, which are as follows:

- Cash deposit with the Bank
- Gold, including bullion and jewellery
- Securities issued by Central and State Governments
- Kisan Vikas Patra and National Savings Certificates (Kisan Vikas Patra is a safe and long term investment option backed by the Government of India and provides interest income similar to bonds; National Savings Certificates are certificates issued by the Department of Post, Government of India – it is a long term safe savings option for the investor and combines growth in money with reductions in tax liability as per the provisions of the Indian Income Tax Act, 1961)
- Life insurance policies with a declared surrender value of an insurance company which is regulated by the insurance sector regulator
- Units of Mutual Funds

The Bank uses the comprehensive approach in capital assessment. In the comprehensive approach, when taking collateral, the Bank calculates the adjusted exposure to a counterparty for capital adequacy purposes by netting off the effects of that collateral. The Bank adjusts the value of any collateral by a haircut to take into account possible future fluctuations in the value of the security occasioned by market movements.

For purposes of capital calculation, the Bank recognises the credit protection given by the following entities, considered eligible as per RBI guidelines:

- Sovereigns, sovereign entities (including Bank for International Settlements ('BIS'), the International Monetary Fund ('IMF'), European Central Bank and European Community as well as Multi-lateral Development Banks like World Bank Group, IBRD and- IFC, Asian Development Bank, African Development Bank, European Bank for Reconstruction & Development, Inter-American Development Bank, European Investment Bank, European Investment Fund, Nordic Investment Bank, Caribbean Development Bank, Islamic Development Bank & Council of Europe Development Bank, International Finance Facility for Immunization & Asian Infrastructure Investment Bank, Export Credit Guarantee Corporation (ECGC) and Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE), Credit Guarantee Fund Trust for Low Income Housing ('CRGFTLIH'), individual schemes under National Credit Guarantee Trustee Company Ltd. (NCGTC), banks and primary dealers with a lower risk weight than the counterparty;

- Other entities that are externally rated. This would include credit protection provided by parent, subsidiary and affiliate companies when they have a lower risk weight than the obligor.

The credit risk mitigation taken is largely in the form of cash deposit with the Bank and thus the risk (credit and market) concentration of the mitigants is low.

Exposure covered by financial collateral post haircuts

Total exposure that is covered by eligible financial collateral after the application of haircuts is given below:

(₹ million)

Particulars	March 31, 2026	March 31, 2025
Total exposure covered by eligible financial collateral	1,446,870.1	1,458,367.8

Exposure covered by guarantees / credit derivatives

The total exposure for each separately disclosed credit risk portfolio that is covered by guarantees/ credit derivatives is given below:

(₹ million)

Particulars	March 31, 2026	March 31, 2025
Total exposure covered by guarantees	69,385.7	123,103.1

6. Securitisation Exposures

Objectives, Policies, Monitoring

The Bank may undertake securitisation / loan assignment transactions with the objective of maximising return on capital employed, managing liquidity, maximising yield on asset opportunities and meeting priority sector lending requirements.

The Bank's policies are aligned with the extant directions on Securitisation and Transfer of Loan exposures not in default issued by the Reserve Bank of India (hereinafter, the 'securitisation guidelines'). The said guidelines define minimum holding period, minimum retention requirements, due diligence, credit monitoring, stress testing requirements, etc. For loan assignment transactions, credit enhancement has been disallowed for transactions undertaken on or after May 7, 2012.

Basel III - Pillar 3 Disclosures

The Bank undertakes both 'purchase' and 'sale', transactions through both securitisation and loan assignment routes and has Board approved policies for both.

The Bank participates in Securitisation and Loan Assignment transactions in the following roles:

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

- **Servicing and Collection agent**
  For sold assets, the Bank undertakes the activity of collections and other servicing activities including preparation of monthly payout reports.

- **Investor**
  The Bank invests in Securitisation Notes (also known as Pass Through Certificates ('PTCs') backed by financial assets originated by third parties for the purposes of holding/trading/maximizing yield opportunities and meeting priority sector lending requirements.

- **Assignee**
  The Bank purchases loans through the loan assignment route for purposes of book building, meeting priority sector lending requirements and yield optimisation.

- **Liquidity facility provider**
  In case of sale transactions undertaken through the securitisation route, the Bank may also provide liquidity facility. This is used to meet temporary collection mismatches on account of timing differences between the receipt of cash flows from the underlying performing assets and the fulfillment of obligations to the beneficiaries. The Bank may also undertake to be a third party liquidity facility provider for other securitisation transactions.

- **Credit Enhancement provider**
  Under the securitisation guidelines, the Bank may provide credit enhancement on Securitisation 'sale' transactions undertaken by the Bank for meeting shortfalls arising on account of delinquencies in the underlying pool sold. The Bank may also undertake to be a credit enhancement provider for securitisation transactions originated by third parties.

- **Underwriter**
  The Bank may underwrite in whole or part of an issuance of securitised debt instruments, with the intent of selling them at a later stage subject to stipulations under the extant RBI guidelines.

The major risks inherent in Securitisation/Loan Assignment transactions are given below:

- **Credit Risk**
  In case of Securitisation transactions, where credit enhancement is provided by the originator or any third party as permitted under the guidelines, the investor bears the loss in case the shortfalls in collections exceed the credit enhancement provided. If credit enhancement 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. In case of Loan Assignment transactions, the assignee bears the loss arising from defaults/delinquencies by the underlying obligors.

