

## Basel III - Pillar 3 Disclosures as on March 31<sup>st</sup>, 2026

### 1. Scope of Application and Capital Adequacy

**Table DF-1- Scope of application**

**Name of the head of the banking group to which the framework applies:-** **Tamilnad Mercantile Bank Ltd.,**

| <b>Qualitative Disclosures</b>                                                                                                                                                                    | <b>Applicability to our Bank</b>                                                                         |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------|
| a. List of Group entities considered for consolidation.                                                                                                                                           | The Bank does not belong to any group and does not have any associate, subsidiaries, joint venture, etc. |
| b. List of Group entities not considered for consolidation both under the accounting and regulatory scope of consolidation.                                                                       | Not Applicable                                                                                           |
| <b>Quantitative Disclosures</b>                                                                                                                                                                   |                                                                                                          |
| c. List of group entities considered for consolidation                                                                                                                                            | The Bank does not belong to any group and does not have any associate, subsidiaries, joint venture, etc. |
| d. The aggregate amount of capital deficiencies in all subsidiaries which are not included in the regulatory scope of consolidation i.e., that are deducted and the name(s) of such subsidiaries. | Not Applicable                                                                                           |
| e. The aggregate amounts (e.g., Current book value) of the bank's total interests in insurance entities, which are risk-weighted.                                                                 | Not Applicable                                                                                           |
| f. Any restriction or impediments on transfer of funds or regulatory capital within the banking group.                                                                                            | Not Applicable                                                                                           |

## **Table DF-2-Capital Adequacy**

### **Qualitative Disclosures**

#### **A summary discussion of the Bank's approach to assessing the adequacy of its capital to support current and future activities.**

The Bank is following standardized approach, Standardized Duration approach and Basic Indicator approach for measurement of capital charge in respect of credit risk, market risk and operational risk respectively.

The computation of Capital for credit risk under Standardized Approach is done granularly borrower & account wise based on the data captured through Core Banking Solution. Bank is also taking efforts on an ongoing basis for the accuracy of the data. The various aspects of Basel III Capital Regulation norms are imparted to field level staff regularly through circulars and letters for continuous purification of data and to ensure accurate computation of Risk Weight and Capital Charge. The Bank has used the credit risk mitigation in computation of capital for credit risk, as prescribed in the RBI guidelines under Standardized Approach.

The capital for credit risk on Loans and Advances, market risk and operational risk as per the prescribed approaches are being computed at the bank's Head Office and aggregated to arrive at the position of bank's Capital to Risk weighted Assets Ratio (CRAR). The bank has followed the RBI guidelines in force, to arrive at the eligible capital funds, for computing CRAR.

Besides computing CRAR under the Pillar I requirement, the Bank also periodically undertakes stress testing in various risk areas to assess the impact of stressed scenario or plausible events on asset quality, liquidity, profitability and capital adequacy.

The bank conducts Internal Capital Adequacy Assessment Process (ICAAP) on an annual basis to assess the sufficiency of its capital funds to cover the risks specified under Pillar - II of Basel guidelines. The adequacy of Bank's capital funds to meet the future business growth is also assessed in the ICAAP document, which is approved by the Board. While the surplus CRAR available at present acts as a buffer to support the future activities, the headroom available for the bank for mobilizing Tier 1 and Tier 2 capital (subject to approval by the competent authorities) is also assessed to meet the required CRAR against future activities.

The Bank is having high quality Common Equity Tier 1 (CET 1) capital, as the entire components of CET1 capital comprises of Paid-up Capital, Reserves & Surplus and retained earnings.



### **Minimum capital requirements under Basel-III:**

Under the Basel III Capital Regulations, Banks are required to maintain a minimum Pillar 1 Capital (Tier-I + Tier-II) to Risk-weighted Assets Ratio (CRAR) of 9% on an on-going basis. Besides this minimum capital requirement, Basel III also provides for creation of Capital Conservation Buffer (CCB). The CCB requirements were implemented from 31<sup>st</sup> March 2016 in phases and final tranche 0.625% was fully implemented from October 1, 2021 to the extent of 2.50% (total CCB) of Risk Weighted Assets.

The total regulatory capital funds under Basel-III norms consist of the sum of the following categories and banks are required to maintain 11.50% of Risk Weighted Assets (9% + 2.50%) from October 2021.

- Tier 1 Capital comprises of: -
  - Common Equity Tier 1 capital (with a minimum of 5.50%)
  - Additional Tier 1 capital (1.50%)
  - Total Tier 1 capital of minimum 7%
- Tier 2 Capital (2%)
  - Total Tier 1 + Tier 2 should be more than 9%
- Capital Conservation Buffer (CCB) (with a minimum of 2.50%)
  - Total capital including CCB should be 11.50%

In line with the RBI guidelines for implementing the New Capital Adequacy Framework under Basel III, the bank has successfully migrated to Basel III since April 01, 2013.

### **Component of Capital:**

| (₹ in crore)                        |          |
|-------------------------------------|----------|
| Particulars                         | Amount   |
| Common Equity Tier 1 (CET1) Capital | 9704.70* |
| Tier 1 Capital                      | 9704.70  |
| Tier 2 Capital                      | 438.66   |
| Total Capital                       | 10143.36 |

\*The effect of proposed dividend payment of ₹197.94 crore is considered in arriving at the CET 1 capital.



## **Quantitative Disclosure**

|    |                                                                               | (₹ in crore) |          |
|----|-------------------------------------------------------------------------------|--------------|----------|
|    | Particulars                                                                   |              | Amount   |
| a) | <b>Capital requirement for Credit Risk:<br/>(@9% on risk Weighted Assets)</b> |              |          |
|    | • Portfolios subject to Standardised Approach                                 |              | 2225.23  |
|    | • Securitisation exposures                                                    |              | Nil      |
| b) | <b>Capital requirements for Market Risk @ 9 % :</b>                           |              |          |
|    | • Standardised Duration Approach                                              |              | 13.39    |
|    | ○ Interest Rate Risk                                                          | 3.42         |          |
|    | ○ Equity Risk                                                                 | 1.15         |          |
|    | ○ Foreign Exchange Risk                                                       | 8.82         |          |
| c) | <b>Capital requirements for Operational Risk<br/>@ 9% :</b>                   |              |          |
|    | • Basic Indicator Approach                                                    |              | 467.79   |
| d) | Capital required under CCB (2.50%)                                            |              | 751.78   |
| e) | Total Capital required                                                        |              | 3458.19  |
| f) | Total Capital funds available                                                 |              | 10143.36 |
| g) | Total Risk Weighted Assets                                                    |              | 30071.18 |
|    | Common Equity Tier I CRAR                                                     |              | 32.27%   |
|    | Tier I CRAR                                                                   |              | 32.27%   |
|    | Tier II CRAR                                                                  |              | 1.46%    |
| h) | Total CRAR                                                                    |              | 33.73%   |

## **2. Risk exposure and Assessment**

Risk is an integral part of banking business in an ever dynamic environment, which is undergoing radical changes both on the technology front and product offerings. The main risks faced by the bank are credit risk, market risk and operational risk. The bank aims to achieve an optimum balance between risk and return to maximize shareholder value. The relevant information on the various categories of risks faced by the bank is given in the ensuing sections. This information is intended to give market participants a better idea on the risk profile and risk management practices of the bank.

The Bank has a comprehensive risk management system in order to address various risks and has set up an Integrated Risk Management Department (RMD), which is independent of operational departments. Bank has a Risk Management Committee of Board functioning at apex level for formulating, implementing and reviewing bank's risk management measures pertaining to credit, market and operational risks. Apart from the Risk Management Committee of the Board at apex level, the Bank has a strong Bank-wide risk management structure comprising of Credit Risk Management



Committee of Executives (CRMCE), Operational Risk Management Committee of Executives (ORMCE) and Asset Liability Management Committee (ALCO) at senior management level.

The Bank has formulated the required policies such as Loan Policy, Credit Risk Management Policy, Credit Risk Mitigation Techniques & Collateral Management Policy, Integrated Risk Management Policy, ALM Policy, Operational Risk Management Policy, Investment Policy, Foreign Exchange Risk Management Policy, Policy guidelines for Hedging Foreign Currency Exposure, Market Risk Management Policy, Concurrent Audit Policy, Inspection Policy, IS Audit Policy, KYC policy, Credit Monitoring Policy, Stock Audit Policy, Outsourcing Policy, IT Business Continuity and Disaster Recovery Plan (IT BC-DRP), Risk Based Internal Audit Policy, Stress Testing Policy, Disclosure Policy, ICAAP Policy, Model Risk Policy etc., for mitigating the risks in various areas and monitoring the same. The bank continues to focus on refining and improving its risk measurement and management systems.

### **Table DF-3- CREDIT RISK: GENERAL DISCLOSURES**

#### **Qualitative Disclosures:**

##### **a. Credit Risk**

Credit risk is the possibility of losses associated with diminution in the credit quality of borrowers or counter-parties. In a Bank's portfolio, Credit Risk arises mostly from lending activities of the Bank, as a borrower is unable to meet his financial obligations to the lender. It emanates from potential changes in the credit quality / worthiness of the borrowers or counter-parties.

#### **Credit Rating & Appraisal Process**

The Bank has well-structured internal credit rating framework and well-established standardized credit appraisal / approval processes. Credit Rating is a decision-enabling tool that helps the bank to take a view on acceptability or otherwise of any credit proposal. In order to widen the scope and coverage further and to strengthen the credit risk management practices, the bank has developed risk sensitive in-house rating models.

The parameters in internal rating take into consideration, the quantitative and qualitative issues relating to management risk, business risk, industry risk, financial risk, credit discipline and also risk mitigation, based on the collaterals available.



Credit rating, as a concept, has been well internalized within the Bank. The rating of eligible borrower is reviewed at least once in a year. The Bank uses the credit ratings for deciding the interest rates on borrowal accounts. The advantage of credit rating is that it enables to rank different proposals and to do meaningful comparison.

With the view to migrate to advanced approaches in credit risk, the Bank has implemented the system driven rating using web based rating model solutions (RAM CRRM & CRESS) acquired from M/s.Crisil Risk & Infrastructure solutions Ltd.

The bank follows a well-defined multi layered discretionary power structure for sanction of loans. New Business Group (NBG) has been constituted at HO for considering in-principle approval for taking up fresh credit proposals above a specified cut-off.

### **Credit Risk Management Policies:**

The Bank has put in place a well-structured Credit Risk Management Policy duly approved by the Bank's Board. The Policy document defines organization structure, roles & responsibilities and the processes whereby the Credit Risks carried out by the Bank can be identified, quantified & managed within the framework that the Bank considers consistent with its mandate and risk tolerance.

Credit Risk is monitored on a bank-wide basis and compliance with the risk limits approved by Board/Risk Management Committee of Board is ensured.

