# BASEL III DISCLOSURES as at March 31, 2025 (Indian Branches)

## 1. SCOPE OF APPLICATION

The Basel III disclosures contained herein relate to the Indian Branches of Credit Agricole Corporate & Investment Bank ('the Bank') for the period ended March 31, 2025. These are primarily in the context of the disclosures required under Annex 18 – Pillar 3 disclosure requirements of the Reserve Bank of India ('the RBI') Master Circular – Basel III Capital Regulations dated 1st April 2025. The Bank has implemented the requirements laid down by RBI for Pillar 3 disclosure, covering both the qualitative and quantitative items. The information provided has been reviewed by senior management and is in accordance with the guidelines prescribed by the RBI. All table DF references relate to those mentioned in Annex 17 – Pillar 3 of the above mentioned circular.

*Qualitative & Quantitative disclosures as per table DF 1*

The Bank does not have any interest in subsidiaries/associates/Joint Ventures or Insurance entities. As such this disclosure is not applicable to the bank.

## 2. CAPITAL ADEQUACY

*Qualitative Disclosures as per table DF 2*

The Capital to Risk Weighted Assets Ratio (CRAR) of the bank is 20.34% as of March 31, 2025 computed under Basel III norms, higher than the minimum regulatory CRAR requirement of 11.50% including Capital Conservation Buffer (CCB) of 2.50%.

The bank's capital management approach is driven by its desire to maintain a strong capital base to support the development of its business and to meet regulatory capital requirements at all times. It is overseen by the Bank's Asset Liability and Investment Committee (ALIC) and Local Management Committee (ManCo). It has a process for assessing its overall capital adequacy in relation to the risk profile. The Bank has a comprehensive Internal Capital Adequacy Assessment Process ('ICAAP'). The Bank's ICAAP document covers the capital management framework 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 framework has been created by way of an approved ICAAP Manual which ensures existence of a good governance model to identify, assess, monitor and manage all material risks. This framework is supplemented by the existence of an approved stress testing framework which is an integral part of the ICAAP.

In the normal course of events, management reviews the adequacy of capital quarterly or with increased frequency, if circumstances demand. The capital requirement of the Bank is assessed after considering the Bank's strategy, its business model as well as opportunities for growth. The capital assessment by the Bank factors in the credit, operational and market risks associated with its current and future activities as well as the effective management of these risks to optimize the utilization of capital.

A summary of the bank's capital requirement for credit, market and operational risk and the capital adequacy ratio is presented below:

(Amount in ₹crore)

| | Particulars | Mar 31, 2025 | Mar 31, 2024 |
|---|---|---|---|
| A | Capital Requirement for Credit Risk (Standardized Approach) | 2,565.66 | 1,801.34 |
| | • On B/s excl securitization exposures | 1,000.90 | 728.93 |
| | • Off B/s excl securitization exposures | 1,564.76 | 1,072.41 |
| | 1. *Non - Market Related* | 977.45 | 586.70 |
| | 2. *Market Related* | 587.30 | 485.71 |
| | • Securitization Exposures | | - |
| B | Capital Requirement for Market Risk (Standardized Duration Approach) | 329.14 | 305.92 |
| | • Interest Rate Risk | 289.54 | 269.92 |
| | • Foreign Exchange Risk | 39.60 | 36.00 |
| | • Equity Risk | - | - |
| C | Capital Requirement for Operational Risk (Basic Indicator Approach) | 43.01 | 43.01 |
| D | Total Capital Requirement | 2,937.80 | 2,150.27 |
| E | Total Risk Weighted Assets of the Bank | 27,204.21 | 20,242.73 |
| | • Credit Risk | 22,552.43 | 15,881.14 |
| | • Market Risk | 4,114.20 | 3,824.00 |
| | • Operational Risk | 537.59 | 537.59 |
| F | Total Capital Ratio | 20.34% | 14.40% |
| | • Common Equity Tier I | 18.81% | 12.22% |
| | • Tier I | 18.81% | 12.22% |
| | • Tier II | 1.53% | 2.18% |

## 3. RISK EXPOSURE AND ASSESSMENT

**Risk Management**

The management of risk lies at the heart of the Bank's business. The businesses undertaken by the Bank requires it to identify, measure, control, monitor and report risks effectively and to allocate capital among businesses appropriately.

The key components of the Bank's risk management are the risk policies, comprehensive processes, integrated risk management systems and internal control mechanism. The Bank's risk policies focus attention on key areas of risks such as counterparty, market, country, portfolio and operational risk and identification, analysis, measurement and control of these risks for effective and continuous monitoring.

**Categories of Risk**

The key risks the Bank assumes are:

- Credit risk is the risk of financial loss if a borrower or counterparty fails to honor commitments under an agreement and any such failure has an adverse impact on the financial performance of the Bank. Credit risk arises mainly from direct lending and certain off-balance sheet products such as Guarantees, Letters of Credits, Foreign Exchange Forward Contracts & Derivatives and also from the Bank's holding of assets in the form of debt securities.

- Market Risk arising from the uncertainty concerning changes in market prices and rates (including interest rates, equity prices, foreign exchange rates and commodity prices), the correlations among them and their levels of volatility.

- Interest rate risk in the banking book is primarily the change in the net interest income and the value of the bank's assets and liabilities due to changes in interest rates. Interest rate risk arises on account of banking products (non-trading nature) offered to retail and corporate customers.

- Liquidity risk arising from the potential inability to meet all payment obligations when they become due.

- Operational risk is the potential for incurring losses in relation to employees, process failures, project management, contractual specifications and documentations, technology, infrastructure failure and disasters, external influences and customer relationships. This definition includes legal and regulatory risk.