Basel III - Pillar 3 Disclosures

- **Market Risk:**
  - ✓ **Liquidity Risk**

    This is the 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.

- **Prepayment Risk**

  Prepayments in the securitised /assigned pool result in early amortisation and loss of future interest (re-investment risk) to the investor on the outstanding amounts.

- **Co-mingling Risk**

  This is the risk arising from co-mingling of funds belonging to the investor(s) with other funds of the originator and/or servicer. This risk occurs when there is a time lag between collection of amounts due from the obligors and payouts made to the investors/assignee.

- **Servicer Risk**

  Servicer risk is the risk arising on account of the inability of a collection and processing agent to collect monies from the underlying obligors and operational difficulties in processing the payments. In long tenor pools, the investor is exposed to the risk of servicer defaulting or discontinuing its operations in totality.

Regulatory and Legal Risk

These are risks arising on account of non-compliance of transaction structures with the extant regulatory guidelines which may result in higher risk weight and hence higher capital charge being applied on the transaction or the Bank not being able to classify the transactions as priority sector lending. These risks also 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 or non-enforceability of security/claims due to imperfection in execution of the underlying facility agreements with the borrowers could also lead to an increase in legal risk. Risk could also arise due to issues on interpretation of tax laws leading to changes in scheduled transaction cash flows.

The overall framework for both securitisation and loan assignment transactions is specified in the respective Board approved policies. The said policies define the covenants for evaluation and the key requirements that need to be adhered to for all such transactions such as the Minimum Holding Period ('MHP') and Minimum Retention Requirement ('MRR') stipulations, credit enhancement (for securitisation transactions), structure, rating and accounting treatment. Additionally, for purchase transactions, the Bank examines parameters such as the profile and track record of the originator, the type and nature of underlying assets, pool characteristics, rating & credit enhancement provided (if applicable).

Risk Monitoring

The Bank also has a process for monitoring the performance of all pools purchased under securitisation or the loan assignment route basis information received from the servicing agent / trustee. The performance of pools is measured by analysing parameters such as collection ratios, delinquencies, credit enhancement utilisation and level of available credit enhancement (where applicable). The Bank undertakes regular escalation to the Management on performance of pools which show concerning trends (if any).

Policy governing the use of credit risk mitigation to mitigate the risks retained through securitization exposures.

The Bank has not used credit risk mitigants to mitigate the credit risk.

Significant accounting policy for securitisation and transfer of assets

Assets transferred through securitisation and loan assignment of cash flows 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. For a securitisation or loan assignment transaction, the Bank recognises profit upon receipt of the funds and loss is recognised at the time of sale. Unrealised gains associated with expected future margin income are recognised in profit and loss account on receipt, after absorbing losses, if any.On sale of stressed assets, if the sale is at a price below the net book value (i.e., funded outstanding less specific provisions held), the shortfall is charged to the Profit and Loss Account and if the sale is for a value higher than the net book value, the excess provision is credited to the Profit and Loss Account in the year when the sum of cash received by way of initial consideration and / or redemption or transfer of security receipts issued by Securitisation Company ('SC') / Reconstruction Company ('RC') exceeds the net book value of the loan at the time of transfer. Where the sale consideration is comprised of only cash and SRs guaranteed by the Government of India, the excess provision is credited to the Profit and Loss Account in the year of transfer.

In respect of stressed assets sold under an asset securitisation, where the investment by the bank in Security Receipts (SRs) issued against the assets transferred by it is more than 10 percent of such SRs, provisions held against outstanding SRs are higher of the provisions required in terms of net asset value declared by the SC/RC and provisions as per the extant norms applicable to the underlying loans, notionally treating the book value of these SRs as the corresponding stressed loans assuming the loans remained in the books of the Bank.

The Bank invests in Securitisation Notes/ Pass Through Certificates (PTCs) issued by Special Purpose Vehicles (SPVs). PTCs are accounted at acquisition cost and are classified as investments. The Bank also buys loans through the loan assignment route which are classified as advances. These are carried at acquisition cost unless it is more than the face value, in which case the premium is amortised based on effective interest rate method.

The Bank transfers advances through inter-bank participation with and without risk. In the case of participation with risk, the aggregate amount of the participation issued by the Bank is reduced from advances. In case where the Bank is assuming risk by participation, the aggregate amount of the participation is classified under advances. In the case of issue of participation certificate without risk, the aggregate amount of participation issued by the Bank is classified under borrowings and where the Bank is acquiring participation certificate, the aggregate amount of participation acquired is shown as due from banks under advances.

External credit rating agencies

In the banking book, following were the external credit rating agencies involved with the Bank's Securitisation and Loan Assignment transactions:

- CARE Ratings Limited
- CRISIL Limited
- ICRA Limited
- India Ratings and Research Private Limited

The ratings declared / issued by the above agencies were used to cover the following securitisation and loan assignment exposures:

- Securitised Debt Instruments / PTCs / Purchased assets
- Second loss credit enhancement facilities
- Liquidity facilities

Securitisation exposures in banking book

- Details of securitisation exposures in banking book

(₹ million)

Particulars	March 31, 2026	March 31, 2025
Amount securitised-out outstanding*	493,869.6	520,864.6
The total amount of exposures securitised by the bank during the period *	102,464.4	561,038.9
Expense/Losses recognised during the current period for loan exposures securitised earlier#	6.3	-
Amount of assets intended to be securitised within a year^	-	-
Of which amount of assets originated within a year before securitisation	-	-

** Includes transfer through loan assignment and PTC.*
^Securitisation transactions are undertaken on a need basis to meet the objectives articulated under 'Objectives, Policy, Monitoring'.
#The amount represents the net utilisation of credit enhancement during the reporting period.

