CITY UNION BANK LTD

CUB Trust and Excellence SINCE 1904

BASEL III – PILLAR 3 DISCLOSURE AS ON MARCH 31, 2026

Table DF – 1
SCOPE OF APPLICATION

City Union Bank Limited is an old premier Private Sector Bank which was incorporated on October 31, 1904 with its Registered Office at Kumbakonam, Tamilnadu, India. The Bank was included in the Second Schedule of Reserve Bank of India Act, 1934, on March 22, 1945. The Bank does not have any subsidiary / Associate companies under its Management.

Qualitative Disclosures:

Type of Capital	Features
Common Equity Tier I Capital	✓ During the FY 25-26, the Bank has allotted 2061528 equity Shares of face value of ₹1/- each, pursuant to exercise of stock options by the employees. ✓ The Equity Share Capital of the Bank as on March 31, 2026 stood at ₹ 74.30 crore. ✓ The Share Premium collected during this year was ₹31.85 crore. ✓ The Share Premium account as on March 31, 2026 stood at ₹ 940.37 crore.
Tier II Capital	✓ The Bank has not raised Tier II capital instruments such as Debt Capital instruments / Preference Share Capital instruments during the year ended March 31, 2026. ✓ The Tier II capital arrived at ₹ 534.64 crore as on March 31, 2026.

Quantitative Disclosures:

S.no.	Description	Amount (₹ in crore)	
1.	**Tier – I Capital**		10250.57
	a) Paid-up Capital	74.30	
	b) Reserves & Surplus	10176.27	
	Amount deducted from Tier I Capital (if any)		134.51
	a) Intangible Asset (includes net of DTA)	120.35	
	b) Cross Holdings	0.35	
	c) Unrealised gains on level 3 investment (AFS reserve)	13.81	
	Total eligible Tier I Capital		**10116.06**
2.	**Tier – II Capital**		534.64
	a) Revenue Reserves (Investment Reserve)	165.68	
	b) Provision for impact of COVID - 19	6.36	
	c) Provision for Country Risk exposure	2.25	
	d) Provision for Unhedged exposure	2.72	
	e) Provision for Standard Assets	327.63	
	f) Provision for Contingencies	30.00	
	Less: Cross Holdings		0.00
	Total Tier II Capital (A)		534.64
	1.25 % of Credit RWA (B) [1.25% * 43014.34]		537.68
	Total eligible Tier II Capital (min of {A,B})		**534.64**
	Total Eligible Capital (Tier I and Tier II)		**10650.70**

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

In order to strengthen the capital base of banks in India, the Reserve Bank of India introduced capital adequacy norms in April 1992, based on the Basel I framework issued by the Basel Committee on Banking Supervision (BCBS). Initially, the framework prescribed capital requirements for credit risk, which was subsequently expanded to include market risk. The Bank complied with the minimum capital requirements prescribed for both credit and market risks.

Subsequently, the BCBS released the "International Convergence of Capital Measurement and Capital Standards: A Revised Framework" (popularly known as Basel II document) on June 26, 2004. Reserve Bank of India thereafter issued the final guidelines on April 27, 2007 for implementation of the New Capital Adequacy (Basel II) Framework, which also included capital requirements for Operational Risk. In accordance with the RBI guidelines, the Bank successfully migrated to the Basel II Framework with effect from March 31, 2009.

Further, RBI issued guidelines on Basel III Capital Regulations during May 2012, applicable to banks operating in India. The Basel III framework was implemented in India in a phased manner from April 01, 2013 and originally envisaged full implementation of the Capital Conservation Buffer (CCB) by March 31, 2018. RBI also issued detailed Guidelines on Composition of Capital Disclosure Requirements on May 28, 2013.

Considering the adverse economic conditions and the stress arising out of the COVID-19 pandemic, RBI issued various circulars extending the transitional arrangements for full implementation of Basel III Capital Regulations. Presently, the minimum regulatory capital requirement under Basel III, including the Capital Conservation Buffer, stands at 11.50% (9.00% minimum CRAR plus 2.50% CCB) with effect from October 01, 2021.