**Risk management components and policies**

The key components of the Bank's risk management are the risk management framework, risk policies, comprehensive processes, integrated risk management systems and internal control mechanism. The Bank's risk policies focus attention on key areas of risk such as counterparty, market, country, portfolio and operational risks and identification, analysis, measurement and control of these risks for effective and continuous monitoring.

The Bank's risk management processes are guided by well-defined policies appropriate for various risk categories, independent risk oversight and periodic monitoring. Head Office of the Bank approves the overall risk appetite and strategy for the Bank's operations. Locally, various senior management committees mainly, Asset-Liability Investment Committee (ALIC), Internal Control Committee (ICC), and Local Credit Committee (LCC) operate within the broad policy set up by Head Office.

The Bank has formulated a risk management framework and a local credit policy consistent with the Head Office policy and Reserve Bank of India regulations and guidelines on risk management. The Bank has also formulated a comprehensive Stress Testing policy to measure impact of adverse stress scenarios on the adequacy of capital.

**Risk management organization**

Risk Management function is organized functionally on a global basis as the Risk & Permanent Control (RPC) Division. The Local Head of Risk Management Functions reports functionally to the Regional Chief Risk Officer, Asia Pacific Office in Hong Kong. The Local Head of Risk Management is responsible for credit, market and operational risk management activities for the Bank. The Bank has a Local Credit Committee comprising of the Senior Country Officer and other senior personnel representing Global Markets, Corporate Banking and Credit Risk Analysis. As per the scheme of delegations for credit approvals laid down by the Head Office, all credit applications from India of corporate clients are discussed in the local credit committee and approved by the Front Office delegate / Senior Country Officer (SCO) subject to a favorable opinion from local risk department (RPC) if the size of credit limits are within his delegation and in other cases by the Risk Committee at Regional Office or Head Office, based on the recommendation from FO Delegate/SCO and analysis/conclusion provided by local RPC.

In case of Banks & Financial Institutions, the credit analysis of the counterparties is done by RPC in Regional Office, Hong Kong, based on the request from the Branch. The credit limits are assessed by the Branch and recommended to RPC Regional

Office, and it requires a favorable recommendation from the Senior Country Officer of India. The final decision on the request for credit limits for Banks & Financial Institutions is made by Head Office.

The Risk Management function is responsible for the quality and performance of the credit portfolios and for monitoring and controlling all credit risks in the portfolio, including those subject to approval by the Regional Office and Head Office.

Treasury is responsible for the management of liquidity risk. The liquidity risk policies relating to the identification, measurement and management of liquidity risk as well as the actual status are reviewed on a regular basis by the ALIC.

The Bank's Finance, Audit and Legal departments support the risk management function. The role of Finance department is to quantify the risk assumed and ensure the quality and integrity of the risk related data. The Bank's Audit department reviews the compliance of the internal control procedures with internal and regulatory standards. The Legal department provides legal advice and support on topics including collateral arrangements and netting.

**Scope and Nature of Risk Reporting and Measurement Systems**

The Bank has globally adopted an internal rating system to rate the borrowers / counterparties. The internal rating model is a combination of quantitative and qualitative factors. It is comprehensive in terms of identification and assessment of all risks faced by a counter party. The rating model enables assessment of the possibility of delinquency over a one-year time horizon. Each internal rating grade corresponds to a distinct probability of default. Validation of Internal Rating Model is carried out at Head Office level periodically by objectively assessing its calibration accuracy and stability of ratings.

The local Credit Risk Management team manages the regular reporting to senior management on credit risk portfolio, including information on large credit exposures, concentrations, industry exposures, levels of impairment, provisioning and country exposures. The portfolio is also reviewed annually by the Country & Portfolio Review team of the Head Office Risk Department.

**Policies for Credit Risk Mitigants**

Credit Risk Mitigants (CRM) like financial collateral, non-financial collateral including guarantees are used to mitigate credit risk exposure. Availability of CRM either reduces effective exposure on the borrower (in case of collaterals) or transfers the risk to the more creditworthy party (in case of guarantees).

## 4. CREDIT RISK: GENERAL DISCLOSURES

*Qualitative Disclosures as per table DF 3*

**Credit Risk Management Policy**

The Bank's credit risk management process integrates risk management into the business management processes, while preserving the independence and integrity of risk assessment. There is a clear segregation of duties between transaction originators in the businesses and the approvers in the Risk functions. All credit exposure limits are approved within a defined credit approval authority framework.

The Head Office of the Bank establishes the parameters for risk appetite, which is defined quantitatively and qualitatively in accordance with the laid-down strategic business plan for the country. Group policies/procedures are customized locally to incorporate any local regulatory and governance needs. This is laid down through a combination of organizational structures and credit risk policies, control processes and credit systems embedded into an integrated risk management framework.

The Bank regularly monitors credit exposures, portfolio performance and external trends which may impact risk management outcomes. Internal risk management reports are presented to risk committees, containing information on key environmental, political and economic trends across major portfolios, portfolio delinquency and loan impairment performance.

**Identification & Management of Doubtful Assets & Provisioning**

The Bank has laid down a global policy at Head Office level for identification and management of Doubtful Assets and provisioning.

At the local level, the Bank has an automated system for identification of Non-Performing Loans (including non-performing investments) and computation of provisioning on the NPA/NPIs in line with the RBI's guidelines on asset classification, income recognition and provisioning.

All non-performing assets are monitored by a specialized department called Distressed Assets Services at Regional Office, Hong Kong. The Bank engages with customers closely to work out of distress situations.