- The total amount of exposures securitised and unrecognised gain or losses on sale

(₹ million)

Exposure type	March 31, 2026		March 31, 2025	
	Outstanding amount of exposures securitised	Outstanding unrecognised gain or loss on sale	Outstanding amount of exposures securitised	Outstanding unrecognised gain or loss on sale
Auto loans	118,802.1	-	183,424.9	-
Housing loans	341,583.9	-	337,439.7	-
Mixed Assets*	33,483.6	-	-	-
Total	**493,869.6**	-	**520,864.6**	-

******includes CV, PV, CE, 3-W, Housing Loan, LAP, MUV, Loans for Purchase & against Residential & Commercial Properties.*

- Aggregate amount of on-balance sheet securitisation exposures retained or purchased

(₹ million)

Exposure type	March 31, 2026	March 31, 2025
Auto loans	18,793.5	24,931.9
Housing loans	826.9	1,095.4
Loan against property	313.2	414.4
Mixed assets *	116,105.6	111,167.6
Personal loans	451.4	1,505.6
Unsecured Business Loan	-	23.8
Total	**136,490.6**	**139,138.7**

******includes CV, PV, CE, 3-W, Housing Loan, LAP, MUV, Loans for Purchase & against Residential & Commercial Properties*

- Aggregate amount of off-balance sheet securitisation exposures

(₹ million)

Exposure type	March 31, 2026	March 31, 2025
Housing loans	645.7	652.0
Auto Loan	5,437.4	5,437.4
Total	**6,083.1**	**6,089.4**

- Aggregate amount of securitisation exposures retained or purchased and the associated capital charges, broken down between exposures and further broken down into different risk weight bands for each regulatory capital approach:

(₹ million)

Risk weight bands	Exposure type	March 31, 2026		March 31, 2025	
		Exposure	Capital charge	Exposure	Capital charge
Less than 100%	Housing loans	291.0	11.7	1,089.4	30.2
	Loan against property	140.7	7.9	30.2	-
	Mixed assets	106,532.6	1,988.3	111,044.3	2,035.3
	Personal Loan	6,908.6	139.9	1,491.4	27.2
	Unsecured Business loan	-	-	23.8	0.7
	Auto Loan	9,681.8	176.7	14,763.0	282.0
At 100%	Housing loans	0.6	0.1	5.0	0.5
	Loan against property	169.8	20.2	384.6	45.0
	Mixed assets	6.8	0.8	123.9	14.5
	Personal Loan	0.1	0.1	0.2	-
More than 100%	Housing Loans	35.1	53.5	14.0	5.1
	Mixed Asset	3,610.5	5,370.5	-	-
	Personal Loan	1.3	1.1	-	-
	Auto Loans	9,111.7	7,986.9	10,168.9	9,500.2
Total		**136,490.6**	**15,757.7**	**139,138.7**	**11,940.7**

- Securitisation related exposures that have been deducted from Capital (by exposure type) as of March 31, 2026 was Nil (previous year: Nil)

Securitisation exposures in trading book

As per extant regulations of RBI, related to Classification, Valuation and Operation of Investment Portfolio of Commercial Banks, trading book portfolio has been reclassified to banking book effective April 2024.

- Aggregate amount of exposure securitised-out for which some exposure has been retained and which is subject to market risk approach as of March 31, 2026 was Nil (previous year: Nil)

- Aggregate amount of on-balance sheet securitisation exposures retained or purchased was Nil.

- Off-balance sheet securitisation exposures as of March 31, 2026 were Nil (previous year: Nil)

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

  ✓ Securitisation exposures broken down into different risk weight bands at book value was Nil.

  ✓ Aggregate amount of capital requirements for securitisation exposures was Nil.

7. Market Risk in Trading Book

Market Risk Management Strategies and Processes

The Market Risk management process at the Bank consists of identification and measurement of risks, control measures and reporting systems. It ensures that the Market risk arising of Bank's trading positions and out of the positions that are being marked to market, by Bank's treasury desks and the investments by non-treasury units is within the risk appetite defined by the various limits package, as applicable and specific limits/trigger levels, if any, as approved by the Board from time to time. The Board approved limits are further delegated to the respective trading desks as applicable. The prescribed limits are monitored by the Treasury Mid Office and reported as per the guidelines laid down from time to time. The market risk objective, framework and architecture along with the functions of Market Risk are detailed in the Board approved Market Risk Policy.

Market Risk Architecture

The market risk process includes the following key participants:

- The Board of Directors of the Bank is responsible for managing the comprehensive risks faced by the Bank. The Board endorses the trading risk strategy, approves the policies pertaining to market risk exposures of the Bank and sets the Bank's tolerance and appetite for risks. It also oversees the overall risk management functions of the Bank, including market risk, which is used as a guideline by business groups to define their business strategy and product-wise risk appetite. Further, the Board defines the minimum internal capital ratios threshold for the Bank.

