

Pillar 3 Disclosures under Basel III Framework as on 30.06.2026

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DF-3	Credit Risk: General Disclosures for All Banks
DF-4	Credit Risk: Disclosures for Portfolios subject to the Standardized Approach

Table DF-2 Capital Adequacy

Qualitative disclosures

(a) A summary discussion of the bank's approach to assessing the adequacy of its capital to support current and future activities:

Payment Banks are subject only to Credit Risk, as stipulated in the Reserve Bank of India (Payments Banks – Prudential Norms on Capital Adequacy) Directions, 2025, issued vide reference no. RBI/DOR/2025-26/211 DOR.CAP.REC.130/21-01-002/2025-26 dated November 28, 2025. Accordingly, the Bank follows the Standardized Approach for computing the capital charge for credit risk. Under this approach, the Bank applies the specific risk weights prescribed in the aforesaid Directions for the purpose of calculating its credit risk capital requirements.

Quantitative Disclosures

S. No.	Particulars	Amount (Rs. crore) / %
(a)	Capital Requirement for Credit Risk	266.99
i.	Portfolios subject to Standardized approach (Risk Weighted Assets)	1779.97
ii.	Securitization exposures	Nil
(b)	Capital requirements for Market Risk	Nil
(c)	Capital requirements for Operational Risk	Nil
(d)	Total Risk Weighted Assets	1779.97
(e)	Total Capital funds of Bank	1961.98
i.	Core (Tier One) Capital (CC)	1916.08
ii.	Supplementary (Tier Two) Capital	45.90
(f)	Capital Adequacy Ratios for the Bank (No bank subsidiaries exit)	
i.	Common Equity Tier 1 (CET1) Ratio	107.65%
ii.	Tier 1 (T1) or Core Capital Ratio	107.65%
iii.	Total Capital to Risk-Weighted Assets Ratio (CRAR)	110.23%

g) Risk exposure and assessment

The Bank has set up a Risk Framework Structure headed by the Chief Risk Officer overseeing the activities of Risk Management Function. viz. Operational Risk Management, Fraud Risk Management and ALM & Market Risk Management.

The Bank has implemented a comprehensive Risk Management Framework supported by Board approved policies and strategies to identify, assess, monitor, and mitigate risks effectively, in alignment with the Bank's overall risk appetite and tolerance levels. Key risk-related policies approved by the Board include the Treasury Investment Policy, Asset Liability Management Policy, Market Risk Management Policy, Operational Risk Management Policy, Outsourcing Policy, Business Continuity Policy, ICAAP Policy, Stress Testing Policy, Fraud Risk Management Policy, Information Security Policy, and Cyber Security Policy.

To ensure efficient oversight, the Bank follows a multilayered risk governance structure with clearly defined roles, responsibilities, and periodic reporting to the Board, Risk Management Committee of the Board (RMCB), and other Internal Committees.

h) General qualitative disclosure requirement - Credit risk

- Credit Risk refers to the possibility that an obligor may fail to meet contractual obligations, either due to unwillingness or inability to perform, resulting in financial loss to the Bank.
- As Payment Banks are not permitted to undertake lending activities and investment portfolio is limited to government securities (SLR / Non -SLR eligible securities), credit risk for the Bank primarily arises primarily from its placement of Demand Deposit Balances (DDBs) and own funds in the form of demand and time deposits with other banks. In addition, all other assets and contingent liabilities are assigned risk weights for credit risk exposure in accordance with the Reserve Bank of India (Payments Banks – Prudential Norms on Capital Adequacy) Directions, 2025.
- The Bank adheres to the exposure limits prescribed by the Reserve Bank of India, which stipulate that exposure to any single scheduled commercial bank must not exceed five percent of the Payment Bank's total outside liabilities. Further, the Bank has established additional internal counterparty-wise limits for the placement of DDBs and own funds in demand and time deposits with other banks.

Table DF-3: Credit Risk: General Disclosures

Qualitative Disclosures

- a) The general qualitative disclosure requirement with respect to credit risk, including:**
- i. Definitions of past due and impaired (for accounting purposes) – **Not applicable**
 - ii. Policies and processes:
 - Bank computes the capital requirement for Credit Risk under Standardized Approach as per the RBI guidelines.
 - As Payment Banks are not permitted to undertake lending activities and its investment portfolio is limited to government securities (SLR / Non -SLR eligible securities), credit risk for the Bank primarily arises primarily from its placement of Demand Deposit Balances (DDBs) and own funds in the form of demand and time deposits with other banks. In addition, all other assets and contingent liabilities are assigned risk weights for credit risk exposure in accordance with the Reserve Bank of India (Payments Banks - Prudential Norms on Capital Adequacy) Directions, 2025.