**Concentration Risk**

The Bank controls and limits concentration risk by means of appropriate borrower limits based on creditworthiness. These include:

Large exposures to individual clients or group:

The exposure limits on various categories of borrowers / counterparties and group of borrowers/counterparties shall be in accordance with the Large Exposure (LE) Framework of RBI.
The Bank has adopted the limits prescribed in the LE Framework as prudential exposure limit:

Single Borrower / counterparty: The sum of all the exposure values to a single counterparty must not be higher than 20% of the Bank's available eligible capital base at all time (i.e. Tier I capital).

Groups of connected Borrowers / counterparties: The sum of all the exposure values of the Bank to a group of connected counterparties (as defined in the RBI regulation on Large Exposure Framework) must not be higher than 25% of the Bank's available eligible capital base at all times.

Interbank exposures: The interbank exposures, except intra-day interbank exposures, will be subject to the large exposure limit of 25% of Bank's available eligible capital base. Additionally, in case of exposure to a G-SIB (including branch) and a non-bank G-SIFI, the exposure limit is further restricted to 20% of capital base (noting that CACIB is a not a G-SIB). For this purpose, Indian branches of a foreign G-SIB is treated as non-GSIB.

Exposure to Head Office: The sum of all the exposure values to Head office (including other overseas branches/subsidiaries/parent/group entities) must not be higher than 25% of the Bank's available eligible capital base at all time.

Industries

Industry analysis plays an important part in assessing the concentration risk within the loan portfolio. Particular attention is given to industry sectors where the Bank believes there is a high degree of risk or potential for volatility in the future. The Bank has fixed internal limits for aggregate commitments to different sectors so that the exposures are evenly spread over various sectors.

*Quantitative Disclosures as per table DF 3*

**CREDIT RISK EXPOSURES**

**Total Net Credit Risk Exposure**

(Amount in ₹crore)

| Particulars | As at March 31, 2025 | As at Mar 31, 2024 |
|---|---|---|
| Fund Based | **6,837.99** | 4,898.44 |
| Non Fund Based | **12,453.07** | 9,290.12 |
| **Total** | **19,291.06** | **14,188.56** |

Note 1: Fund-based exposure represents funded loans & advances including overdrafts, cash credits and bill discounting.
Note 2: Non-fund based exposures are guarantees given on behalf of constituents, Letters of Credit, Undrawn binding commitments, acceptances and endorsements.
Note 3: The exposure amount is the net outstanding (i.e. net of provisions)
The Bank does not have overseas operations and hence exposures are restricted to the domestic segment.
Note 4: Derivative exposure is reported under DF 10

**Distribution of credit risk exposure by industry sector as at March 31, 2025**

(Amount in ₹crore)

| Industry code | Industry Name | Funded | Non Funded | Total |
|---|---|---|---|---|
| 1 | A. Mining and Quarrying (A. 1 & A.2) | - | 18.53 | 18.53 |
| 1.1 | A.1 Coal | - | - | - |
| 1.2 | A.2 Others | - | 18.53 | 18.53 |
| 2 | B. Food Processing (Sumof B.1 to B.5) | 28.69 | 70.57 | 99.26 |
| 2.1 | B.1 Sugar | - | - | - |
| 2.2 | B.2 Edible Oils and Vanaspati | - | - | - |
| 2.3 | B.3 Tea | - | - | - |
| 2.4 | B.4 Coffee | - | - | - |
| 2.5 | B.5 Others | 28.69 | 70.57 | 99.26 |
| 3 | C. Beverages (excluding Tea & Coffee) and Tobbacco (sum of C.1 & C.2) | 6.57 | 8.86 | 15.42 |
| 3.1 | C.1 Tobacco and Tobacco products | - | - | - |
| 3.2 | C.2 Others | 6.57 | 8.86 | 15.42 |
| 4 | D. Textiles (Sum of D.1 to D.6) | 5.77 | 1.90 | 7.68 |
| 4.1 | D.1 Cotton | - | - | - |
| 4.2 | D.2 Jute | - | - | - |
| 4.3 | D.3 Handicraft / Khadi (Non priority) | - | - | - |
| 4.4 | D.4 Silk | - | - | - |
| 4.5 | D.5 Woolen | - | - | - |
| 4.6 | D.6 Others | 5.77 | 1.90 | 7.68 |
| 4.7 | Out of D (i.e Total Textiles) to Spinning Mills | - | - | - |
| 5 | E. Leather and Leather products | - | - | - |
| 6 | F. Wood and Wood products | - | - | - |
| 7 | G. Paper and paper products | 110.30 | 24.70 | 135.00 |
| 8 | H. Petroleum (non-infra), Coal products (non-mining) and Nuclear Fuels | - | 280.00 | 280.00 |
| 9 | I Chemicals & Chemical products (Dyes, Paints, etc.) (Sum of 1.1 to 1.4) | 510.88 | 229.12 | 740.01 |
| 9.1 | I.1 Fertilisers | - | - | - |
| 9.2 | I.2 Drugs and Pharmaceuticals | 129.37 | 5.56 | 134.92 |
| 9.3 | I.3 Petro-chemicals (Excluding under Infrastructure) | - | - | - |
| 9.4 | I.4 Others | 381.52 | 223.57 | 605.09 |
| 10 | J Rubber, Plastic and their Products | 154.00 | 220.78 | 374.78 |
| 11 | K Glass & Glassware | - | 2.93 | 2.93 |
| 12 | L Cement and Cement products | - | 47.11 | 47.11 |