- The Risk Policy & Monitoring Committee ('RPMC') is a Board level committee, which supports the Board by supervising the implementation of the risk strategy. It guides and reviews the designing of market risk policies, procedures and systems for managing risk. It ensures that these are adequate and appropriate to changing business conditions, the structure and needs of the Bank and the risk appetite of the Bank. It also monitors compliance of aggregate trading risk exposures within the appetite set by the Board and ratifies the limit excesses. It ensures that frameworks are established for assessing and managing various risks faced by the Bank, systems are developed to relate risk to the Bank's capital level and methods are in place for monitoring compliance with internal risk management policies and processes.

- The Market Risk Function covers the assessment of the market risk for treasury portfolio (including Investment Banking restricted to Primary Underwriting and Distribution Program) and non-treasury positions, evaluate/validate methods for monitoring market risk, prescribe the control processes and define the framework for trading risk appetite in form of limits/trigger levels.

- The Treasury Mid-Office is responsible for the day-to-day monitoring and reporting of internal and regulatory market risk controls and counterparty risk limits. Treasury Mid-Office is independent of Treasury Front-Office and.

its responsibilities include monitoring and reporting internal and regulatory market risk limits and counterparty risk limits, providing MIS, maintaining market data, including historical market data for VaR as well as stress testing and periodic marking to market of various relevant portfolios that are subject to mark-to-market, carrying out hedge tests as per the hedge policy/document, and identification of open position deals, if any, with respect to products where open exposure is not allowed by the regulator/s. Treasury Mid-Office also carries out the rate scan and Day 1 P&L monitoring, wherever applicable, of traded products. Treasury Mid-Office reports all limit transgressions to concerned departments, senior management and wherever applicable to the RPMC/Board of Directors. Treasury Mid-Office is also responsible for maintaining market data in Treasury System and verifies the benchmark submissions done by Treasury Front Office as per the Framework for Benchmark Submission Policy of the Bank. The Treasury Mid-Office functions for all locations (including overseas branches), is centrally located.

- The Investment Committee oversees and reviews any direct investments/divestments in Shares, Convertible Bonds, Convertible Debentures and any other Equity linked instruments, other than investments/divestments in subsidiaries, associates or group companies which is authorized by Board/Board Committee.

- Treasury desk is responsible for originating positions in various approved treasury products within the stipulated market risk limits and other applicable limits/trigger levels. In addition, front office personnel shall always comply with the relevant product approval notes /treasury policies and procedures laid down by the bank, applicable guidelines /code of conduct prescribed by the regulators (local/overseas) and other governing bodies. Front office is organised in various desks, such as Foreign Exchange Desk, Money Market & Balance Sheet Management Desk, Interest Rate Trading Desk, Trading Derivatives Desk, etc., which is responsible for taking positions in different product categories. Front office also offers treasury products to customers through Treasury Advisory Group (TAG).

- Non treasury units can also invest into corporate bonds or commercial papers within the risk limits / triggers as approved by the Board from time to time.

- Treasury Analytics unit is the owner of treasury pricing models. The team is responsible for implementation of valuation models of new products in the bank's treasury system including creation of valuation templates, periodic review of the policy /valuation models laid down for valuation of treasury products and prescription for market data source and mnemonics definition/conventions. They also conduct market data benchmarking on monthly intervals to ascertain that the market data captured for valuations of treasury products is accurate.

- The Model Risk Management (MRM) is responsible for the independent validation of the valuation models, risk models, credit models, etc. The team is responsible to conduct periodic review of the risk models proposed by Market Risk department and validation of Valuation models proposed by Treasury Analytics team. The team is also responsible for periodic review of the Model Risk Management policy

Market Risk Limits Reporting

Market risks in the Bank's books are managed by setting various limits/trigger levels. Types of limits/trigger levels could include position limits, tenor specifications, duration limits, PV01 limits, stop loss trigger level, trigger level on P&L movement, value-at-risk limits, scenario-wise P&L trigger, potential loss trigger level and option Greek limits. Additional controls such as order size and outstanding exposure limits are prescribed, wherever applicable, based on case-by-case review. Moreover, measures such as investment limits and deal size thresholds are prescribed as

part of the investment policy for managing outstanding investment or trading positions. These limits / trigger levels may or may not apply to all portfolios and are appropriately applied as market risk controls in the various limits packages. The market risk limits/trigger levels are measured and monitored by the Treasury Mid Office, and subsequently reported to the concerned departments / senior management. Any major variations in the utilisations of the limits are analysed and reviewed with Market Risk prior to circulation of reports. Any excess utilization of the treasury limits/trigger levels is acted upon by Treasury Front Office as per the Board approved processes, which is mentioned in the Market Risk Policy / Investment Policy/ Treasury limits package.

The Bank enters into derivative deals with counterparties based on their financial strength and understanding of derivative products and its risks. In this regard, the Bank has a Customer Appropriateness and Suitability Policy in place. The Bank sets up appropriate counterparty/client limits considering the ability of the counterparty to honor its obligations in the event of crystallisation of the exposure. Appropriate credit covenants are stipulated wherever required to contain risk and to facilitate trigger events such as call for additional collaterals, terminate a transaction, etc. The Bank also books derivative deals to hedge the interest rate/currency risks in borrowings or investments within the ambit of Bank's hedging processes and policies. The Bank has adopted CVA capital charge and provides for incurred CVA losses on the derivative positions. In-addition, illiquidity adjustments are computed on trading portfolio positions.