The Bank has taken earnest steps to put in place best credit risk management practices in the bank. In addition to Credit Risk Management Policy, the bank has also framed Board approved Loan Policy, Investment Policy, etc., which form integral part in monitoring Credit risk in the bank. Besides, the bank has framed a policy on Credit Risk Mitigation Techniques & Collateral Management which lays down the details of securities (both Primary and Collateral) normally accepted by the Bank and administration of such securities to protect the interest of the Bank. These securities act as mitigation against the credit risk to which the bank is exposed.

### **Classification of Non-Performing Assets**

The Bank follows the prudential guidelines issued by the RBI on classification of non-performing assets as under,

- i) interest and/or installment of principal remain overdue for a period of more than 90 days in respect of a term loan.



- ii) the account remains 'out of order' if the outstanding balance remains continuously in excess of sanctioned limits / DP for more than 90 days in respect of Overdraft / Cash Credit (OD/CC).
- iii) the bill remains overdue for a period of more than 90 days in the case of bills purchased and discounted.
- iv) the installment of principal or interest thereon remains overdue for two crop seasons for short duration crop.
- v) the installment of principal or interest thereon remains overdue for one crop season for long duration crops.
- vi) 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.
- vii) an account where the regular / adhoc credit limits have not been reviewed / renewed within 180 days from the due date / date of adhoc sanction will be treated as NPA.

Where the interest charged during any quarter is not serviced fully within 90 days from the end of the quarter, the account is classified as non-performing. A non-performing asset ceases to generate income for the bank.

**b. Gross Credit Risk exposures as on 31.03.2026**

| (₹ in crore)                |                       |
|-----------------------------|-----------------------|
| Category                    | Gross Credit Exposure |
| Fund Based <sup>1</sup>     | 61909.73              |
| Non Fund Based <sup>2</sup> | 1681.50               |
| Total                       | 63591.23              |

1. Fund based exposure includes advances, un-availed portion (including credit card un-availed) of fund based advances.
2. Non-Fund Based exposure includes outstanding Letter of Credit, Acceptances, Bank Guarantee Exposures and credit equivalent of Forward Contracts.



**c. Geographical Distribution of Gross Credit Exposures as on 31.03.2026**

(₹ in crore)

| Exposure Distribution | Treasury        | Corporate / Wholesale banking |                | Retail Banking  |               | Total credit Exposure |                |
|-----------------------|-----------------|-------------------------------|----------------|-----------------|---------------|-----------------------|----------------|
|                       |                 | FB                            | NFB            | FB              | NFB           | FB                    | NFB            |
| Domestic              | 15739.40        | 12872.31                      | 1177.01        | 49037.42        | 504.49        | 61909.73              | 1681.50        |
| Overseas              | 0.00            | 0.00                          | 0.00           | 0.00            | 0.00          | 0.00                  | 0.00           |
| <b>Total</b>          | <b>15739.40</b> | <b>12872.31</b>               | <b>1177.01</b> | <b>49037.42</b> | <b>504.49</b> | <b>61909.73</b>       | <b>1681.50</b> |

**d. Industry type distribution of credit exposures as on 31.03.2026**

(₹ in crore)

| Industry Name                                                          | Exposures      |               |               |                 |
|------------------------------------------------------------------------|----------------|---------------|---------------|-----------------|
|                                                                        | FB             | NFB           | Investment    | Total           |
| A. Mining and Quarrying                                                | 173.94         | 1.61          | 30.19         | 205.74          |
| B. Food Processing                                                     | 2003.09        | 138.15        | 0.45          | 2141.69         |
| C. Beverages (excluding Tea & Coffee) and Tobacco                      | 64.21          | 0.00          | 0.00          | 64.21           |
| D. Textiles                                                            | 3608.06        | 54.41         | 0.00          | 3662.47         |
| E. Leather and Leather products                                        | 22.01          | 0.00          | 0.00          | 22.01           |
| F. Wood and Wood Products                                              | 274.50         | 21.16         | 0.00          | 295.66          |
| G. Paper and Paper Products                                            | 470.02         | 5.85          | 0.00          | 475.87          |
| H. Petroleum (non-infra), Coal Products (non-mining) and Nuclear Fuels | 33.43          | 0.53          | 3.90          | 37.86           |
| I. Chemicals and Chemical Products (Dyes, Paints, etc.)                | 694.62         | 10.67         | 0.00          | 705.29          |
| J. Rubber, Plastic and their Products                                  | 346.15         | 13.49         | 0.00          | 359.64          |
| K. Glass & Glassware                                                   | 138.84         | 2.59          | 0.00          | 141.43          |
| L. Cement and Cement Products                                          | 130.41         | 3.50          | 0.00          | 133.91          |
| M. Basic Metal and Metal Products                                      | 515.14         | 2.79          | 0.00          | 517.93          |
| N. All Engineering                                                     | 368.84         | 37.70         | 0.00          | 406.54          |
| O. Vehicles, Vehicle Parts and Transport Equipments                    | 33.34          | 127.37        | 0.70          | 161.41          |
| P. Gems and Jewellery                                                  | 128.87         | 0.00          | 0.00          | 128.87          |
| Q. Construction                                                        | 107.20         | 0.10          | 0.00          | 107.30          |
| R. Infrastructure                                                      | 544.57         | 57.42         | 83.88         | 685.87          |
| S. Other Industries, pl. specify                                       | 66.65          | 394.90        | 0.00          | 461.55          |
| <b>All Industries (A to S) *</b>                                       | <b>9723.89</b> | <b>872.24</b> | <b>119.12</b> | <b>10715.25</b> |

\*Exclude all other advances / investments



The details of the industries wherein the bank's exposure in the related industry has exceeded the 5% of total gross credit exposure as on 31.03.2026 is furnished below:

(₹ in crore)

| Industry | Fund Based | Non Fund Based | % to Gross Credit Exposures |
|----------|------------|----------------|-----------------------------|
| Textile  | 3608.06    | 54.41          | 5.76%                       |

**e. Residual Contractual Maturity Breakdown of assets as on 31.03.2026**

(₹ in crore)

| Maturity Buckets         | Cash and Balance with RBI | Balance with Banks and Money at Call and Short Notice | Investments     | Advances        | Fixed Assets  | Other Assets   | Grand Total     |
|--------------------------|---------------------------|-------------------------------------------------------|-----------------|-----------------|---------------|----------------|-----------------|
| Next day                 | 773.66                    | 1004.73                                               | 3293.37         | 1220.12         | 0.00          | 20.67          | 6312.55         |
| 2-7 days                 | 32.17                     | 205.60                                                | 298.67          | 475.12          | 0.00          | 125.13         | 1136.69         |
| 8-14 days                | 31.97                     | 0.00                                                  | 170.03          | 403.61          | 0.00          | 33.40          | 639.01          |
| 15-30 days               | 72.46                     | 88.00                                                 | 549.21          | 948.23          | 0.00          | 136.43         | 1794.33         |
| 31 days & Upto 2 months  | 74.87                     | 176.00                                                | 1782.60         | 2768.37         | 0.00          | 87.06          | 4888.90         |
| 2 months & Upto 3 months | 54.07                     | 220.00                                                | 586.96          | 1889.18         | 0.00          | 106.84         | 2857.05         |
| 3 to 6 months            | 183.42                    | 0.00                                                  | 1364.11         | 9470.95         | 0.00          | 100.44         | 11118.92        |
| 6 months to 1 year       | 180.71                    | 0.00                                                  | 1159.63         | 12603.54        | 0.00          | 54.26          | 13998.14        |
| 1 year to 3 years        | 1065.24                   | 0.00                                                  | 5894.95         | 15025.26        | 0.00          | 233.22         | 22218.67        |
| 3 to 5 years             | 13.20                     | 0.00                                                  | 197.82          | 2782.60         | 0.00          | 914.28         | 3907.90         |
| Above 5 years            | 38.84                     | 0.00                                                  | 395.33          | 5535.68         | 310.56        | 147.03         | 6427.44         |
| <b>Total</b>             | <b>2520.61</b>            | <b>1694.33</b>                                        | <b>15692.68</b> | <b>53122.66</b> | <b>310.56</b> | <b>1958.76</b> | <b>75299.60</b> |



**f. Amount of Gross Non-Performing Advances (NPAs) as on 31.03.2026 :**  
(₹ in crore)

| Amount of Gross NPAs           |               |
|--------------------------------|---------------|
| Amount of NPAs (Gross)         | <b>388.21</b> |
| • Substandard                  | <b>72.87</b>  |
| • Doubtful                     | <b>287.89</b> |
| Of which DF1                   | 72.45         |
| DF2                            | 215.05        |
| DF3                            | 0.39          |
| • Loss                         | <b>27.45</b>  |
| <b>Net NPAs</b>                | <b>97.40</b>  |
| <b>NPA Ratios</b>              |               |
| • Gross NPAs to gross advances | 0.73          |
| • Net NPAs to net advances     | 0.18          |

**g. Movement of NPAs(Gross):**  
(₹ in crore)

| Movement of NPAs                   |        |
|------------------------------------|--------|
| • Opening Balance as on 01.04.2025 | 556.13 |
| • Additions                        | 85.33  |
| • Reductions                       | 253.25 |
| • Closing Balance as on 31.03.2026 | 388.21 |

**h. Movement of provisions**

**a. Movement of provisions for NPAs:-**

| (₹ in crore)                                                    |        |
|-----------------------------------------------------------------|--------|
| Movement of specific provisions for NPAs                        |        |
| • Opening Balance as on 01.04.2025                              | 363.50 |
| • Provisions made during the period                             | 102.50 |
| • Write off                                                     | 149.69 |
| • Reductions                                                    | 0.00   |
| • Write back of excess provisions                               | 86.33  |
| • Any other adjustments, including transfers between provisions | 0.00   |
| • Closing Balance as on 31.03.2026                              | 229.98 |

**b. Movement of Provisions of Standard Assets:-****(₹ in crore)**

| Particulars                                                    |        |
|----------------------------------------------------------------|--------|
| • Opening Balance as on 01.04.2025                             | 162.04 |
| • Provisions made during the period                            | 35.15  |
| • Write back of excess provisions                              | 12.22  |
| • Any other adjustments, including transfer between provisions | 0.00   |
| • Closing Balance as on 31.03.2026                             | 184.97 |

**c. Stock of Technical / Prudential Write-offs and recoveries made thereon:-****(₹ in crore)**

| Particulars                                                                                                              | Amount   |
|--------------------------------------------------------------------------------------------------------------------------|----------|
| Opening balance for recoveries of Technical / Prudential written- off accounts as on 01.04.2025                          | 2067.82  |
| Add: Technical / Prudential write-offs accounts during the period                                                        | 149.69   |
| Less: Recoveries from previously technical / prudential written- off accounts taken to income account during the period. | 77.86(*) |
| Closing balance as on 31.03.2026                                                                                         | 2139.65  |