| | | | | |
|---|---|---|---|---|
| 13 | M Basic Metal and Metal products (M.1 + M.2) | 154.49 | 1,314.86 | 1,469.35 |
| 13.1 | M.1 Iron and Steel | 12.51 | 1,033.21 | 1,045.73 |
| 13.2 | M.2 Other Metal and Metal Products. | 141.98 | 281.64 | 423.62 |
| 14 | N All Engineering (N.1+ N.2) | 802.27 | 3,511.06 | 4,313.33 |
| 14.1 | N.1 Electronics | - | - | - |
| 14.2 | N.2 Others | 802.27 | 3,511.06 | 4,313.33 |
| 15 | O Vehicles, Vehicles Parts and Transport Equipments | 930.68 | 783.69 | 1,714.37 |
| 16 | P Gems and Jewellery | - | - | - |
| 17 | Q Construction | - | 858.77 | 858.77 |
| 18 | R Infrastructure (Sum of R1 to R4) | 1,562.24 | 1,465.58 | 3,027.82 |
| 18.1 | R.1 Transport ((Sum of R.1.1 to R.1.5) | - | - | - |
| 18.1.1 | R.1.1 Railways | - | - | - |
| 18.1.2 | R.1.2 Roadways | - | - | - |
| 18.1.3 | R.1.3 Airport | - | - | - |
| 18.1.4 | R.1.4 Waterways | - | - | - |
| 18.1.5 | R.1.5 Others | - | - | - |
| 18.2 | R.2 Energy (Sum of R.2.1 to R.2.4) | 1,562.24 | 1,101.88 | 2,664.11 |
| 18.2.1 | R.2.1 Electricity (generation-transportation and distribution) | 1,562.24 | 1,101.88 | 2,664.11 |
| 18.2.1.1 | R.2.1.1 State Electricity Boards | - | - | - |
| 18.2.1.2 | R.2.1.2 Others | - | - | - |
| 18.2.2 | R.2.2 Oil (Storage and Pipeline) | - | - | - |
| 18.2.3 | R.2.3 Gas/LNG (Storage and Pipeline) | - | - | - |
| 18.2.4 | R.2.4 Others | - | - | - |
| 18.3 | R.3 Telecommunication | - | - | - |
| 18.4 | R.4 Others (Sum of R.4.1 to R.4.3) | - | 363.70 | 363.70 |
| 18.4.1 | R.4.1 Water Sanitation | - | - | - |
| 18.4.2 | R.4.2 Social & Commercial Infrastructure | - | - | - |
| 18.4.3 | R.4.3 Others | - | 363.70 | 363.70 |
| 19 | S Others Industries | 28.54 | 185.48 | 214.02 |
| 20 | All Industries (Sum of A to S) | **4,294.44** | **9,023.94** | **13,318.37** |
| 21 | Residuary other Advances (to tally with gross advances) [a+b+c] | **2,543.55** | **3,429.13** | **5,972.69** |
| 21.1 | a Education Loan | - | - | - |
| 21.2 | b Aviation Sector | - | - | - |
| 21.3 | c Other Residuary Advances | **2,543.55** | **3,429.13** | **5,972.69** |
| 22 | Total Loans and Advances | **6,837.99** | **12,453.07** | **19,291.06** |

CRÉDIT AGRICOLE
CORPORATE & INVESTMENT BANK

**Residual contractual maturity breakdown of total assets**

(Amount in ₹crore)

| Maturity bucket | March 31, 2025 | March 31, 2024 |
|---|---|---|
| 1 day | 3,347.42 | 4,705.88 |
| 2 to 7 days | 9,378.01 | 4,952.80 |
| 8 to 14 days | 674.13 | 290.58 |
| 15 to 30 days | 1,811.78 | 1,082.28 |
| 31 days to 3 months | 2,620.33 | 2,617.81 |
| 3 to 6 months | 1,297.70 | 759.81 |
| 6 to 12 months | 764.16 | 1,027.98 |
| 1 to 3 years | 2,830.04 | 2,353.03 |
| 3 to 5 years | 928.42 | 328.01 |
| Over 5 years | 7,792.29 | 3,142.80 |
| **Total** | **31,444.28** | **21,260.98** |

**Movement of NPAs and Provision for NPAs (excludes NPAs on derivatives)**

(Amount in ₹crore)

| | | Mar 31, 2025 | Mar 31, 2024 |
|---|---|---|---|
| A | Amount of NPAs (Gross) | 2.93 | 2.93 |
| | - Substandard | - | - |
| | - Doubtful 1 | - | - |
| | - Doubtful 2 | - | - |
| | - Doubtful 3 | - | - |
| | - Loss | 2.93 | 2.93 |
| | | | |
| B | Net NPAs | - | - |
| | | | |
| C | NPA Ratios | | |
| | - Gross NPAs to gross advances (%) | 0.04% | 0.06% |
| | - Net NPAs to net advances (%) | 0.00% | 0.00% |
| | | | |
| D | Movement of NPAs (Gross) | | |
| | - Opening balance | 2.93 | 2.93 |
| | - Additions | - | - |
| | - Reductions | | |
| | - Exchange rate movement | - | - |
| | - Closing balance | 2.93 | 2.93 |
| | | | |
| E | Movement of Provision for NPAs | | |
| | - Opening balance | 2.93 | 2.93 |
| | - Provision made | - | - |
| | - Write-off/write-back of excess provisions during the year (including recovery) | - | - |
| | - Exchange rate movement | - | - |
| | - Closing balance | 2.93 | 2.93 |

**NPIs and movement of provision for depreciation on investments**

(Amount in ₹crore)

| | | Mar 31, 2025 | Mar 31, 2024 |
|---|---|---|---|
| A | Amount of Non-Performing Investments | - | - |
| | | | |
| B | Amount of provision held for Non-Performing Investments | - | - |
| | | | |
| C | Movement of provision for depreciation on investments | | |
| | - Opening balance | - | 22.03 |
| | - Provision made | - | - |
| | - Write – offs | - | - |
| | - Write – back of excess provision | - | 22.03 |
| | - Closing balance | - | - |