Market risk capital requirement

(₹ million)

Standardised duration approach	March 31, 2026	March 31, 2025
Interest rate risk	21,405.4	20,010.7
Foreign exchange risk (including gold)	10,308.4	9,483.6
Equity risk	7,964.7	899.3
Total	**39,678.5**	**30,393.6**

8. Operational Risk

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

Governance and Organisational Structure for Managing Operational Risk

The Board of Directors (Board) is primarily responsible for ensuring effective management of the operational risks of the bank. The Board sets the overall strategy and direction for Operational Risk Management (ORM) within the Bank.

The Risk Policy and Monitoring Committee (RPMC) is responsible for overseeing the effective implementation of the ORM Policy approved by the Board of Directors; to create a strong ORM culture and responsibility at every level in the organization.

A Committee comprised of senior management personnel namely Operational Risk Management Committee ('ORMC') guides and oversees the functioning, implementation, and maintenance of operational risk management

activities of Bank. It reinforces culture and awareness of operational risk management throughout the organization and updates the RPMC with major changes to the Operational Risk Framework. It also approves relevant process documents for the effective implementation of the framework within the overall ORM Policy objectives and reviews the risk profile, understand future changes and threats, and prioritize action steps.

An independent ORMD is responsible for implementation of the framework across the Bank. Board approved operational risk management policy stipulates the roles and responsibilities of employees, business units, operations, and support function in managing operational risk.

Risk Measurement and Monitoring

While the day-to-day operational risk management lies with first line of defence, i.e. business, operations and support functions, the ORMD as second line of defence is responsible for implementing the operational risk management framework across the Bank. It designs and develops tools required for implementing the framework including policies and processes, guidelines towards implementation and maintenance of the framework.

Internal audit is the third line of defense, which evaluates the adequacy and effectiveness of the internal control systems and procedures, in the risk management functions as well as across the various business and support units of the bank.

The Bank applies a number of risk management techniques to effectively manage operational risks:

- Risk and Control Self Assessment (RCSA) is a process of regular, transparent and subjective assessment of the bank's operational risk and controls undertaken by nominated representatives in Business units. This helps in identifying control gaps and consequent actions proposed to close the gaps. RCSA is used for identification & mitigation of operational risks, reporting of control deficiencies, monitoring of changes in control environment and assessment of operational risk profile. The focus of RCSA process is to ensure that all operational risks are understood and are being effectively monitored and controlled to improve business and operational efficiency.
- Key Risk Indicators are metrics/ measures that are derived from various factors to indicate an early warning of or to monitor increasing risk or control failures in an activity. As these indicators are quantifiable, they can be measured continuously to identify trends in values.
- Material operational risk losses are analysed to identify process gaps basis which appropriate risk mitigating actions are initiated.
- Scenario analysis is carried to assess operational risk impact based on hypothetical severe loss situations and the analysis is used for risk management actions, apart from analysing the plausible financial impact.

Information Technology Risk Management:

The Bank has an independent Information Technology Risk Management (ITRM) function which engages with information Technology (IT) for assessment, management and governance of Information Technology related risks. The bank has a framework for Risk assessment (RA) of new technology and new solutions.

IT supports business hence IT Risk has a direct impact on the business, specifically, the business risk associated with the use, ownership, operation, involvement, influence and adoption of IT within the organization. Bank operates in a highly automated environment and makes use of the latest technologies available on Cloud or on Premises Data centres to support various business segments. This associates with various risks related to business disruption, information assets, data security, integrity, reliability and availability among others. The bank has a governance

framework that encompasses various senior management level committees to review and monitor the risks arising out of Information Technology.

The Bank has various methods and processes for managing IT Risk, which comprise of:

- IT Risk Management Framework
- Performing root cause analysis for critical IT incidents
- Review of Risk and Control Self-Assessment carried out for IT Processes by the first line of defence.
- Monitoring and reporting of IT Key Risk Indicators.

Business Continuity Risk Management

The Bank has a well-defined Business Continuity Management (BCM) Programme. The BCM program is guided by an enterprise-wide, Board-approved BCM policy and supported by comprehensive processes and procedures. The framework enables the Bank to effectively respond to, recover from, resume, and restore critical business functions following disruptions from internal or external risk events. The framework clearly defines the roles and responsibilities for teams involved in Crisis Management, Business Recovery, Emergency Response, and IT Disaster Recovery, ensuring a coordinated approach

Information Security

The Bank has in place Board approved Information Security Policy and Cybersecurity Policy. These policies govern the implementation of robust processes and controls aligned with relevant security standards, ensuring the protection of sensitive business information and data assets from unnauthorised access. The independent Information Security Group (ISG) is responsible for addressing information security and cybersecurity related risks across the Bank. Mandatory information security training is provided to all employees, ensuring awareness of key security practices. Additionally, periodic sensitization exercises are conducted to keep employees updated on evolving information security requirements and best practices.

Capital Requirement

The Bank currently follows the Basic Indicator Approach for computing operational risk capital charge as stipulated by RBI.