**(\*) Including principal waiver of ₹3.84 crore****i. Non-Performing Investments (NPIs) as on 31.03.2026:****(₹ in crore)**

|                                                          |       |
|----------------------------------------------------------|-------|
| <b>a. Non-Performing Investments</b>                     | 56.32 |
| <b>b. Provisions held for non-performing investments</b> | 56.32 |

**k. Movement of provisions for depreciation on investments:****(₹ in crore)**

|                                                                                                       |       |
|-------------------------------------------------------------------------------------------------------|-------|
| • Opening Balance as on 01.04.2025                                                                    | -5.95 |
| • Provisions made during the period (01.04.2025-31.03.2026)                                           | -3.64 |
| • Write-off                                                                                           | 0.00  |
| • Amount adjusted for shifting of securities                                                          | 0.00  |
| • Excess provision reversed                                                                           | 0.00  |
| • Provision transferred to General Reserve at the time transition to new RBI guidelines on 01.04.2025 | 0.00  |
| • Closing Balance as on 31.03.2026                                                                    | -9.59 |

# I. Industry wise distribution of NPAs:

(₹ in crore)

| Industry Name                                                          | As on March 31, 2026 |                   |                          | For the quarter ended March 31, 2026 |                   |                          |
|------------------------------------------------------------------------|----------------------|-------------------|--------------------------|--------------------------------------|-------------------|--------------------------|
|                                                                        | Gross NPA            | Provision for NPA | Standard Asset Provision | Write – Off                          | Provision for NPA | Standard Asset Provision |
| A. Mining and Quarrying                                                | 0.01                 | 0.01              | 0.62                     | 3.77                                 | -0.28             | 0.01                     |
| B. Food Processing                                                     | 2.80                 | 1.32              | 5.04                     | 2.84                                 | -2.83             | 0.15                     |
| C. Beverages (excluding Tea & Coffee) and Tobacco                      | 0.29                 | 0.20              | 0.18                     | 0.40                                 | -0.47             | -0.03                    |
| D. Textiles                                                            | 184.31               | 145.43            | 6.98                     | 10.72                                | -12.79            | 0.23                     |
| E. Leather and Leather products                                        | 0.52                 | 0.17              | 0.07                     | 0.00                                 | 0.05              | -0.06                    |
| F. Wood and Wood Products                                              | 0.00                 | 0.00              | 0.72                     | 0.61                                 | -0.01             | -0.12                    |
| G. Paper and Paper Products                                            | 0.63                 | 0.16              | 1.22                     | 0.13                                 | -0.05             | -0.11                    |
| H. Petroleum (non-infra), Coal Products (non-mining) and Nuclear Fuels | 0.00                 | 0.00              | 0.07                     | 0.00                                 | 0.00              | -1.38                    |
| I. Chemicals and Chemical Products (Dyes, Paints, etc.)                | 1.14                 | 0.29              | 1.18                     | 0.06                                 | -0.03             | -0.03                    |
| J. Rubber, Plastic and their Products                                  | 9.04                 | 2.26              | 1.12                     | 0.60                                 | -1.43             | -0.05                    |
| K. Glass & Glassware                                                   | 1.41                 | 0.35              | 0.35                     | 0.00                                 | 0.00              | 0.00                     |
| L. Cement and Cement Products                                          | 0.20                 | 0.05              | 0.34                     | 0.00                                 | -0.60             | 0.06                     |
| M. Basic Metal and Metal Products                                      | 6.00                 | 1.72              | 1.45                     | 0.36                                 | 0.41              | 0.08                     |
| N. All Engineering                                                     | 2.91                 | 0.95              | 2.06                     | 0.00                                 | 0.23              | 0.03                     |
| O. Vehicles, Vehicle Parts and Transport Equipments                    | 0.29                 | 0.12              | 0.06                     | 0.00                                 | -0.13             | 0.00                     |
| P. Gems and Jewellery                                                  | 0.00                 | 0.00              | 0.31                     | 0.00                                 | 0.00              | 0.11                     |
| Q. Construction                                                        | 0.00                 | 0.00              | 0.26                     | 0.00                                 | 0.00              | -0.01                    |
| R. Infrastructure                                                      | 17.65                | 11.90             | 1.51                     | 0.00                                 | 0.00              | 0.31                     |
| S. Other Industries, pl. specify                                       | 1.23                 | 0.20              | 0.14                     | 3.02                                 | -2.70             | -0.12                    |
| <b>All Industries (A to S)</b>                                         | <b>228.43</b>        | <b>165.13</b>     | <b>23.68</b>             | <b>22.51</b>                         | <b>-20.63</b>     | <b>-0.93</b>             |
| All others                                                             | 159.78               | 64.85             | 161.29                   | 127.18                               | -60.73            | 8.51                     |
| <b>Total</b>                                                           | <b>388.21</b>        | <b>229.98</b>     | <b>184.97</b>            | <b>149.69</b>                        | <b>-81.36</b>     | <b>7.58</b>              |



**m. Geographic distribution of NPAs as on 31.03.2026:**

(₹ in crore)

| Particulars                   | Domestic | Overseas | Total  |
|-------------------------------|----------|----------|--------|
| Gross NPA                     | 388.21   | 0.00     | 388.21 |
| Provisions for NPA            | 229.98   | 0.00     | 229.98 |
| Provision for Standard assets | 184.97   | 0.00     | 184.97 |

**Table DF – 4**

**CREDIT RISK: DISCLOSURES FOR PORTFOLIOS SUBJECT TO THE  
STANDARDISED APPROACH**

**Qualitative disclosures:**

**a) General Principle:**

In accordance with RBI guidelines, the Bank has adopted Standardized Approach of the New Capital Adequacy Framework (NCAF) for computation of capital for Credit Risk with effect from 31.03.2009. Bank has assigned risk weights to different assets classified as prescribed by the RBI for computation of capital.

**External Credit Ratings:**

Rating of borrowers by External Credit Rating Agencies (ECRA) assume importance in the light of guideline for implementation of the New Capital Adequacy Framework (Basel-II). Exposures on Corporate / PSEs / Primary Dealers are assigned with risk weights based on the external ratings. For this purpose, the Reserve Bank of India has permitted Banks to use the rating of the seven domestic ECRAs namely (a) Credit Analysis and Research Ltd., (CARE), (b) CRISIL Ratings Ltd., (c) India Ratings and Research P Ltd., (Formerly Fitch India) (d) ICRA Ltd., (e) ACUTE Ratings and Research Limited (Formerly SMERA Ratings Ltd) and (f) INFOMERICS Valuation, Rating Pvt Ltd., (INFOMERICS) and (g) Brickwork Ratings India Private Limited (BRICKWORK). Bank is also using the ratings of international credit rating agencies such as (a) Fitch (b) Moody's (c) Standard & Poor's and (d) CareEdge Global IFSC Ltd., for assigning risk weights to claims for capital adequacy purposes where the exposure can be specified as international exposure. In consideration of the above guidelines, the bank accepts the ratings assigned by all these ECRAs.



The bank has well-structured internal credit rating mechanism to evaluate the credit risk associated with a borrower and accordingly the systems are in place for taking credit decisions with regard to acceptability of proposals and level of exposures and pricing.

In case of bank's investment in particular issues of Corporate / PSEs, the issue specific rating of the approved ECRA's are reckoned and accordingly the risk weights applied after a corresponding mapping to rating scale is provided.

With regard to the coverage of exposures by external ratings as relevant for capital computation under Standardized Approach, the process is being popularized among the borrowers so as to take the benefit of capital relief available for better rating of customers.

- Rating assigned by one rating agency can be used for all the types of claims on the borrowing entity.
- Long term ratings are used for facilities with contractual maturity of one year & above.
- Short term ratings are generally applied for facilities with contractual maturity of less than one year.

### **Quantitative Disclosures**

For exposure amounts after risk mitigation subject to the standardized approach, amount of a bank's outstanding (rated and unrated) in the following three major risk buckets as well as those that are deducted as per risk mitigation are given below:-

| (₹ in crore)                       |              |                |                |
|------------------------------------|--------------|----------------|----------------|
| <b>Risk Weight</b>                 | <b>Rated</b> | <b>Unrated</b> | <b>Total *</b> |
| Below 100%                         | 1396.59      | 39242.07       | 40638.66       |
| 100%                               | 1469.19      | 8501.80        | 9970.99        |
| More than 100%                     | 2236.51      | 10745.08       | 12981.59       |
| Total Exposure before mitigation   | 5102.29      | 58488.95       | 63591.24       |
| Deducted (as per Risk Mitigation)  | 35.29        | 26293.14       | 26328.43       |
| Total outstanding after mitigation | 5067.00      | 32195.81       | 37262.81       |

\* This includes total gross credit exposure i.e. (FB+ NFB (including 2% of Forward Contract) + undrawn or partially undrawn fund-based facility)



## **Table DF – 5**

### **CREDIT RISK MITIGATION: DISCLOSURE FOR STANDARDISED APPROACHES**

#### **Qualitative disclosures:**

##### **Policy on Credit Risk Mitigation under Standardized Approach:**

As advised by RBI, the Bank has adopted the comprehensive approach relating to credit risk mitigation under Standardized Approach, which allows fuller offset of securities (primary and collateral) against exposures, by effectively reducing the exposure amount by the value ascribed to the securities. Thus, the eligible financial collaterals are fully used to reduce the credit exposure in computation of credit risk capital. In doing so, the bank has recognized specific securities namely (a) bank's own deposits (b) Gold/Ornaments (c) Life Insurance Policies (d) Government Securities (e) NSC/KVP etc and (f) Units of Mutual Funds, in line with the RBI guidelines on the subject.

Besides, other approved forms of credit risk mitigation are "On Balance Sheet netting" and availability of "Eligible Guarantees". On balance sheet nettings has been reckoned to the extent of the deposits available against the loans /advances of the borrower (to the extent of exposure) as per the RBI guidelines. Further, in computation of credit risk capital, the types of guarantees recognized for taking mitigation, in line with RBI guidelines are (a) Central Government Guarantee (0%) (b) Credit Risk Guarantee Fund Trust for Low Income Housing (CRGFTLIH) (0%) (c) CGTMSE (0%) (d) State Government (20%) (e) ECGC (20%) and (f) Bank Guarantee in the form of bills purchased / discounted under Letter of credit (20%). The Bank has ensured compliance of legal certainty as prescribed by the RBI in the matter of credit risk mitigation.

##### **Concentration Risk in Credit Risk Mitigation:**

All types of securities eligible for mitigation are easily realizable financial securities. As such, presently no limit/ceiling has been prescribed to address the concentration risk in credit risk mitigants recognized by the Bank.