## 5. CREDIT RISK – Disclosures for portfolios under the standardized approach

*Qualitative Disclosures as per table DF 4*

**Use of external ratings issued by Rating Agencies under the Standardized Approach**

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

Issue ratings would be used if the Bank has an exposure in the rated issue and this would include fund-based and non-fund based working capital facilities as well as loans and investments. In case the Bank does not have exposure in a rated issue, the Bank would use the issue rating for its comparable unrated exposures to the same borrower, provided that the Bank's exposures are pari-passu or senior and of similar or lesser maturity as compared to the rated issue. If an issuer has a long-term or short-term exposure with an external rating that warrants a risk weight of 150%, all unrated claims on the same counterparty, whether short-term or long-term, also receive 150% risk weight, unless the Bank uses recognized credit risk mitigation techniques for such claims.

The unrated short term claim on counterparty is assigned risk weight of at least one level higher than the risk weight applicable to the rated short term claim on that counterparty. Thus, if a short term rated facility to a counter party attracts a 20% or a 50% risk weight, unrated short-term claims on the same counterparty is assigned a risk weight of 30% or 100% respectively.

**Risk Weight mapping of long term corporate ratings**

| Domestic rating agencies | AAA | AA | A | BBB | BB & below | Unrated |
|---|---|---|---|---|---|---|
| Risk weight (%) | 20 | 30 | 50 | 100 | 150 | 100 |

**Risk weight mapping of short term corporate ratings**

| Short term claim on Corporates | | | | | Risk Weight (%) |
|---|---|---|---|---|---|
| **CARE** | **CRISIL** | **India Ratings** | **ICRA** | **SMERA** | |
| CARE A1+ | CRISIL A1+ | IND A1+ | ICRA A1+ | SMERA A1+ | 20 |
| CARE A1 | CRISIL A1 | IND A1 | ICRA A1 | SMERA A1 | 30 |
| CARE A2 | CRISIL A2 | IND A2 | ICRA A2 | SMERA A2 | 50 |
| CARE A3 | CRISIL A3 | IND A3 | ICRA A3 | SMERA A3 | 100 |
| CARE A4 &D | CRISIL A4 & D | INDA4 & D | ICRA A4 & D | SMERA A4 & D | 150 |
| Unrated | Unrated | Unrated | Unrated | Unrated | 100 |

Note:
Risk weight on claims on AFCs would continue to be governed by credit rating of the AFCs, except that claims that attract a risk weight of 150 per cent under NCAF shall be reduced to a level of 100 per cent.

Claims classified as "Commercial Real Estate Exposure" will attract risk weight of 100%.

Note:
a) In accordance with RBI circular # DBR.No.BP.BC.6/21.06.001/2016-17 dated August 25, 2016, any counterparty having aggregate exposure from banking system of more than INR 1 Bio which were externally rated earlier and subsequently not rated will attract Risk Weight of 150%.

b) Further, with effect from June 30, 2017, following two additional regulations have come into force:

- All unrated claims on corporates, AFCs, and NBFC-IFCs having aggregate exposure from banking system of more than INR 2 Bio attract a risk weight of 150% with effect from Financial Year ending March 31, 2019; and
- As per the Guidelines on Enhancing Credit Supply for Large Borrowers through Market Mechanism, with effect from April 01, 2017, an additional Risk Weight of 75 percentage points over and above the applicable Risk Weight is to be applied on the exposure of borrowers having fund based credit facilities above INR 250 Bio from banking system at any time in FY 2017-18; INR 150 bio in FY 2018-19 and INR 100 bio from April 01, 2019 onwards.

c) Exposure to Qualifying Central Counterparties (QCCPs): risk weight of 2% to be applied to the Bank's trade exposure to QCCP where the Bank acts as a clearing member of a QCCP for its own purposes.

d) In accordance with RBI circular dated November 16, 2023, following additional regulation had come into force:

-The risk weight of Bank exposure to NBFC's has been increased by 25 percentage points (over and above the risk weight associated with the external rating) in all cases where the extant risk weight as per external rating of NBFC is below 100 percent. For this purpose, loans to HFCs and loans to NBFCs, eligible for classification as PSL, to be excluded. However, this was removed from 01st April 2025. Accordingly additional risk charge on NBFC is taken till March 31, 2025.

The claims on banks incorporated in India and foreign banks branches in India, excluding investment in equity shares and other instruments eligible for capital status are risk weighted as under:

| **Level of Common Equity Tier 1 capital (CET1) including applicable capital conservation buffer (CCB) (%) of the counterparty bank (where applicable)** | **Scheduled Banks** | **Other Banks** |
|---|---|---|
| Applicable Minimum CET1 + Applicable CCB and above | 20% | 100% |
| Applicable Minimum CET1 + CCB = 75% and <100% of applicable CCB | 50% | 150% |
| Applicable Minimum CET1 + CCB = 50% and <75% of applicable CCB | 100% | 250% |
| Applicable Minimum CET1 + CCB = 0% and <50% of applicable CCB | 150% | 350% |
| Minimum CET1 less than applicable minimum | 625% | 625% |

**Risk weight mapping of foreign banks:**

| **S&P / FITCH ratings** | **AAA to AA** | **A** | **BBB** | **BB to B** | **Below B** | **Unrated** |
|---|---|---|---|---|---|---|
| **Moody's ratings** | **Aaa to Aa** | **A** | **Baa** | **Ba to B** | **Below B** | **Unrated** |
| Risk Weight (%) | 20 | 50 | 50 | 100 | 150 | 50 |