The Bank adheres to the exposure limits prescribed by the Reserve Bank of India, which stipulate that exposure to any single scheduled commercial bank must not exceed five percent of the Payment Bank's total outside liabilities. Further, the Bank has established additional internal counterparty-wise limits for the placement of DDBs and own funds in demand and time deposits with other banks.

Quantitative Disclosures

- b) The total credit risk exposure, including both fund-based and non-fund-based exposures, is as follows:**

Category	Amt. in Rs. Crore
Fund-based facilities	33825.31
Non-fund-based facilities	400.47
Total	34225.78

c) Geographic distribution of exposures, Fund based, and Non-fund based separately:

Category	Fund-based facilities (Amt. in Rs. Crore)	Non-fund-based facilities (Amt. in Rs. Crore)
Domestic	33825.31	400.47
Overseas	-	-
Total	33825.31	400.47

d) Industry type distribution of exposures, fund based and non-fund based separately: **Not Applicable**

e) Residual contractual maturity breakdown of assets (Advances, Investments, Placement of Fixed Deposits with other banks and Foreign Currency Assets)

	Advances (Amt. in Rs. Crore)	Investments (Amt. in Rs. Crore)	Placement of Fixed Deposits with other banks (Amt. in Rs. Crore)	Foreign Currency Assets (Amt. in Rs. Crore)
1 day	0.00	0.00	0.00	0.95
2 to 7 days	0.00	5.00	0.00	0.00
8 to 14 days	0.00	265.44	0.00	0.00
15 to 30 Days	0.00	9.52	11.96	0.00
31 Days to 2 months	0.00	33.98	181.56	0.00
Over 2 months to 3 months	0.00	182.51	179.44	0.00
Over 3 months to 6 months	0.00	9,224.48	695.58	0.00
Over 6 months to 1 year	0.00	13,799.00	4,551.18	0.00
Over 1 year to 3 years	0.00	670.92	1,063.62	0.00
Over 3 years to 5 years	0.00	566.12	0.00	0.00
Over 5 years	0.00	592.55	0.00	0.00
Total	0.00	25,349.51	6,683.34	0.95

f) Amount of NPAs (Gross): **Not Applicable**

g) Net NPAs: **Not Applicable**

h) NPA Ratios: **Not Applicable**

i) Movement of NPAs (Gross): **Not Applicable**

j) Movement of provisions (Separate disclosure shall be made for specific provisions and general provisions held by the bank with a description of each type of provisions held): **Not Applicable**

k) Amount of Non-Performing Investments: **Not Applicable**

l) Amount of provisions held for non-performing investments: **Not Applicable**

m) Movement of provisions for depreciation on investments: **Not Applicable (as no depreciation was recorded on the investment portfolio during the reporting period.)**

n) By major industry or counterparty type: **Not Applicable**

o) Amount of NPAs and, if available, past due loans provided separately broken down by significant geographic areas including, if practical, the amounts of specific and general provisions related to each geographical area. The portion of general provisions that is not allocated to a geographical area should be disclosed separately: **Not applicable**

Table DF-4 - Credit risk: disclosures for portfolios subject to the standardized approach**Qualitative Disclosures****a) For portfolios under the standardized approach:**

Payment Banks are subject only to Credit Risk, as stipulated in the Reserve Bank of India (Payments Banks – Prudential Norms on Capital Adequacy) Directions, 2025, issued vide reference no. RBI/DOR/2025-26/211 DOR.CAP.REC.130/21-01-002/2025-26 dated November 28, 2025. Accordingly, the Bank follows the Standardized Approach for computing the capital charge for credit risk. Under this approach, the Bank applies the specific risk weights prescribed in the aforesaid Directions for the purpose of calculating its credit risk capital requirements.

Following are the Risk Weights prescribed by RBI which is used at present to arrive at Risk Weighted Assets (RWA):

S. No.	Particulars	Risk Weight (%)
i.	Cash and RBI	0%
ii.	Claims on Banks	20%
iii.	SLR - Investment in Govt Securities	0%
iv.	Other assets - Tax paid in advance/tax deducted	0%
v.	Other assets	100%
vi.	Contingent Liabilities – With 100% CCF	20%
vii.	Contingent Liabilities – With 100% CCF	0%
viii.	Contingent Liabilities – With 0% CCF	0%

Quantitative Disclosures**b) 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:**

S. No.	Particulars	Amt. in Rs. Crore
i.	Below 100% risk weight exposure outstanding	33837.17
ii.	100% risk weight exposure outstanding	388.61
iii.	More than 100% risk weight exposure outstanding	Nil
iv.	Deduction	Nil
v.	Total	34225.78