**Quantitative Disclosures:**

(₹ in crore)

| <b>a. For each separately disclosed credit risk portfolio, the total exposure (after, where applicable, on or off-balance sheet netting) that is covered by eligible financial collateral (FCs) after the application of haircuts is given below:</b> |                         |                             |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|-----------------------------|
| Portfolio category                                                                                                                                                                                                                                    | Financial collateral    | Quantum of exposure covered |
| 1. Funded – Credit                                                                                                                                                                                                                                    | Bank's own deposits     | <b>1282.76</b>              |
| 2. Funded – Credit                                                                                                                                                                                                                                    | Gold jewels             | <b>24788.64</b>             |
| 3. Funded – Credit                                                                                                                                                                                                                                    | Life Insurance policies | <b>21.76</b>                |
| 4. Funded – Credit                                                                                                                                                                                                                                    | NSC/KVP                 | <b>1.82</b>                 |
| 5. Non-Funded                                                                                                                                                                                                                                         | Bank's own deposits     | <b>350.12</b>               |
| <b>b. For each separately disclosed portfolio, the total exposure (after, on balance sheet netting) that is covered by Guarantees:</b>                                                                                                                |                         |                             |
| 1. Funded – Credit                                                                                                                                                                                                                                    | ECGC                    | <b>300.00</b>               |
| 2. Funded – Credit                                                                                                                                                                                                                                    | CGTMSE                  | <b>144.07</b>               |

**Table DF - 6****Securitization: Disclosure for standardized approach****Qualitative Disclosures**

The bank has not undertaken any securitization activity.

**Quantitative Disclosures:** NIL

**Table DF-7****MARKET RISK IN TRADING BOOK****Qualitative Disclosures:****a) Market Risk:**

Market Risk is defined as the possibility of loss to a bank in on-balance sheet and off-balance sheet positions caused by the changes / movements in the market variables such as interest rates, foreign currency exchange rates, equity prices and commodity prices. Bank's exposure to market risk arises from domestic investments (interest related instruments and equities) in trading book (HFT category), the foreign exchange positions (including open position in precious metals) and trading related derivatives. The objective of the market risk management is to minimize the impact of losses on earnings and equity capital arising from market risk.



### **Policies for management of Market Risk:**

The bank has put in place Board approved Asset Liability Management (ALM) policy, Investment Policy and Market Risk Management Policy for effective management of market risk in the bank. The policy sets various risk limits for effective management of market risk and ensuring that the operations are in line with Bank's expectation of return to market risk through proper Asset Liability Management. The policy also deals with the reporting framework for effective monitoring of market risk.

The ALM policy specifically deals with liquidity risk management and interest rate risk management framework. As envisaged in the policy, Liquidity risk is managed through the mismatch analysis, based on residual maturity / behavioral pattern of assets and liabilities, on a daily basis based on best available data coverage, as prescribed by the RBI. The bank has put in place mechanism of short-term dynamic liquidity management and contingent funding plan. Prudential (tolerance) limits are prescribed for different residual maturity time buckets for efficient asset liability management. Liquidity profile of the bank is evaluated through various liquidity ratios. The bank has also drawn various contingent measures to deal with any kind of stress on liquidity position. Bank ensures adequate liquidity managed on a real time basis by Domestic Treasury through systematic and stable funds planning.

Interest Rate Risk is managed through use of GAP analysis of rate sensitive assets and liabilities and monitored through prudential (tolerance) limits prescribed. The bank has also put in place Duration Gap Analysis framework for management of interest rate risk. The bank estimates Earnings at Risk (EaR) and Modified Duration Gap (DGAP) periodically against adverse movement in interest rate (as prescribed in the Policy) for assessing the impact on Net Interest Income (NII) and Economic Value of Equity (EVE) with a view to optimize shareholder value.

The Asset-Liability Management Committee (ALCO) / Risk Management Committee of Board (RMCB) monitors adherence of prudential limits fixed by the bank and determines the strategy in the light of the market condition (current and expected) as articulated in the ALM policy.

### **Quantitative Disclosures:**

- b) In line with the RBI's guidelines, the bank has computed capital for market risk as per Standardized Duration Approach (SDA) framework for maintaining capital. The Capital requirements for market risk in trading Book as on 31.03.2026 is as below,



(₹ in crore)

|                         |              |
|-------------------------|--------------|
| • Interest Rate Risk    | 3.42         |
| • Equity Position Risk  | 1.15         |
| • Foreign Exchange Risk | 8.82         |
| <b>Total</b>            | <b>13.39</b> |

**Table DF – 8**

**OPERATIONAL RISK**

**Qualitative Disclosures:**

**a) Operational Risk:**

Operational Risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. Operational risk includes legal risk but excludes strategic and reputation risks.

**Policies on management of Operational Risk:**

The Bank has framed Operational Risk Management Policy duly approved by the Bank's Board. Other policies adopted by the Board which deal with management of Operational risk are (a) Information Systems Security Policy (b) Foreign Exchange Risk Management Policy (c) Policy document on Know Your Customers (KYC) and Anti Money Laundering (AML) Procedures (d) Fraud Risk Management Policy (e) IT Business Continuity and Disaster Recovery Plan (IT BC-DRP).

The Operational Risk Management Policy adopted by the Bank outlines organization structure and detail processes for management of operational risk. The basic objective of the policy is to closely integrate operational risk management system into the day-to-day risk management processes of the bank by clearly assigning roles for effectively identifying, assessing, monitoring and controlling / mitigating operational risk and by timely reporting of operational risk exposures, including material operational losses. Operational risks in the Bank are managed through comprehensive and well-articulated internal control frameworks.

**Quantitative Disclosures:**

- b) In line with the guidelines issued by RBI, the Bank has adopted the Basic Indicator Approach for computing capital for Operational Risk. As per the guidelines, the capital charge for Operational Risk is equal to the 15 % of the previous three years (2022-23, 2023-24 & 2024-25) average positive annual Gross income as defined by RBI. As per such estimate, the capital requirement for operational risk as on 31.03.2026 is **₹467.79 crore**.



## **Table DF – 9**

### **INTEREST RATE RISK IN THE BANKING BOOK (IRRBB)**

#### **Qualitative Disclosures:**

##### **a) Interest Rate Risk in the Banking Book:**

Interest Rate Risk is the risk where changes in the market interest rates might affect a bank's financial condition. Changes in interest rates affect both the current earnings (earnings perspective) as also the net worth of the Bank (economic value perspective). The risk from earnings perspective can be measured as impact in the Net Interest Income (NII) or Net Interest Margin (NIM). Similarly, the risk from economic value perspective can be measured as drop in the Economic value of Equity (EVE).

The Bank identifies the risks associated with the changing interest rates on its on-balance sheet and off-balance sheet exposures in the banking book from a short term (Earning perspective) and long term (Economic value perspective).

The impact on income (Earning perspective) is measured by using Earnings at Risk (EaR) with the assumption that the re-pricing dates of assets and liabilities are evenly spread across the respective time buckets and the change in interest rate is uniform across the maturity spectrum. The prudential limit on EaR will be 10% of the previous year Net Interest Income (NII). For the calculation of impact on earnings, the Traditional Gap is taken from the Rate Sensitivity Statement and based on the remaining period from the mid point of a particular bucket the impact for change in interest rates upto 100 bps is arrived at. The same is reported to ALCO/Risk Management Committee of Board (RMCB) periodically along with the Rate Sensitivity statement on monthly basis.

The Bank has adopted Traditional Gap Analysis combined with Duration Gap Analysis for assessing the impact (as a percentage) on the Economic value of Equity (Economic Value Perspective) by applying a notional interest rate shock of 200 bps. As per the Guidelines on Banks "Asset Liability Management" Directions, 2025 issued by the RBI DOR.LRG.No.82/13-10-001/2025-26 dated 28.11.2025, the Bank calculates Modified Duration Gap (DGAP) & the impact on the Economic Value of equity (EVE). Assets and Liabilities are grouped as per Interest Rate Sensitivity Statement & bucket wise Modified Duration is computed for these groups of Assets and Liabilities using account level coupon and yield as per yield curves suggested by RBI, actual Re-price date of the individual account is considered for bucketing, Weighted average Modified duration is calculated at account level by using "Market value", the yield is taken as per the internal rating and external rating mapping at account level, Modified duration



is calculated individually for each forward and swap contracts. For investment portfolio, the Modified Duration of individual items are computed and taken. The DGAP is calculated by the Bank once in a month and is reported to ALCO/ Risk Management Committee of Board (RMCB).

The Asset-Liability Management Committee (ALCO) / Risk Management Committee of Board (RMCB) monitors adherence of prudential limits fixed by the bank and determines the strategy in the light of market conditions (current and expected).

### **Quantitative Disclosures:**

The increase or decrease in earnings and economic value for upward and downward rate shocks based on the assets and liabilities outstanding as on 31.03.2026 are as follows.

1. The impact of change in Interest Rate i.e Earnings at Risk for increasing 100 Basis points interest rate shock is ₹176.39 cr (7.67 % of previous year Net Interest Income).
2. Change in Market Value of Equity for 200 basis points interest rate shock is ₹436.76 cr (4.32% of Net worth)



**TABLE DF – 10**

**General disclosures for exposures related to counterparty credit risk**

Counterparty Credit Risk (CCR) is the risk that a counter party to a transaction could default before the final settlement of the transaction cash flows. Unlike a firm's exposure to credit risk through a loan, where the exposure to credit risk is unilateral and only the lending bank faces the risk of loss, CCR creates a bilateral risk of loss to either party.

Counterparty credit risk in case of derivative contracts arises from the forward contracts. The subsequent credit risk exposures depend on the value of underlying market factors (e.g., interest rates and foreign exchange rates), which can be volatile and uncertain in nature. The Bank does not enter into derivative transactions other than forward contracts.

**Credit exposures on forward contracts**

The Bank enters into the forward contracts in the normal course of business for proprietary trading and arbitrage purposes, as well as for our own risk management needs, including mitigation of interest rate and foreign currency risk. Derivative exposures are calculated according to the current exposure method.