**Risk weight mapping of foreign sovereigns:**

| **S&P / FITCH ratings** | **AAA to AA** | **A** | **BBB** | **BB to B** | **Below B** | **Unrated** |
|---|---|---|---|---|---|---|
| **Moody's ratings** | **Aaa to Aa** | **A** | **Baa** | **Ba to B** | **Below B** | **Unrated** |
| Risk Weight (%) | 0 | 20 | 50 | 100 | 150 | 100 |

**Risk weight mapping of foreign public sector entities and non-resident corporates:**

| **S&P / FITCH ratings** | **AAA to AA** | **A** | **BBB** | **Below B** | **Unrated** |
|---|---|---|---|---|---|
| **Moody's ratings** | **Aaa to Aa** | **A** | **Baa** | **Below B** | **Unrated** |
| Risk Weight (%) | 20 | 50 | 100 | 150 | 100 |

*Quantitative Disclosures as per table DF 4*

**Amount of credit RWA outstanding under various risk buckets:**

(Amount in ₹crore)

| Particulars | Mar 31, 2025 | March 31, 2024 |
|---|---|---|
| Below 100% risk weight | 5,183.50 | 3,508.59 |
| 100% risk weight | 2,800.35 | 2,871.13 |
| More than 100% risk weight | 14,568.59 | 9,501.42 |
| Deductions | - | - |
| **Total risk weighted assets** | **22,552.43** | **15,881.14** |

Note: Credit Risk Exposure for foreign exchange contracts and derivatives has been calculated as per Current Exposure Method in accordance with RBI guidelines.

## 6. CREDIT RISK MITIGATION

*Qualitative Disclosures as per table DF 5*

The Bank uses various collaterals both financial as well as non-financial as credit risk mitigants (CRM). The main collateral recognized by the Bank for RWA purpose comprises of bank deposits / cash margin. Additionally, in respect of credit exposure pertaining to FX / derivatives trades with HO, the Bank has considered the Government of India securities placed with RBI under Section 11(2)(b) as credit risk mitigant to offset such FX/derivative exposure, out of the interest free funds received from Head Office for this specific purpose.

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The Bank has in place a Credit Risk Mitigants management policy, which underlines the eligibility requirements for credit risk mitigants for capital computation as per Basel III guidelines. The Bank reduces its credit exposure to a counter party with the value of eligible financial collateral to take account of the risk mitigating effect of the collateral. To account for the volatility in the value of collateral, haircut is applied based on the type, issuer, maturity and rating of the collateral / collateral provider.

*Quantitative Disclosures as per table DF 5*

The quantum of the credit portfolio which benefits from financial collaterals and/or guarantees as credit risk mitigants is an insignificant portion of our customer advances. Therefore, the credit and/or market concentration risks are not material.

The total exposure that is covered by eligible financial collateral, after the application of haircuts is INR 7.43 crores (March 31, 2024: INR 16.76 crores).

Break-down of exposure covered by eligible financial collateral:

(Amount in ₹crore)

| Facility | **March 31, 2025** | **March 31, 2024** |
|---|---|---|
| Funded | - | - |
| Non-Funded – Letters of Credit | - | - |
| Non-funded – Guarantees | 6.35 | 16.17 |
| Non-funded – FX/Derivative | 1.08 | 0.59 |
| Total | **7.43** | **16.76** |

## 7. SECURITIZATION EXPOSURES

_Qualitative & Quantitative disclosures as per table DF 6_

The Bank has not undertaken any securitization activity either as an originator or as credit enhancer. Details of exposure securitized by the Bank and subject to securitization framework is thus NIL.

## 8. MARKET RISK IN TRADING BOOK

_Qualitative Disclosures as per table DF 7_

Market risk is the risk to the Bank's earnings and capital due to changes in the market level of interest rates or prices of securities and foreign exchange as well as the volatilities of those changes.
Bank's market risk objectives are to understand and control market risk by robust measurement and the setting of position limits, facilitate business growth within a controlled and transparent risk management framework and minimize non-traded market risk.

The Bank is exposed to market risk through its trading activities, which are carried out for customers. The Bank adopts a comprehensive approach to market risk management for its trading, investment and asset / liability portfolios. The Bank uses various risk metrics, both statistical and non-statistical, including:

- Value at Risk (VaR)
- Non-statistical measures like position, gaps and sensitivities i.e. PV01, Duration and Option Greeks

The Bank uses Historical Simulation method for calculation of VaR at 99% confidence interval and holding period of 1 day. The 261-day historical market data (rate + volatility) are used. The shocks are applied to market data to calculate mark to market value of each scenario in a portfolio at each level of consolidation. The VaR models are back-tested at regular intervals and results are used to maintain and improve the efficacy of the model. VaR is calculated for trading and non-trading portfolio on daily basis and reported to senior management of the Bank. Stress test is also conducted on quarterly basis as per RBI methodology. Similarly, stress test is also performed as per internal methodology on the total portfolio on weekly basis, which shows impact of extreme market movements on Bank's portfolio.

Different risk limits such as Overnight position, maximum maturity, Profit and Loss alert and Annual stop loss alerts are set up according to a number of criteria including relevant market analysis, business strategy, management experience and risk appetite for market risk exposures. These limits are monitored on daily basis and exceptions are reported to management and put up to ALIC/Market Risk Committee. Market risk limits are reviewed at least once a year or more frequently if deemed necessary to maintain consistency with trading strategies and material developments in market conditions.