9. Asset Liability Management ('ALM') Risk Management

Asset Liability Management (ALM) provides a comprehensive framework for measuring, monitoring and managing liquidity risk and interest rate risk in the Banking Book. Liquidity risk is the risk that the Bank may not be able to fund increases in assets or meet obligations as they fall due without incurring unacceptable losses. IRRBB refers to the potential adverse financial impact on the Bank's banking book from changes in interest rates. The Bank carries various assets, liabilities and off-balance sheet items across markets, maturities and benchmarks exposing it to risks from changing interest rates. The Bank's objective is to maintain liquidity risk and IRRBB within tolerable limits.

Basel III - Pillar 3 Disclosures

Structure and Organisation:

The ALM risk management process of the Bank operates in the following hierarchical manner:

- **Board of Directors**

  The Board has the overall responsibility for management of liquidity and interest rate risks. The Board decides the strategy, policies and procedures of the Bank to manage liquidity and interest rate risk in accordance with the risk tolerance/limits.

- **Risk Policy & Monitoring Committee ('RPMC') of the Board**

  RPMC is a Board level committee, which supports the Board by supervising the implementation of the risk strategy. It guides the development of policies, procedures and systems for managing risk. It ensures that these are adequate and appropriate to changing business conditions, the structure and needs of the Bank and the risk appetite of the Bank. It ensures that frameworks are established for assessing and managing liquidity and interest rate risks faced by the Bank and ratifies the limit excesses, wherever applicable.

- **Asset Liability Committee ('ALCO')**

  ALCO is a decision-making unit responsible for ensuring adherence to the risk tolerance/limits set by the Board as well as implementing the liquidity and interest rate risk management strategy of the Bank in line with the Bank's risk management objectives and risk tolerance. The ALCO is also responsible for balance sheet planning from risk-return perspective including strategic management of liquidity and interest rate risks. The detailed roles of the ALCO are mentioned in the ALM policy of the Bank. The roles include but are not limited to the following:

  i. Product pricing for deposits and advances
  ii. Deciding the desired maturity profile and mix of incremental assets and liabilities as well as investments in debt and liquid mutual funds, as applicable
  iii. Articulating interest rate view of the Bank and deciding on the future business strategy
  iv. Reviewing funding strategy and deciding funding mixes
  v. Ensuring the adherence to the liquidity and interest rate risk limits set by the Board of Directors and ratification of excess utilization, wherever applicable
  vi. Reviewing the stress test scenarios including the assumptions as well as the results of the stress tests and ensuring that a well-documented contingency funding plan is in place
  vii. Deciding on the transfer pricing policy of the Bank and making liquidity costs and benefits an integral part of Bank's strategic planning.
  viii. Regularly reporting to Board on the ALM risk profile of the Bank. ALCO minutes are placed to Board
  ix. ALCO will have overall responsibility for monitoring Liquidity Coverage Ratio (LCR) and Net Stable Funding Ration (NSFR)

- **ALM Support Groups**

  ALM support group is responsible for analysing, monitoring, and reporting the relevant risk profiles to senior management and relevant committees.

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Risk Measurement Systems and reporting:

Liquidity Risk

Liquidity Risk is measured using flow approach and stock approach. Flow approach involves comprehensive tracking of cash flow mismatches. Stock approach involves measurement of critical ratios in respect of liquidity risk. For measuring and managing net funding requirements using flow approach, the use of a maturity ladder and calculation of cumulative surplus or deficit of funds at selected maturity dates is adopted as a standard tool.

Further, Bank has also adopted the Basel III framework on liquidity standards and has put in place requisite systems and processes to enable monitoring and reporting of the LCR and NSFR, as per the extant regulations.

The Bank has a Board approved liquidity stress testing framework guided by the regulatory instructions. Bank has also set up a formal contingency funding plan (CFP) that sets out the strategies for addressing liquidity shortfalls in emergency situations.

The Bank has an extensive intraday liquidity risk management framework for monitoring intraday liquidity positions during the day.

Interest Rate Risk in banking book (IRRBB)

Interest rate risk is the risk where changes in market interest rates affect a bank's financial position. Changes in interest rates impact a bank's earnings through changes in its Net Interest Income (NII). Changes in interest rates also impact a bank's Market Value of Equity (MVE) or Net Worth through changes in the economic value of its rate sensitive assets, liabilities and off-balance sheet positions. The interest rate risk, when viewed from these two perspectives, is known as 'earnings perspective' and 'economic value perspective', respectively.

The Bank measures and controls IRRBB using both Earnings Perspective (measured using Traditional Gap Analysis) and Economic Value Perspective (measured using Duration Gap Analysis). Measurement and reporting is done in a monthly frequency. These methods involve bucketing of rate sensitive assets (RSA) and rate sensitive liabilities (RSL), including off-balance sheet items, based on the maturity/re-pricing dates.

The Bank classifies an asset/liability as rate sensitive if:

i. Within the time interval under consideration, there is a cash flow.
ii. The interest rate resets / re-prices contractually during the interval.

iii. RBI changes the interest rates in cases where interest rates are administered.

Empirical studies are carried out to bucket cashflows on account of loan prepayments and behavior of non-maturity deposits in IRRBB measurement. Non-rate sensitive liabilities and assets primarily comprise of capital, reserves and surplus, other liabilities, cash and balances with RBI, current account balances with banks, fixed assets and other assets.