RBI also issued circulars on "Prudential Guidelines on Capital Adequacy and Liquidity Standards – Amendments" on March 31, 2015. Subsequently, the Basel III Capital Regulations were consolidated under the Master Circular DOR.CAP.REC.70/21-01.002/2025-26 dated November 28, 2025.

Under the Basel II framework, the total regulatory capital comprised Tier I Capital (core capital) and Tier II Capital (supplementary capital). Basel III places greater emphasis on the quality of capital by predominantly requiring Common Equity Tier I (CET1) capital as the principal component of regulatory capital. Non-equity Tier I and Tier II capital continue to form part of the regulatory capital framework subject to the eligibility criteria prescribed under Basel III.

The Basel III capital regulations continue to be structured around the three-mutually reinforcing Pillars of the Basel II capital adequacy framework, viz. Minimum Capital Requirements (Pillar 1), Supervisory Review of Capital Adequacy (Pillar 2) and Market Discipline through disclosures (Pillar 3)

The key objectives of Basel III include:

- Improving the quality of capital to ensure that the banks are capable of absorbing losses, both as going concern and as gone concern basis.
- Enhancing the risk coverage under the capital framework.
- Introducing a leverage ratio as a supplementary measure to the risk-based capital framework; and
- Strengthening supervisory review processes and disclosure standards.

The macro-prudential elements of Basel III are primarily reflected through capital buffers, namely the Capital Conservation Buffer (CCB) and the CounterCyclical Capital Buffer (CCCB), which are intended to protect the banking sector during periods of financial stress and economic cycles. At present, the Capital Conservation Buffer framework is in force.

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 these minimum capital requirements, Basel III also provides for creation of Capital Conservation Buffer (CCB) and CounterCyclical Capital Buffer (CCCB).

As per the RBI guidelines mentioned, Capital ratios with full implementation of capital conservation buffer (CCB) of 2.50% is summarized below:

Capital Ratios (% to RWAs)	March 31, 2016 onwards	March 31, 2017 onwards	March 31, 2018 onwards	October 01, 2021 onwards
Minimum Common Equity Tier I (CET 1)	5.500	5.500	5.500	5.500
Capital Conservation Buffer (CCB)	0.625	1.250	1.875	2.500
Minimum CET 1 + CCB	6.125	6.750	7.375	8.000
Additional Tier I	1.500	1.500	1.500	1.500
Minimum Tier 1 Capital (excluding CCB)	7.000	7.000	7.000	7.000
Tier 2 Maximum allowed	2.000	2.000	2.000	2.000
Minimum Total Capital	9.000	9.000	9.000	9.000
Minimum Total Capital + CCB	9.625	10.250	10.875	11.500

B. The Bank's approach in assessment of capital adequacy:

The Bank is presently following Standardised Approach for credit risk, Standardised Duration Approach for market risk and Basic Indicator Approach for operational risk for the purpose of computation of capital charge under Basel III Capital regulations. Further, RBI has advised the banks to prepare for migration to the New Standardised Approach for computation of capital charge for Operational Risk vide 'Master Direction on Minimum Capital Requirements for Operational Risk' dated June 26, 2023. In terms of the said Master Direction, RBI had called for submission of operational risk data as on 31.03.2025 and the required data was submitted by the Bank during June 2025. Based on the revised methodology for computation of capital charge under the proposed framework, the operational risk capital requirement has shown a decline, resulting in reduction in Risk Weighted Assets (RWA) and a marginal improvement in the Capital to Risk Weighted Assets Ratio (CRAR). Apart from computation of CRAR under Pillar I requirements, the Bank also carries out periodic stress testing across various risk areas to assess the impact of stressed scenarios and plausible adverse events on asset quality, liquidity, profitability and capital adequacy. Further, the Bank undertakes the Internal Capital Adequacy Assessment Process (ICAAP) annually to evaluate the adequacy of its capital funds in relation to the risks covered under Pillar I and Pillar II of the Basel framework. The ICAAP process also assesses the sufficiency of the Bank's capital to support its projected business growth and future risk profile.