**Concentration Risk**

The Bank has allocated internal risk limits in order to avoid concentrations, wherever relevant. The Bank has allocated PVO1 limits currency wise / bucket wise, which are monitored on daily basis for any possible concentration risk.

*Quantitative Disclosures as per table DF 7*

**Capital Requirement for Market Risk**

(Amount in ₹crore)

| Particulars | March 31, 2025 | March 31, 2024 |
|---|---|---|
| -Interest rate risk | 289.54 | 269.92 |
| -Equity position risk | - | - |
| -Foreign exchange risk (including gold) | 39.60 | 36.00 |
| Total | **329.14** | **305.92** |

## 9. OPERATIONAL RISK

*Qualitative Disclosures as per table DF 8*

**Operational Risk - Definition**

Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. Operational risk is the risk of direct or indirect losses resulting from human factors, external events, inadequate or failed internal processes and systems. Major sources of operational risk include: operational process reliability, IT security, outsourcing of operations, dependence on key suppliers, implementation of strategic change, integration of acquisition, fraud, human error, customer service quality, regulatory compliance, recruitment, training and retention of staff and social and environmental impacts. This definition includes legal risk, but excludes business and reputation risk.

**Strategies and Processes**

The Bank has set up an Operational Risk Management department within Risk to manage operational risk through identification, assessment and monitoring. Simultaneously, a framework has been laid to capture loss data which can be mapped to operational risk events to measure the impact quantitatively. The Bank has put in place a structure to effectively manage operational risk through the formation of several Internal Committees viz., Internal Control Committee (ICC), New Products and Activities Committee. The functioning of these committees is well defined. The Operational Risk Manager acts as the convener of ICC.

**Structure and Organization**

The Bank has an Internal Control Committee (ICC) which is responsible for implementation of the Operational Risk policies of the Bank. This Internal Control Committee supervises effective monitoring of operational risk and the implementation of measures for enhanced capability to manage operational risk.

**Internal Vigilance System**

As mandated by Reserve Bank of India the Bank has setup an Internal Vigilance Committee chaired by the Senior Country Officer (the other members being Chief Operating Officer, Heads of Risk, HR, Audit and Compliance with the Operational

Risk Manager as the Chief Vigilance Officer) that is responsible for implementing anti-corruption measures and looking into acts of misconduct, alleged or committed, by employees within its control and take appropriate punitive action. The Committee also takes appropriate measures to prevent commission of misconducts / malpractices by employees. The Committee meets on a quarterly basis.

**Operational Risk Reporting and Measurement Systems**

A systematic centralized process for reporting losses, "near misses" issues relating to operational events is implemented. Based upon the information gathered, control measures would be introduced. All operational loss events and potential loss events are reported to HO and reviewed by the Local ICC.

An Operational Risk Mapping project has been undertaken within the Bank to identify and assess the operational risk inherent in all material products, activities, processes and systems. The objective of the Operational Risk Mapping is to map the various business lines, organizational functions or process flows by risk type to reveal areas of weakness so to prioritize subsequent management actions.

**Policies for Managing Operational risk**

An Operational Risk Management Policy approved by the Internal Control Committee of the Bank details the framework for reducing/controlling operational risk in the Bank. As per the policy, all new products are being vetted by the New Products and Activities Committee to identify and assess potential operational risks involved and suggest control measures to mitigate the risks. A review of the approved products is being done by the Compliance Department on a regular basis.

**Operational Risk Capital Assessment**

As per the RBI guidelines, the Bank has followed the Basic Indicator Approach for the period ending March 31, 2025.

## 10. INTEREST RATE RISK IN THE BANKING BOOK

*Qualitative Disclosures as per table DF 9*

Interest rate risk in the banking book is primarily the change in the net interest income and the value of the bank's assets and liabilities due to changes in interest rates. Treasury desk under the supervision of the Asset/Liability Committee (ALIC) manages interest rate risk within the ALM guidelines set up at Bank level and within the limits set up by the Department of Risk Management. The bank has ALIC approved funds transfer pricing policy between various product lines in the bank and also details about the interest rate risk management framework. As part of the policy interest rate risk originated due to commercial banking activities are transferred to Treasury – Fund Management desk, which is in charge of managing the interest rate risk within the banking book. The Treasury desk manages interest rate risk on ongoing basis by dealing in various approved financial products and is subject to same VaR & stress tests as that for the trading book.

*Quantitative Disclosures as per table DF 9*

The bank has uses the modified duration approach to measure potential impact on the capital fund (MVE) for upward and downward interest rate shocks of 200 bps on quarterly basis. The bank also has prescribed shocks to calculate impact arising out of the basis risk in the banking book.

The impact on the capital funds for upward/downward interest rate shock of 200 bps as at March 31, 2025 is as below:

(Amount in ₹crore)

| Currency | Upward Interest rate shock | Downward Interest rate shock |
|---|---|---|
| INR | 169.85 | (169.85) |
| USD | (1.66) | 1.66 |
| Others | (0.61) | 0.61 |
| **Total** | 167.57 | (167.57) |

Earnings at risk (EaR) measure the interest rate risk from earnings perspective. This is computed based on the net gaps for each bucket up to 1 year with a 1% parallel shift in the yield curve on the bank's earning. The impact from earnings perspective as at March 31, 2025 is INR 21.17 crores**.**

## 11. GENERAL DISCLOSURE FOR EXPOSURES RELATED TO COUNTERPARTY CREDIT RISK

*Qualitative Disclosures as per table DF 10*

The Bank stipulates limits as per the norms on exposure stipulated by RBI for both fund and non-fund based products including derivatives. Limits are set as a percentage of the capital funds and are monitored. The utilization against specified limits is reported to the Credit Committee on a periodic basis. The analysis of the composition of the portfolio is presented to the Local Management Committee on a half yearly basis.