**Counterparty Credit exposure as on March 31, 2026**

| (₹ in crore)      |                 |                                                         |                                  |                                                           |
|-------------------|-----------------|---------------------------------------------------------|----------------------------------|-----------------------------------------------------------|
| Nature            | Notional Amount | Current Credit Exposure (positive mark to market value) | Potential Future Credit Exposure | Total Credit Exposure under Current Exposure Method (CEM) |
| Forward contracts | 7428.79         | 55.34                                                   | 153.13                           | 208.47                                                    |



## Composition of Capital Disclosure Templates

### TABLE DF – 11: Composition of Capital

#### Part I

(₹ in crore)

| Common Equity Tier 1 capital: instruments and reserves                                                 |                                                                                                                                                                                                                                                                     |          | Ref No. |
|--------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|---------|
| 1                                                                                                      | Directly issued qualifying common share capital plus related stock surplus (share premium)                                                                                                                                                                          | 927.58   |         |
| 2                                                                                                      | Retained earnings                                                                                                                                                                                                                                                   |          |         |
| 3                                                                                                      | Accumulated other comprehensive income (and other reserves)                                                                                                                                                                                                         | 8880.63* |         |
| 4                                                                                                      | <i>Directly issued capital subject to phase out from CET1 (only applicable to non-joint stock companies)</i>                                                                                                                                                        |          |         |
| 5                                                                                                      | Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)                                                                                                                                                                |          |         |
| 6                                                                                                      | <b>Common Equity Tier 1 capital before regulatory adjustments</b>                                                                                                                                                                                                   | 9808.21  |         |
| Common Equity Tier 1 capital : Regulatory adjustments                                                  |                                                                                                                                                                                                                                                                     |          |         |
| 7                                                                                                      | Prudential valuation adjustments                                                                                                                                                                                                                                    |          |         |
| 8                                                                                                      | Goodwill (net of related tax liability)                                                                                                                                                                                                                             |          |         |
| 9                                                                                                      | Intangibles (net of related tax liability)                                                                                                                                                                                                                          | 92.53    |         |
| 10                                                                                                     | Deferred tax assets                                                                                                                                                                                                                                                 |          |         |
| 11                                                                                                     | Cash-flow hedge reserve                                                                                                                                                                                                                                             |          |         |
| 12                                                                                                     | Shortfall of provisions to expected losses                                                                                                                                                                                                                          |          |         |
| 13                                                                                                     | Securitization gain on sale                                                                                                                                                                                                                                         |          |         |
| 14                                                                                                     | Gains and losses due to changes in own credit risk on fair valued liabilities                                                                                                                                                                                       |          |         |
| 15                                                                                                     | Defined-benefit pension fund net assets                                                                                                                                                                                                                             |          |         |
| 16                                                                                                     | Investments in own shares (if not already netted off paid-up capital on reported balance sheet)                                                                                                                                                                     |          |         |
| 17                                                                                                     | Reciprocal cross-holdings in common equity                                                                                                                                                                                                                          |          |         |
| 18                                                                                                     | Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold) |          |         |
| 19                                                                                                     | Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions (amount above 10% threshold)                                                       |          |         |
| *The effect of proposed dividend payment of Rs.197.94 crore is considered in computing Tier I capital. |                                                                                                                                                                                                                                                                     |          |         |



|                                               |                                                                                                                                                           |         |  |
|-----------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------|---------|--|
| 20                                            | Mortgage servicing rights<br>(amount above 10% threshold)                                                                                                 |         |  |
| 21                                            | Deferred tax assets arising from temporary differences<br>(amount above 10% threshold, net of related tax liability)                                      |         |  |
| 22                                            | Amount exceeding the 15% threshold                                                                                                                        |         |  |
| 23                                            | of which : significant investments in the common stock of financial entities                                                                              |         |  |
| 24                                            | of which : mortgage servicing rights                                                                                                                      |         |  |
| 25                                            | of which : deferred tax assets arising from temporary differences                                                                                         |         |  |
| 26                                            | National specific regulatory adjustments<br>(26a+26b+26c+26d)                                                                                             |         |  |
| 26a                                           | of which : Investments in the equity capital of unconsolidated insurance subsidiaries                                                                     |         |  |
| 26b                                           | of which : Investments in the equity capital of unconsolidated non- financial subsidiaries                                                                |         |  |
| 26c                                           | of which : Shortfall in the equity capital of majority owned financial entities which have not been consolidated with the bank                            |         |  |
| 26d                                           | of which: Unrealised profits arising because of transfer of loans                                                                                         |         |  |
| 26e                                           | of which: deductions applicable on account of SRs guaranteed by the Government of India                                                                   |         |  |
| 26f                                           | of which: Intra-group exposures beyond permissible limits                                                                                                 |         |  |
| 26g                                           | of which: Net unrealised gains arising on fair valuation of Level 3 financial instruments recognised in the Profit and Loss Account or in the AFS-Reserve | 10.98   |  |
| 27                                            | Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions                               |         |  |
| 28                                            | <b>Total regulatory adjustments to Common equity Tier 1</b>                                                                                               | 103.51  |  |
| 29                                            | <b>Common Equity Tier 1 capital (CET1)</b>                                                                                                                | 9704.70 |  |
| <b>Additional Tier 1 capital: instruments</b> |                                                                                                                                                           |         |  |
| 30                                            | Directly issued qualifying Additional Tier 1 instruments plus related stock surplus (share premium) (31+32)                                               |         |  |
| 31                                            | of which : classified as equity under applicable accounting standards (Perpetual Non-Cumulative preference Shares)                                        |         |  |
| 32                                            | of which : classified as liabilities under applicable accounting standards (Perpetual debt Instruments)                                                   |         |  |

|                                                          |                                                                                                                                                                                                                                                                                          |         |  |
|----------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|--|
| 33                                                       | Directly issued capital instruments subject to phase out from Additional Tier 1                                                                                                                                                                                                          |         |  |
| 34                                                       | Additional Tier 1 instruments (and CET1 instruments not included in row 5) issued by subsidiaries and held by third parties (amount allowed in group AT1)                                                                                                                                |         |  |
| 35                                                       | of which : instruments issued by subsidiaries subject to phase out                                                                                                                                                                                                                       |         |  |
| 36                                                       | <b>Additional Tier 1 capital before regulatory adjustments</b>                                                                                                                                                                                                                           |         |  |
| <b>Additional Tier 1 capital: regulatory adjustments</b> |                                                                                                                                                                                                                                                                                          |         |  |
| 37                                                       | Investments in own Additional Tier 1 instruments                                                                                                                                                                                                                                         |         |  |
| 38                                                       | Reciprocal cross-holdings in Additional Tier 1 instruments                                                                                                                                                                                                                               |         |  |
| 39                                                       | Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold) |         |  |
| 40                                                       | Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)                                                                                                             |         |  |
| 41                                                       | National specific regulatory adjustments (41a+41b)                                                                                                                                                                                                                                       |         |  |
| 41a                                                      | <i>Of which</i> : Investments in the Additional Tier 1 capital of unconsolidated insurance subsidiaries                                                                                                                                                                                  |         |  |
| 41b                                                      | <i>Of which</i> :- Shortfall in the Additional Tier 1 capital of majority owned financial entities which have not been consolidated with the bank.                                                                                                                                       |         |  |
| 42                                                       | Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions                                                                                                                                                                                       |         |  |
| 43                                                       | <b>Total regulatory adjustments to Additional Tier 1 capital</b>                                                                                                                                                                                                                         |         |  |
| 44                                                       | <b>Additional Tier 1 capital (AT1)</b>                                                                                                                                                                                                                                                   |         |  |
| 45                                                       | <b>Tier 1 capital (T1 = CET1 + Admissible AT1) (29 + 44)</b>                                                                                                                                                                                                                             | 9704.70 |  |
| <b>Tier 2 capital : instruments and provisions</b>       |                                                                                                                                                                                                                                                                                          |         |  |
| 46                                                       | Directly issued qualifying Tier 2 instruments plus related stock surplus                                                                                                                                                                                                                 |         |  |
| 47                                                       | Directly issued capital instruments subject to phase out from Tier 2                                                                                                                                                                                                                     |         |  |

|                                               |                                                                                                                                                                                                                                                                                                                                                                                   |          |                                                                |
|-----------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|----------------------------------------------------------------|
| 48                                            | Tier 2 instruments (and CET1 and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties (amount allowed in group Tier 2)                                                                                                                                                                                                                  |          |                                                                |
| 49                                            | of which : instruments issued by subsidiaries subject to phase out                                                                                                                                                                                                                                                                                                                |          |                                                                |
| 50                                            | <b>Provisions include the following</b><br>a) Investment Fluctuation Reserve ₹129.60 crore<br>b) Provision for Standard Asset including restructured Standard Assets* ₹184.97 crore<br>c) Provision for Unhedged Foreign Currency Exposure ₹ 1.60 crore<br>d) Contingency Prov. For Covid & Other Uncertainties* ₹ 250.00 crore<br>e) Provision for stressed Sector* ₹ 0.00 crore | 438.66   | Subject to maximum of 1.25% total credit risk weighted assets* |
| 51                                            | <b>Tier 2 capital before regulatory adjustments (46+ 47 + 48 + 50)</b>                                                                                                                                                                                                                                                                                                            | 438.66   |                                                                |
| <b>Tier 2 capital: regulatory adjustments</b> |                                                                                                                                                                                                                                                                                                                                                                                   |          |                                                                |
| 52                                            | Investments in own Tier 2 instruments                                                                                                                                                                                                                                                                                                                                             |          |                                                                |
| 53                                            | Reciprocal cross-holdings in Tier 2 instruments                                                                                                                                                                                                                                                                                                                                   |          |                                                                |
| 54                                            | Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above the 10% threshold)                                                                                      |          |                                                                |
| 55                                            | Significant investments-in the capital banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)                                                                                                                                                                                                         |          |                                                                |
| 56                                            | National specific regulatory adjustments (56a+56b)                                                                                                                                                                                                                                                                                                                                |          |                                                                |
| 56a                                           | of which : Investments in the Tier 2 capital of unconsolidated insurance subsidiaries                                                                                                                                                                                                                                                                                             |          |                                                                |
| 56b                                           | of which : Shortfall in the Tier 2 capital of majority owned financial entities which have not been consolidated with the bank                                                                                                                                                                                                                                                    |          |                                                                |
| 57                                            | <b>Total regulatory adjustments to Tier 2 capital</b>                                                                                                                                                                                                                                                                                                                             |          |                                                                |
| 58                                            | <b>Tier 2 capital (T2)</b>                                                                                                                                                                                                                                                                                                                                                        | 438.66   |                                                                |
| 59                                            | <b>Total capital (TC = T1 + T2) (45 + 58)</b>                                                                                                                                                                                                                                                                                                                                     | 10143.36 |                                                                |
| 60                                            | <b>Total risk weighted assets (60a + 60b + 60c)</b>                                                                                                                                                                                                                                                                                                                               | 30071.18 |                                                                |
| 60a                                           | of which : total credit risk weighted assets                                                                                                                                                                                                                                                                                                                                      | 24724.77 |                                                                |
| 60b                                           | of which : total market risk weighted assets                                                                                                                                                                                                                                                                                                                                      | 148.77   |                                                                |
| 60c                                           | of which : total operational risk weighted assets                                                                                                                                                                                                                                                                                                                                 | 5197.64  |                                                                |