The Banking Book is represented by excluding the trading book (on and off-balance sheet items) from the total book.

- **Earnings Perspective (impact on net interest income)**

Traditional Gap Analysis (TGA) measures the level of a bank's exposure to interest rate risk in terms of sensitivity of its NII to interest rate movements over one-year horizon. It involves bucketing of all rate sensitive assets (RSA) and rate sensitive liabilities (RSL) and off-balance sheet items maturing or getting re-priced in the next one year and computing change of income under 200 basis points upward and downward parallel rate shocks over a one-year horizon. Assumption on asset/liability bucketing used in the traditional gap analysis is as per the RBI guidelines.

The increase / decline in earnings for an upward / downward rate shock of 200 basis points ('bps'), broken down by currency, are as follows:

(₹ million)

Currency	March 31, 2026		March 31, 2025	
	If interest rate were to go down by 200 bps	If interest rate were to go up by 200 bps	If interest rate were to go down by 200 bps	If interest rate were to go up by 200 bps
INR	(226,381.1)	192,266.9	(186,670.5)	154,791.6
USD	(8,250.2)	8,248.3	(8,840.8)	8,839.8
Others	(1,417.3)	1,417.3	(1,358.5)	1,358.5
Total	**(236,048.6)**	**201,932.5**	**(196,869.8)**	**164,989.9**

- **Economic Value Perspective (impact on market value of equity)**

While earnings perspective calculates the short-term impact of the rate changes, the Economic Value Perspective calculates the long-term impact on the market value of equity (MVE) of the Bank through changes in the economic value of its rate sensitive assets, liabilities and off-balance sheet positions. Economic value perspective is measured using Duration Gap Analysis (DGA). DGA involves computing of the Modified Duration Gap (MDG) between RSA and RSL and thereby the Duration of Equity (DoE). The DoE is a measure of sensitivity of market value of equity to changes in interest rates. Using the DoE, the Bank estimates the change in MVE under 200 basis points upward and downward parallel rate shocks. Assumptions on asset/liability bucketing, coupons and yields to be used in the duration gap analysis are as per the RBI guidelines.

The increase / decline in economic value for an upward / downward rate shock of 200 basis points ('bps'), broken down by currency, are as follows:

(₹ million)

Currency	March 31, 2026		March 31, 2025	
	If interest rate were to go down by 200 bps	If interest rate were to go up by 200 bps	If interest rate were to go down by 200 bps	If interest rate were to go up by 200 bps
INR	97,641.5	(150,069.5)	159,711.6	(208,203.8)
USD	(13,263.6)	13,260.9	(27,256.9)	27,256.2
Others	(228.4)	228.4	(125.9)	125.9
Total	**84,149.5**	**(136,580.2)**	**132,328.8**	**(180,821.7)**

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10. General Disclosures for Exposures Related to Counterparty Credit Risk

Counterparty Credit Risk ('CCR') appetites for the banking counterparties are assessed based on an internal framework that considers the parameters as detailed in the Policy on Bank and Primary Dealer Credit Risk and Appetite Framework. In all other cases, CCR appetite is approved based on credit assessment process followed by the Bank as per the Credit Policies and Procedures Manual. CCR appetites are set on the amount and tenor while fixing the appetite to respective counterparties with distinct appetites for each type of exposure.

Bank has computed the exposure under the Current Exposure Method for counterparty credit risk capital computation based on the guidelines issued by RBI Master Circular – Basel III Capital Regulations. Capital for CCR exposure is assessed based on Standardised Approach (both for default risk capital and CVA capital charges). Also, Bank has computed consolidated counterparty credit risk for the clearing business as per the RBI (Commercial Banks - Prudential Norms on Capital Adequacy) Third Amendment Directions, 2026 dated March 10, 2026.

The Bank has entered Credit Support Annex ('CSA') agreements with few domestic and foreign covered entities as per extant margining framework by RBI, wherever applicable. CSA defines the terms or rules under which collateral is posted or transferred between derivative counterparties to mitigate the credit risk arising from "in the money" derivative positions on OTC Derivative contracts. The collateral exchanged under CSA arrangements are primarily cash / cash equivalents, thereby implying no wrong-way risks. Further, these agreements do not warrant incremental collateral posting by Bank owing to credit rating downgrades. Bank has adopted the IM framework as per the RBI Master Direction on Margining for Non-Centrally Cleared OTC Derivatives.

Exposure to Central counterparties arising from over-the-counter derivative trades (subsequently guaranteed by CCP), exchange traded derivatives transactions and Securities Financing Transactions (SFTs), attracts capital charges applicable to Central Counterparty.

Applicable risk weights for trades, guaranteed by central counterparties, which are recognised as qualifying central counterparty (QCCP) by Reserve Bank of India or SEBI or any appropriate regulator, are comparatively lower than OTC deals. These QCCPs are subjected, on an ongoing basis, to rules and regulations that are consistent with CPSS-IOSCO Principles for Financial Market Infrastructures.

The product-wise derivative exposure calculated using Current Exposure Method ('CEM') without netting benefits and the balance outstanding are given below.