Credit Control Department monitors the credit excess (including FX/ Derivatives exceeding approved limit) on a daily basis. The 'credit exposure' arising on account of interest rate and foreign exchange derivative transactions is computed using the "Current Exposure Method" as laid down by RBI.

The Bank has entered into Credit Support Annex (CSA) agreement with local banks. 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.

Exposure to Central counterparties arising from over-the-counter derivative trades, exchange traded derivatives transactions and security financing transactions (SFTs), attracts capital charges applicable to Central Counterparty.

Applicable risk weights for trades, guaranteed by central counterparties, which are recognized as qualifying central counterparty (QCCP) by Reserve Bank of India or SEBI, are comparatively lower than OTC deals.

In India, presently there are four QCCPs viz. Clearing Corporation of India (CCIL), National Securities Clearing Corporation Ltd (NSCCL), Indian Clearing Corporation Ltd (ICCL) and MCX-SX Clearing Corporation Ltd (MCX-SXCCL). These CCPs are subjected, on an ongoing basis, to rules and regulations that are consistent with CPSS-IOSCO Principles for Financial Market Infrastructures.

The bank has also computed the incurred Credit Valuation Adjustment (CVA) loss as per Basel III master circular and the same has been considered for reduction in derivative exposure computation. The provision amount outstanding as on Mar 31, 2025 is INR 15.60 crores and as on Mar 31, 2024 is INR 14.60 crores.

*Quantitative Disclosures as per table DF 10*
The derivative exposure outstanding is given below:

(Amount in ₹crore)

| Particulars | March 31, 2025 |
|---|---|
| Net Mark to Market (MTM) | 899.90 |
| Potential Future Exposure (PFE) | 9,902.00 |
| Net Exposure | 10,801.90 |

For the period ending 31st Mar 2025 the Bank has adopted the netting process for computing the exposures in respect of contracts covered by legally enforceable master netting agreements. In respect of trades that are not covered by netting agreements, the exposure is computed as per the 'current exposure methodology' as prescribed by RBI.

The bank does not deal in Credit Default Swaps. The above table does not include the impact of CVA provision which is used to reduce the exposure computation.

## 12. COMPOSITION OF CAPITAL DISCLOSURE TEMPLATES (CAPITAL STRUCTURE)

**Common Equity Tier I Capital:** primarily comprises of interest free capital funds received from Head Office, statutory reserves, capital reserve, general reserves and remittable surplus retained for meeting capital adequacy requirements.

**Additional Tier I Capital**: The bank does not have any Additional Tier I capital.

**Tier II Capital** mainly comprises of the subordinated debt raised from Head Office, investment fluctuation reserve (IFR), provision for country risk, provision towards standard assets (including on positive marked to market and un-hedged foreign currency exposures).

*Quantitative Disclosures as per table DF 11, table DF 12, table DF 13 and DF 14*

The composition of capital as on March 31, 2025 as per Table DF 11, Composition of Capital- Reconciliation Requirements as of March 31, 2025 (Step 1 to 3) as per Table DF 12 and Main Features of Regulatory Capital Instruments as per Table DF 13 are provided as separate annexures to this disclosure.

The Bank has received only interest free capital funds & also raised subordinated debt from Head Office. The terms & condition of same is already disclosed under DF 13. The Bank has not issued any regulatory capital instruments in India. Accordingly, no specific disclosure is required under DF 14.

## 13. REMUNERATION

As per Annex of RBI circular RBI/2019-20/89 DOR.Appt.BC.No.23/29.67.001/2019-20 – Guidelines on compensation of Whole Time Directors /Chief Executive Officers/Risk takers and Control .function staff, etc. on "Compensation guidelines for foreign banks", foreign banks operating in India through branch mode of presence and having their compensation policy governed by their respective Head Office policies are expected to align the policy (In the light of the initiative taken by the FSB, G-20 and the BCBS endorsement of the FSB principles) in line with the Financial Stability Board (FSB) principles. As the bank's compensation structure is in conformity with the FSB principles and standards, no specific qualitative and quantitative disclosure as per table DF 15 is required.

## 14. Equities –Banking Book Positions

*Qualitative & Quantitative disclosures as per table DF 16*

The Bank does not have any equity exposure and disclosure under this section is NIL.

## 15. Leverage Ratio Disclosures

The summary comparison of accounting assets vs. leverage ratio exposure measure as per Table DF 17 and leverage ratio common disclosure as per Table DF 18 are provided as separate annexures to this.

The Basel III leverage ratio is defined as the capital measure (Tier-1 capital of the risk-based capital framework) divided by the exposure measure, with this ratio expressed as a percentage. As per RBI guidelines, the Basel III leverage for the Group at the consolidated level at March 31, 2025 along with the figures of the prior three quarter-end is as follows: -

(Amount in ₹crore)

| Particulars | 31-Mar-25 | 31-Dec-24 | 30-Sep-23 | 30-Jun-24 | 31-Mar-24 |
|---|---|---|---|---|---|
| Tier-1 Capital (A) | 5,115.97 | 4,917.95 | 2,459.08 | 2,472.30 | 2,472.96 |
| Exposure Measure (B) | 40,842.37 | 35,985.31 | 34,215.03 | 30,565.48 | 30,262.93 |
| Leverage Ratio (A/B) | **12.53%** | **13.67%** | **7.19%** | **8.09%** | **8.17%** |

**Bhaskar Singh**
*Chief Financial Officer - India*

**Franck Passillier**
*Senior Country Officer - India*

**Mumbai**
**July 09, 2025**