| Capital ratios and buffers                                         |                                                                                                                                                                                                                                 |        |  |
|--------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|--|
| 61                                                                 | Common Equity Tier 1 (as a percentage of risk weighted assets)                                                                                                                                                                  | 32.27% |  |
| 62                                                                 | Tier 1 (as a percentage of risk weighted assets)                                                                                                                                                                                | 32.27% |  |
| 63                                                                 | Total capital (as a percentage of risk weighted assets)                                                                                                                                                                         | 33.73% |  |
| 64                                                                 | Institution specific buffer requirement (minimum CET1 requirement plus capital conservation and countercyclical buffer requirements plus G-SIB and D-SIB buffer requirement, expressed as a percentage of risk weighted assets) | 8.00%  |  |
| 65                                                                 | of which : capital conservation buffer requirement                                                                                                                                                                              | 2.50%  |  |
| 66                                                                 | of which : bank specific countercyclical buffer requirement                                                                                                                                                                     |        |  |
| 67                                                                 | of which : G-SIB and D-SIB buffer requirement                                                                                                                                                                                   |        |  |
| 68                                                                 | Common Equity Tier 1 available to meet buffers (as a percentage of risk weighted assets)                                                                                                                                        | 32.27% |  |
| National minima (if different from Basel III)                      |                                                                                                                                                                                                                                 |        |  |
| 69                                                                 | National Common Equity Tier 1 minimum ratio (if different from Basel III minimum)                                                                                                                                               | 5.50%  |  |
| 70                                                                 | National Tier 1 minimum ratio (if different from Basel III minimum)                                                                                                                                                             | 7.00%  |  |
| 71                                                                 | National total capital minimum ratio (if different from Basel III minimum)                                                                                                                                                      | 11.50% |  |
| Amounts below the thresholds for deduction (before risk weighting) |                                                                                                                                                                                                                                 |        |  |
| 72                                                                 | Non-significant investments in the capital of other financial entities                                                                                                                                                          |        |  |
| 73                                                                 | Significant investments in the common stock of financial entities                                                                                                                                                               |        |  |
| 74                                                                 | Mortgage servicing rights (net of related tax liability)                                                                                                                                                                        |        |  |
| 75                                                                 | Deferred tax assets arising from temporary differences (net of related tax liability)                                                                                                                                           |        |  |
| Applicable caps on the inclusion of provisions in Tier 2           |                                                                                                                                                                                                                                 |        |  |
| 76                                                                 | Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardized approach (prior to application of cap)                                                                                              |        |  |
| 77                                                                 | Cap on inclusion of provisions in Tier 2 under standardized approach                                                                                                                                                            |        |  |

| 78                                                                                                                       | Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)                                         |              |        |
|--------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|--------|
| 79                                                                                                                       | Cap for inclusion of provisions in Tier 2 under internal ratings-based approach                                                                                                      |              |        |
| <b>Capital instruments subject to phase-out arrangements (only applicable between March 31, 2017 and March 31, 2022)</b> |                                                                                                                                                                                      |              |        |
| 80                                                                                                                       | Current cap on CET1 instruments subject to phase out arrangements                                                                                                                    |              |        |
| 81                                                                                                                       | Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)                                                                                              |              |        |
| 82                                                                                                                       | Current cap on AT1 instruments subject to phase out arrangements                                                                                                                     |              |        |
| 83                                                                                                                       | Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)                                                                                               |              |        |
| 84                                                                                                                       | Current cap on T2 instruments subject to phase out arrangements                                                                                                                      |              |        |
| 85                                                                                                                       | Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)                                                                                                |              |        |
| <b>Notes to the template</b>                                                                                             |                                                                                                                                                                                      |              |        |
| Row No. of the template                                                                                                  | Particulars                                                                                                                                                                          | (₹ in crore) |        |
| 10                                                                                                                       | Deferred tax assets associated with accumulated losses                                                                                                                               |              |        |
|                                                                                                                          | Deferred tax assets (excluding those associated with accumulated losses) net of Deferred tax liability                                                                               |              |        |
|                                                                                                                          | Total as indicated in row 10                                                                                                                                                         |              |        |
| 19                                                                                                                       | If investments in insurance subsidiaries are not deducted fully from capital and instead considered under 10% threshold for deduction, the resultant increase in the capital of bank |              |        |
|                                                                                                                          | of which : Increase in Common Equity Tier 1 capital                                                                                                                                  |              |        |
|                                                                                                                          | of which : Increase in Additional Tier 1 capital                                                                                                                                     |              |        |
|                                                                                                                          | of which : Increase in Tier 2 capital                                                                                                                                                |              |        |
| 26b                                                                                                                      | If investments in the equity capital of unconsolidated non-financial subsidiaries are not deducted and hence, risk weighted then :                                                   |              |        |
|                                                                                                                          | (i) Increase in Common Equity Tier 1 capital                                                                                                                                         |              |        |
|                                                                                                                          | (ii) Increase in risk weighted assets                                                                                                                                                |              |        |
| 50                                                                                                                       | Eligible Provisions included in Tier 2 capital                                                                                                                                       |              | 438.66 |
|                                                                                                                          | Eligible Revaluation Reserves included in Tier 2 capital                                                                                                                             |              |        |
|                                                                                                                          | Total of row 50                                                                                                                                                                      |              | 438.66 |

**Table DF-12:**  
**Composition of Capital – Reconciliation Requirements**

Step 1:

| (₹ in crore) |                                                       |                                                |                                                                |
|--------------|-------------------------------------------------------|------------------------------------------------|----------------------------------------------------------------|
|              |                                                       | Balance sheet<br>as in financial<br>statements | Balance sheet<br>under regulatory<br>scope of<br>consolidation |
|              |                                                       | As on reporting<br>date                        | As on reporting<br>date                                        |
| <b>A</b>     | <b>Capital &amp; Liabilities</b>                      |                                                |                                                                |
| i.           | Paid-up Capital                                       | 158.35                                         | N.A                                                            |
|              | Reserves & Surplus                                    | 9951.81                                        | N.A                                                            |
|              | Minority Interest                                     | 0.00                                           |                                                                |
|              | Total Capital                                         | <b>10110.16</b>                                | N.A                                                            |
| ii.          | Deposits                                              | <b>61712.35</b>                                |                                                                |
|              | of which : Deposits from banks                        | 0.22                                           |                                                                |
|              | of which : Customer deposits                          | 61712.13                                       |                                                                |
|              | of which : Other deposits (pl. specify)               |                                                |                                                                |
| iii.         | Borrowings                                            | <b>700.00</b>                                  |                                                                |
|              | of which : From RBI                                   | 0.00                                           |                                                                |
|              | of which : From banks                                 | 0.00                                           |                                                                |
|              | of which : From other institutions & agencies         | 700.00                                         |                                                                |
|              | of which : Others (pl. specify) Outside India         | 0.00                                           |                                                                |
|              | of which : Capital instruments                        | 0.00                                           |                                                                |
| iv.          | Other liabilities & provisions                        | <b>2777.09</b>                                 |                                                                |
|              | <b>Total</b>                                          | <b>75299.60</b>                                | N.A                                                            |
| <b>B</b>     | <b>Assets</b>                                         |                                                |                                                                |
| i.           | Cash and balances with Reserve Bank of India          | <b>2520.61</b>                                 |                                                                |
|              | Balance with banks and money at call and short notice | <b>1694.33</b>                                 |                                                                |
| ii.          | Investments :                                         | <b>15692.68</b>                                |                                                                |
|              | of which : Government securities                      | 12678.65                                       |                                                                |
|              | of which : Other approved securities                  | 0.00                                           |                                                                |
|              | of which : Shares                                     | 74.11                                          |                                                                |
|              | of which : Debentures & Bonds                         | 1428.35                                        |                                                                |
|              | of which : Subsidiaries / Joint Ventures / Associates | 0.00                                           |                                                                |

|      |                                                                                   |                 |     |
|------|-----------------------------------------------------------------------------------|-----------------|-----|
|      | of which : Others (Certificate of Deposits, Commercial Papers, Mutual Funds etc.) | 1558.29         |     |
|      | Less: Depreciation                                                                | 46.72           |     |
| iii. | Loans and advances                                                                | <b>53122.66</b> |     |
|      | of which : Loans and advances to banks                                            | 0.00            |     |
|      | of which : Loans and advances to customers                                        | 53122.66        |     |
| iv.  | Fixed assets                                                                      | <b>310.56</b>   |     |
| v.   | Other assets                                                                      | <b>1958.76</b>  |     |
|      | of which : Goodwill and intangible assets                                         | 0               |     |
|      | of which : Deferred tax assets                                                    | 44.41           |     |
| vi.  | Goodwill on consolidation                                                         |                 |     |
| vii. | Debit balance in Profit & Loss account                                            | 0               |     |
|      | <b>Total Assets</b>                                                               | <b>75299.60</b> | N.A |

**Step 2:**

- 1) As the Bank is not having any subsidiary, no disclosure relating any legal entity for regulatory consolidation is made.
- 2) The entire paid-up capital of the Bank amounting to ₹158.35 crore is included in CET I. (refer Item-1 of DF-11)
- 3) The break up for Reserves & Surplus ₹ 9951.81 crore as shown in the Bank's financial statements is given hereunder for the purpose of reconciliation for calculation of Regulatory Capital in DF-11.

(₹ in crore)

| As per Balance Sheet                               | Amount         | As shown in DF-11 Capital                              |
|----------------------------------------------------|----------------|--------------------------------------------------------|
| a) Statutory Reserves                              | 4949.51        | Included in Regulatory CET I capital DF-11 (item-3)    |
| b) Capital Reserves                                | 121.86         | Included in Regulatory CET I capital DF-11 (item-3)    |
| c) Revenue and Other Reserves                      | 3178.05        | Included in Regulatory CET I capital DF-11 (item-3)    |
| d) AFS reserve                                     | -25.58         | Included in Regulatory CET I capital DF-11 (item-3)    |
| e) Investment Fluctuation Reserve                  | 129.60         | Included in Regulatory Tier II capital DF-11 (item-50) |
| f) Special Reserve u/s 36(1) (Viii) of IT Act 1961 | 473.90         | Included in Regulatory CET I capital DF11 (item-3)     |
| g) Share Premium                                   | 769.23         | Included in Regulatory CET I capital DF11 (item-1)     |
| h) Employees Stock options / Units                 | 0.08           | Included in Regulatory CET I capital DF11 (item-3)     |
| h) Balance in P&L                                  | 355.16*        | Included in CET I capital DF-11 (item-3)               |
|                                                    | <b>9951.81</b> |                                                        |

\*Including the proposed dividend payment of Rs.197.94 crore.



#### 4) Other Liabilities:-

- i) Provision for Standard assets including restructured standard assets ₹184.97 crore (Item-50 - DF-11)
- ii) Provision for unhedged Foreign Currency Exposure ₹1.60 crore (Item-50-DF-11)
- iii) Contingency Prov. For Covid & Other Uncertainties ₹250.00 crore (Item – 50 – DF – 11)

However, they are shown under Tier II capital for computation of Regulatory Capital (DF-11) as noted in brackets as per extant RBI guidelines.