(₹ million)

Particulars	March 31, 2026			March 31, 2025		
	Notional amounts	Current Credit Exposure#	Credit Exposure*	Notional amounts	Current Credit Exposure	Credit Exposure*
Foreign exchange contracts	22,094,905.6	126,829.6	365,161.1	12,934,924.7	35,480.1	311,516.6
Interest rate derivative contracts	8,588,631.7	40,415.8	82,735.6	10,436,627.9	47,494.0	155,795.1
Currency swaps	385,664.3	25,002.2	40,281.4	373,025.1	18,163.1	44,272.2
Currency options	177,937.4	1,678.3	2,557.6	291,621.4	744.5	3,444.5
Exchange traded Equity Derivatives	1,277,966.3	4,672.6	65,401.9	-	-	-
Exchange traded Commodity Derivatives	1,212.8	25.2	114.6	-	-	-
Total	**32,526,318.1**	**198,623.7**	**556,252.2**	**24,036,199.1**	**101,881.7**	**515,028.4**

*As the collateral is received at counterparty-wise and not product wise, details of collateral held is not provided in the above table. As of 31st Mar 2026, the value of collateral held is ₹10,762.6 million. Further, for the clearing business activity the collateral held is ₹118,680.3 million. Bank does not have any exposure to credit derivatives.

The current credit exposure and credit exposure provided above is on gross basis.

11. Equities – Disclosure for Banking Book Positions

In accordance with the RBI guidelines on investment Classification and Valuation and Operation of Investment Portfolio, Investments are classified on the date of purchase into

1.Held to Maturity (HTM)

2.Available for Sale (AFS)

3.Fair Value through Profit & Loss (FVTPL)

-Held for Trading (HFT) as a separate investment sub-category within FVTPL

4.Subsidiaries, Associates and Joint Ventures

In accordance with the RBI guidelines, equity or equity linked investments held under the AFS/FVTPL (Non HFT) category are classified as banking book for capital adequacy purpose. These are held with a strategic objective to maintain strategic relationships or for strategic business purposes. Bank has No equity or equity linked investments in HTM category.

Investments in equity of subsidiaries and joint ventures (a Joint Venture would be one in which the bank, along with its subsidiaries, holds more than 25 percent of the equity) are classified under Subsidiaries, Associates and Joint Ventures in accordance with the RBI guidelines.

Investments classified under Subsidiaries, Associates and Joint Ventures category are carried at their acquisition cost and not marked to market. Any diminution, other than temporary, in the value of equity investments is provided for. Any loss on sale of investments in Subsidiaries, Associates and Joint Ventures category is recognised in the Statement of Profit and Loss. Any gain from sale of investments under Subsidiaries, Associates and Joint Ventures category is first recognised in the Statement of Profit and Loss and is appropriated, net of taxes and statutory reserve, to "Capital Reserve" in accordance with the RBI Guidelines.

In case of equity Investment designated under AFS, any gain or loss on sale of such investments shall be transferred from AFS-Reserve to the Capital Reserve whereas in case of equity investment in FVTPL including HFT, such gain or loss on sale shall be recognized to Profit and Loss account. Valuation for equity investment is as per the closing prices available on recognized exchange for listed equity and for unlisted equity the valuation is per the extant guidelines provided by Regulator.

(₹ million)

Particulars	March 31, 2026	March 31, 2025
Investments under banking book for quoted and unquoted securities- Book Value	108,779.9	123,764.8
Investments under banking book for quoted and unquoted securities - Fair Value	697,345.4	801,215.1
Total latent revaluation gains (losses) on account of equity investments under banking book	581,132.5	679,299.9
The book value listed & publicly traded equity shares in banking book	61,960.7	75,950.6
The book value Unlisted equity shares in banking book	46,819.3	47,814.2
Cumulative realised gains (losses) arising from sales and liquidations in the reporting period	94,133.5	1,425.4
Unrealised gains (losses) on account of equity investments under banking book recognised in the balance sheet but not through the profit and loss account	-	-
Any amounts of the above included in Tier 1 and/or Tier 2 capital	-	-
Capital requirements broken down by appropriate equity groupings, consistent with the bank's methodology, as well as the aggregate amounts and the type of equity investments subject to any supervisory transition or grandfathering provisions regarding regulatory capital requirements	-	-

12. Composition of Capital

Disclosures pertaining to main features of equity and debt capital instruments and leverage ratio have been disclosed separately on the Bank's website under the 'Regulatory Disclosures Section'. The link to the Regulatory Disclosures Section is as follows:
https://www.hdfcbank.com/personal/resources/regulatory-disclosures .

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13. Full Terms and Conditions of Regulatory Capital Instruments

The full terms and conditions of all instruments included in the regulatory capital are as below:

Sr No.	Regulatory Capital Type	Unique Identifier	Instrument Issue Date	Full Terms and Conditions (Term Sheets & Offer Circular)
1	Common Equity Tier 1	INE040A01026	Various	Click here
2	Tier 2	INE040A08385	29-Jun-17	Click here
3	Additional Tier 1	US40415FAA93 USY3119PFH74	25-Aug-21	Click here
4	Additional Tier 1	XS2392409681	30-Sep-21	Click here
5	Additional Tier 1	INE040A08419	08-Sep-22	Click here
6	Tier 2	INE040A08427	02-Dec-22	Click here
7	Tier 2	INE040A08435	16-Dec-22	Click here