### Step 3

| Extract of Basel III common disclosure template (with added column )<br>- Table DF-11<br>(Part I / Part II whichever, applicable) |                                                                                                                           |                                                  |                                                                                                                          |
|-----------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------|
| Common Equity Tier 1 capital: instruments and reserves                                                                            |                                                                                                                           |                                                  |                                                                                                                          |
|                                                                                                                                   |                                                                                                                           | Component of regulatory capital reported by bank | Source based on reference numbers / letters of the balance sheet under the regulatory scope of consolidation from step 2 |
| 1                                                                                                                                 | Directly issued qualifying common share (and equivalent for non-joint stock companies) capital plus related stock surplus | 158.35                                           |                                                                                                                          |
| 2                                                                                                                                 | Retained earnings                                                                                                         |                                                  |                                                                                                                          |
| 3                                                                                                                                 | Accumulated other comprehensive income (and other reserves)                                                               | 9649.86*                                         |                                                                                                                          |
| 4                                                                                                                                 | <i>Directly issued capital subject to phase out from CET1 (only)</i>                                                      |                                                  |                                                                                                                          |
| 5                                                                                                                                 | Common share capital issued by subsidiaries and held by third                                                             |                                                  |                                                                                                                          |
| 6                                                                                                                                 | Common Equity Tier 1 capital before regulatory adjustments                                                                | 9808.21                                          |                                                                                                                          |
| 7                                                                                                                                 | Prudential valuation adjustments                                                                                          | 0.00                                             |                                                                                                                          |
| 8                                                                                                                                 | Goodwill (net of related tax liability)                                                                                   |                                                  |                                                                                                                          |

\*The effect of proposed dividend payment of Rs.197.94 crore is considered in arriving at CET 1 capital.

Table DF-13

Main Features of Regulatory Capital

| S.No | Description                                                                                | Equity Shares                       |
|------|--------------------------------------------------------------------------------------------|-------------------------------------|
| 1    | Issuer                                                                                     | <b>Tamilnad Mercantile Bank Ltd</b> |
| 2    | Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)         | ISIN: INE668A01016                  |
| 3    | Governing law(s) of the instrument                                                         | Indian Laws                         |
|      | <b>Regulatory treatment</b>                                                                |                                     |
| 4    | Transitional Basel III rules                                                               | Common equity Tier 1                |
| 5    | Post-transitional Basel III rules                                                          | Common equity Tier 1                |
| 6    | Eligible at solo / group / group & solo                                                    | Solo                                |
| 7    | Instrument type                                                                            | Common Shares                       |
| 8    | Amount recognized in regulatory capital (Rs. in million, as of most recent reporting date) | ₹158.35 crore                       |
| 9    | Par value of instrument                                                                    | ₹ 10 per share                      |
| 10   | Accounting classification                                                                  | Shareholder's Equity                |
| 11   | Original date of issuance                                                                  | Various                             |
| 12   | Perpetual or dated                                                                         | Perpetual                           |
| 13   | Original maturity date                                                                     | No Maturity                         |
| 14   | Issuer call subject to prior supervisory approval                                          | No                                  |
| 15   | Optional call date, contingent call dates and redemption amount                            | NA                                  |
| 16   | Subsequent call dates, if applicable                                                       | NA                                  |
|      | <b>Coupons / dividends</b>                                                                 |                                     |
| 17   | Fixed or floating dividend / coupon                                                        | NA                                  |
| 18   | Coupon rate and any related index                                                          | NA                                  |
| 19   | Existence of a dividend stopper                                                            | No                                  |
| 20   | Fully discretionary, partially discretionary or                                            | Fully Discretionary                 |



|    |                                                                                                               |                                  |
|----|---------------------------------------------------------------------------------------------------------------|----------------------------------|
| 21 | Existence of step up or other incentive to redeem                                                             | No                               |
| 22 | Noncumulative or cumulative                                                                                   | Non-Cumulative                   |
| 23 | Convertible or non-convertible                                                                                | NA                               |
| 24 | If convertible, conversion trigger(s)                                                                         | NA                               |
| 25 | If convertible, fully or partially                                                                            | NA                               |
| 26 | If convertible, conversion rate                                                                               | NA                               |
| 27 | If convertible, mandatory or optional conversion                                                              | NA                               |
| 28 | If convertible, specify instrument type convertible                                                           | NA                               |
| 29 | If convertible, specify issuer of instrument it converts into                                                 | NA                               |
| 30 | Write-down feature                                                                                            | No                               |
| 31 | If write-down, write-down trigger(s)                                                                          | NA                               |
| 32 | If write-down, full or partial                                                                                | NA                               |
| 33 | If write-down, permanent or temporary                                                                         | NA                               |
| 34 | If temporary write-down, description of write-up mechanism                                                    | NA                               |
| 35 | Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument) | Subordinated to all other claims |
| 36 | Non-compliant transitioned features                                                                           | No                               |
| 37 | If yes, specify non-compliant features                                                                        | NA                               |

**Table DF-14**  
**Full Terms and Conditions of Regulator Capital Instruments**

The details of the Tier II capital [Bonds] raised by the Bank

| <b>Table DF-14 : Full Terms and Conditions of Regulatory Capital Instruments</b> |                           |
|----------------------------------------------------------------------------------|---------------------------|
| Instruments                                                                      | Full Terms and Conditions |
|                                                                                  | Not Applicable            |



**Table DF – 15**  
**Disclosure Requirements for Remuneration**

|                                |     |                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|--------------------------------|-----|----------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Qualitative disclosures</b> | (a) | Information relating to the composition and mandate of the Remuneration Committee.                                                     | <p>The Nomination and Remuneration Committee of the Board, comprising of five members, is constituted to oversee the framing, review, and implementation of the Bank's Compensation Policy on behalf of the Board.</p> <p>As on March 31, 2026, the Nomination &amp; Remuneration Committee of the Board comprises the following Directors:</p> <ol style="list-style-type: none"> <li>1) Thiru.A.Shidambaranathan, Independent Director (Chairman)</li> <li>2) Thiru.A.Niranjana Sankar, Non-Executive Director</li> <li>3) Thiru.C.Chiranjeeviraj, Independent Director</li> <li>4) Thiru.S.Sridharan, Independent Director</li> <li>5) Thiru.R.Deepak Shankar, Independent Director</li> </ol> |
|                                | (b) | Information relating to the design and structure of remuneration processes and the key features and objectives of remuneration policy. | <p><b>Terms of Reference / Roles and Responsibilities of the Committee are:</b></p> <ol style="list-style-type: none"> <li>1. Formulate the criteria for determining the qualifications, positive attributes and independence of a director and recommend to the board of Directors of the Bank ("Board") a policy relating to the remuneration of the Directors, key managerial personnel and other employees;</li> <li>2. Formulation of criteria for evaluation of the performance of independent Directors and the Board;</li> </ol>                                                                                                                                                          |

|  |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|--|--|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  |  | <ol style="list-style-type: none"> <li>3. Devise a policy on diversity of the Board;</li> <li>4. Identify persons, who are qualified to become Directors or who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and carrying out evaluation of every director's performance;</li> <li>5. Determine whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent Directors;</li> <li>6. Recommend remuneration of executive Directors and any increase therein from time to time within the limit approved by the members of the Bank;</li> <li>7. Recommend remuneration to non-executive Directors in the form of sitting fees for attending meetings of the Board and its committees, remuneration for other services, commission on profits;</li> <li>8. Recommend to the Board, all remuneration, in whatever form, payable to senior management;</li> <li>9. Perform such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as amended;</li> <li>10. Engage the services of any consultant/professional or other agency for the purpose of recommending compensation structure/policy;</li> <li>11. Ensure the 'fit and proper' status of the proposed and existing</li> </ol> |
|--|--|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

|  |  |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|--|--|--|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  |  |  | <p>Directors in terms of the Master Directions;</p> <p>12. Analyse, monitor and review various human resource and compensation matters;</p> <p>13. Review and approve the compensation strategy from time to time in the context of the current Indian market in accordance with applicable laws;</p> <p>14. Frame suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including:</p> <p>a) The SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended; or</p> <p>b) The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003, as amended; and</p> <p>c) Performing such other functions as may be delegated by the Board and/or prescribed under the SEBI Listing Regulations, the Master Directions, Companies Act, each as amended or other applicable law.</p> <p>15. Performing such other functions as may be delegated by the Board and/or prescribed under the SEBI Listing Regulations, the Master Directions, Companies Act, each as amended or other applicable law.</p> <p>16. To oversee the framing, review and implementation of compensation policy of the Bank on behalf of the Board.</p> <p>17. To achieve effective alignment between remuneration and risks.</p> <p>18. To ensure that the cost / income ratio of the bank supports the remuneration package consistent</p> |
|--|--|--|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

|  |     |                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|--|-----|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  |     |                                                                                                                                                                                                                | with maintenance of sound capital adequacy ratio.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|  | (c) | Description of the ways in which current and future risks are taken into account in the remuneration processes. It should include the nature and type of the key measures used to take account of these risks. | Material Risk takers are identified and placed in the NRC of the Board.<br><br>Regional Heads, Branch Heads, IT department, MIS, Information security officials and Dealers in Treasury & IBD are paid special allowance based on risk taken by them                                                                                                                                                                                                                                                                                                                                                                               |
|  | (d) | Description of the ways in which the bank seeks to link performance during a performance measurement period with levels of remuneration.                                                                       | Performance Based Incentive scheme is approved by our Board of Directors every year.<br><br>The Performance-Based Incentive (PBI) for senior management is determined in accordance with Board-approved parameters. For Department / Region / Vertical Staff, it is measured on their role based performance subject to the performance of the Bank. For Branch staff it is measured based on individual performance parameters and branch performance parameters.                                                                                                                                                                 |
|  | (e) | A discussion of the bank's policy on deferral and vesting of variable remuneration and a discussion of the bank's policy and criteria for adjusting deferred remuneration before vesting and after vesting.    | The first tranche (50%) of cash based incentive shall be paid immediately after the grant is approved by the Bank. The remaining portion of the cash based incentive shall be paid as 2nd, 3rd and 4th tranche of 30%, 35% and 35% (Remaining 50%) respectively after completion of 1 year, 2 years and 3 years respectively from the date of grant.<br><br>Vesting of the Share-based shall be over a period of 3 years from the grant date (30%, 30% & 40% at the end of 1st, 2nd & 3rd year from date of grant respectively) which takes into account the mandatory requirement of lock-in period of 1 year from date of grant. |
|  | (f) | Description of the different forms of variable remuneration (i.e. cash, shares, ESOPs and other forms) that the bank utilizes and                                                                              | The variable pay component for the Managing Director and Executive Director for FY2024-25 has been granted as 50% cash-based and 50% share-based                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |

|                                                                                                                                                        |     |   |                                                                                                                          |                                                                                                                                                                                                                                                                                                                                  |
|--------------------------------------------------------------------------------------------------------------------------------------------------------|-----|---|--------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                                                                                        |     |   | the rationale for using these different forms.                                                                           |                                                                                                                                                                                                                                                                                                                                  |
| <b>Quantitative disclosures</b><br>(The quantitative disclosures should only cover Whole Time Directors / Chief Executive Officer / Other Risk Takers) | (g) | * | Number of meetings held by the Remuneration Committee during the financial year and remuneration paid to its members.    | 7 meetings (Nomination and Remuneration Committee) were held during the financial year and the sitting fees paid to the members during the year 2025-2026 is ₹10,00,000/-                                                                                                                                                        |
|                                                                                                                                                        | (h) | * | Number of employees having received a variable remuneration award during the financial year.                             | i) Five executives<br>1. Shri. K.V.Rama moorthy , Former MD & CEO<br>2. Shri.S.Krishnan, former MD & CEO )<br>3. Shri.S.Narayanan former EVP (Credit)<br>4. Salee Sukumaran Nair MD&CEO<br>5. Vincent Menachery Devassy, Executive Director<br><br>Other employees/ executives paid with Variable pay – 4572<br><br>Total - 4577 |
|                                                                                                                                                        |     | * | Number and total amount of sign-on awards made during the financial year.                                                | Nil                                                                                                                                                                                                                                                                                                                              |
|                                                                                                                                                        |     | * | Details of guaranteed bonus, if any, paid as joining / sign on bonus.                                                    | Nil                                                                                                                                                                                                                                                                                                                              |
|                                                                                                                                                        |     | * | Details of severance pay, in addition to accrued benefits, if any.                                                       | Nil                                                                                                                                                                                                                                                                                                                              |
|                                                                                                                                                        | (i) | * | Total amount of outstanding deferred remuneration, split into cash, shares and share-linked instruments and other forms. | a)Shri.S.Krishnan, former MD&CEO – ₹ 20,21,118/- (Cash)<br>b)Shri.S.Narayanan former EVP(Credit) - ₹6,30,000/- (Cash)<br>c)Shri.Salee Sukumaran Nair - ₹9,94,272/- (cash)<br>d)Shri.Vincent Menachery Devassy - ₹7,43,010/- (Cash)                                                                                               |

|  |     |   |                                                                                                                                        |                                                                                                                                                                                                                                                                                                            |
|--|-----|---|----------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  |     | * | Total amount of deferred remuneration paid out in the financial year.                                                                  | a)Shri.K.V.Ramamoorthy , Former MD & CEO – ₹8,22,500/- (cash)<br>b)Shri.S.Krishnan, former MD & CEO – ₹11,70,581/- (cash)<br>c)Shri.S.Narayanan former EVP(Credit) - ₹2,70,000/- (Cash)                                                                                                                    |
|  | (j) | * | Breakdown of amount of remuneration awards for the financial year to show fixed and variable, deferred and non-deferred.               | Shri. Salee Sukumaran Nair, MD & CEO<br><br>Fixed Pay – ₹.85,23,756/-<br>Variable Pay – ₹.9,94,272.29<br>(paid as upfront payment pay for the FY 2024-25)<br><br>Shri. Vincent Menachery Devassy<br>Fixed Pay – ₹.61,10,439/-<br>Variable Pay-₹.7,43,010/-<br>(paid as upfront payment for the FY 2024-25) |
|  | (k) | * | Total amount of outstanding deferred remuneration and retained remuneration exposed to ex post explicit and / or implicit adjustments. | Nil                                                                                                                                                                                                                                                                                                        |
|  |     | * | Total amount of reductions during the financial year due to ex- post explicit adjustments.                                             | Nil                                                                                                                                                                                                                                                                                                        |
|  |     | * | Total amount of reductions during the financial year due to ex- post implicit adjustments.                                             | Nil                                                                                                                                                                                                                                                                                                        |

;

**Table DF – 16**

**Equities-Disclosure for Banking Book Positions**

The bank has an exposure of ₹ 74.11 crore in equities under Banking Book.



**Table DF – 17- Leverage Ratio Disclosure**

The Leverage ratio act as a credible supplementary measure to the bank based capital requirement. The Bank is required to maintain a minimum leverage ratio of 3.50%. The Bank's leverage ratio, calculated in accordance with the RBI guidelines is as follows: -

**COMPARISON OF ACCOUNTING ASSETS AND LEVERAGE RATIO EXPOSURE****(₹ in crore)**

| S.No. | Particulars                                                                                                                                                                        | Amount as of Jun'25 | Amount as of Sep'25 | Amount as of Dec'25 | Amount as of Mar'26 |
|-------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|---------------------|---------------------|---------------------|
| 1     | Total consolidated assets as per published financial statements include SFTs                                                                                                       | 67477.92            | 69041.87            | 70687.88            | 75299.60            |
| 2     | Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation | 0.00                | 0.00                | 0.00                | 0.00                |
| 3     | Adjustment for fiduciary assets recognized on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure               | 0.00                | 0.00                | 0.00                | 0.00                |
| 4     | Adjustments for derivative financial instruments                                                                                                                                   | 106.52              | 114.55              | 84.99               | 153.13              |
| 5     | Adjustment for securities financing transactions (i.e., repos and similar secured lending)                                                                                         | 0.00                | 0.00                | 0.00                | 0.00                |
| 6     | Adjustment for off-balance sheet items (i.e., conversion to credit equivalent amounts of off-balance sheet exposures)                                                              | 2088.14             | 2292.88             | 2173.49             | 2130.13             |
| 7     | Other adjustments                                                                                                                                                                  | 0.00                | 0.00                | 0.00                | 0.00                |
| 8     | <b>Leverage ratio exposure</b>                                                                                                                                                     | <b>69672.58</b>     | <b>71449.30</b>     | <b>72946.36</b>     | <b>77582.86</b>     |
|       |                                                                                                                                                                                    |                     |                     |                     |                     |

**Table DF – 18****Leverage ratio common disclosure****(₹ in crore)**

| S.No                       | Leverage Ratio Framework                                                                                                                 | Amount as of Jun'25 | Amount as of Sep'25 | Amount as of Dec'25 | Amount as of Mar'26 |
|----------------------------|------------------------------------------------------------------------------------------------------------------------------------------|---------------------|---------------------|---------------------|---------------------|
| On-balance sheet exposures |                                                                                                                                          |                     |                     |                     |                     |
| 1                          | On-balance sheet items (excluding derivatives and SFTs, but including collateral)                                                        | 67477.92            | 69041.87            | 70687.88            | 75299.60            |
| 2                          | (Asset amounts deducted in determining Basel III Tier 1 capital)                                                                         | 0.00                | 0.00                | 0.00                | 0.00                |
| 3                          | <b>Total on-balance sheet exposures</b> (excluding derivatives and SFTs) (sum of lines 1 and 2)                                          | <b>67477.92</b>     | <b>69041.87</b>     | <b>70687.88</b>     | <b>75299.60</b>     |
| Derivative exposures       |                                                                                                                                          |                     |                     |                     |                     |
| 4                          | Replacement cost associated with all derivatives transactions (i.e., net of eligible cash variation margin)                              | 0.00                | 0.00                | 0.00                | 0.00                |
| 5                          | Add-on amounts for PFE associated with all derivatives transactions                                                                      | 106.52              | 114.55              | 84.99               | 153.13              |
| 6                          | Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the operative accounting framework | 0.00                | 0.00                | 0.00                | 0.00                |
| 7                          | (Deductions of receivables assets for cash variation margin provided in derivatives transactions)                                        | 0.00                | 0.00                | 0.00                | 0.00                |
| 8                          | (Exempted CCP leg of client-cleared trade exposures)                                                                                     | 0.00                | 0.00                | 0.00                | 0.00                |
| 9                          | Adjusted effective notional amount of written credit derivatives                                                                         | 0.00                | 0.00                | 0.00                | 0.00                |

| S.No                                       | Leverage Ratio Framework                                                                            | Amount as of Jun'25 | Amount as of Sep'25 | Amount as of Dec'25 | Amount as of Mar'26 |
|--------------------------------------------|-----------------------------------------------------------------------------------------------------|---------------------|---------------------|---------------------|---------------------|
| 10                                         | (Adjusted effective notional offsets and add-on deductions for written credit derivatives)          | 0.00                | 0.00                | 0.00                | 0.00                |
| 11                                         | <b>Total derivative exposures (sum of lines 4 to 10)</b>                                            | <b>106.52</b>       | <b>114.55</b>       | <b>84.99</b>        | <b>153.13</b>       |
| Securities financing transaction exposures |                                                                                                     |                     |                     |                     |                     |
| 12                                         | Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions | 0.00                | 0.00                | 0.00                | 0.00                |
| 13                                         | (Netted amounts of cash payables and cash receivables of gross SFT assets)                          | 0.00                | 0.00                | 0.00                | 0.00                |
| 14                                         | CCR exposure for SFT assets                                                                         | 0.00                | 0.00                | 0.00                | 0.00                |
| 15                                         | Agent transaction exposures                                                                         | 0.00                | 0.00                | 0.00                | 0.00                |
| 16                                         | <b>Total securities financing transaction exposures (sum of lines 12 to 15)</b>                     | <b>0.00</b>         | <b>0.00</b>         | <b>0.00</b>         | <b>0.00</b>         |
| Other off-balance sheet exposures          |                                                                                                     |                     |                     |                     |                     |
| 17                                         | Off-balance sheet exposure at gross notional amount                                                 | 8630.83             | 9207.10             | 8988.13             | 8786.88             |
| 18                                         | (Adjustments for conversion to credit equivalent amounts)                                           | (6542.69)           | (6914.22)           | (6814.64)           | (6656.75)           |
| 19                                         | <b>Off-balance sheet items (sum of lines 17 and 18)</b>                                             | <b>2088.14</b>      | <b>2292.88</b>      | <b>2173.49</b>      | <b>2130.13</b>      |
| Capital and total exposures                |                                                                                                     |                     |                     |                     |                     |
| 20                                         | <b>Tier 1 capital</b>                                                                               | <b>8630.85</b>      | <b>8583.96</b>      | <b>8556.28</b>      | <b>9704.70</b>      |
| 21                                         | <b>Total exposures (sum of lines 3, 11, 16 and 19)</b>                                              | <b>69672.58</b>     | <b>71449.30</b>     | <b>72946.36</b>     | <b>77582.86</b>     |
| Leverage ratio                             |                                                                                                     |                     |                     |                     |                     |
| 22                                         | <b>Basel III leverage ratio</b>                                                                     | <b>12.39%</b>       | <b>12.01%</b>       | <b>11.73%</b>       | <b>12.51%</b>       |

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