C. Quantitative Disclosures:

(₹ in crore)

a	**Capital requirements for Credit Risk**: (@ 9.00% on Risk weighted Assets)		
	• Portfolios subject to Standardised Approach (48585.66 * 9.00%)		4372.71
	• Securitisation exposures		Nil
b	**Capital requirements for Market Risk:**		
	Standardised Duration Approach		11.22
	• Interest Rate Risk	Nil	
	• Equity risk	1.32	
	• Foreign exchange risk	9.90	
c	**Capital requirements for Operational Risk:**		
	Basic Indicator Approach (5431.12 * 8.00%)		434.49
	Minimum capital required (a + b + c)		**4818.42**
d	Capital Conservation Buffer (CCB) at 2.50% (48585.66 * 2.50%)		1214.64
	Minimum Total Capital + CCB		6033.06
	Total Capital Funds available		10650.70
	Total Risk Weighted Assets		48585.66
e	Common Equity Tier I CRAR % (excluding CCB)		18.32%
	Capital Conservation Buffer		2.50%
	Tier I CRAR		20.82%
	Tier II CRAR		1.10%
	Total CRAR %		**21.92%**

D. Risk Exposure and Assessment:

Risk is an integral part of banking business in an ever-changing environment, which is undergoing significant transformation both in terms of technology and product offerings. The major risks faced by the Bank include credit risk, market risk and operational risk. The Bank aims to maintain an optimum balance between risk and return with a view to maximizing shareholder value while ensuring prudent risk management practices. The relevant information relating to the various categories of risks faced by the banks are furnished in the ensuing sections. These information are intended to provide market participants with a better understanding of the Bank's risk profile, risk management framework and the practices adopted for identification, measurement, monitoring and mitigation of risks.

The Bank has put in place a comprehensive risk management framework to address various risks associated with its business operations and has established an Integrated Risk Management Department (RMD) as an independent operational department for effective risk oversight and monitoring. At the apex level, Bank has constituted a Risk Management Committee of Board functioning for formulating, implementing and reviewing bank's risk management policies and

practices pertaining to credit, market and operational risks. In addition to the Risk Management Committee of the Board, the Bank has established a robust enterprise-wide risk management structure comprising the Risk Management Committee of Executives (RMCE), which is assisted by various specialized committees at the senior management level, namely: Asset Liability Management Committee (ALCO), Credit Risk Management Committee (CRMC), Operational Risk Management Committee (ORMC), Model Risk Management Committee (MRMC), Management Committee for Monitoring Frauds (MCMF) and Operational Resilience Committee (ORC).
The Credit Risk Management Committee (CRMC) oversees credit policies, procedures and related risk management aspects. The Asset Liability Management Committee (ALCO) is responsible for Asset Liability Management (ALM) functions, while the Integrated Treasury Policy governs both domestic and foreign treasury operations of the Bank. The Operational Risk Management Committee (ORMC) formulates policies and procedures for identification, assessment, monitoring and mitigation of operational risks. The Model Risk Management Committee (MRMC) evaluates and monitors the performance of various models with a view to minimizing model-related risks and losses. The Management Committee for Monitoring Frauds (MCMF) oversees measures relating to prevention, early detection and timely reporting of frauds to RBI. The Operational Resilience Committee (ORC) focuses on ensuring uninterrupted delivery of critical business services in line with regulatory expectations and customer requirements.

The Bank has formulated the following policies for mitigating the risk in various areas and monitoring the same:

- ✓ Integrated Risk Management Policy
- ✓ Loan Policy including MSME policy
- ✓ Credit Risk Management Policy
- ✓ Co-lending Policy
- ✓ Operational Risk Management Policy
- ✓ ALM Policy
- ✓ Integrated Treasury Policy
- ✓ Inspection and Audit policy
- ✓ KYC policy
- ✓ Risk Based Internal Audit Policy
- ✓ Stress Testing Policy
- ✓ Disclosure Policy
- ✓ ICAAP policy
- ✓ Credit Risk Mitigation & Collateral Management Policy
- ✓ Risk Rating Framework

- ✓ Pricing Policy
- ✓ New Product Assessment Policy
- ✓ Risk & Control Self-Assessment Standards (RCSA)
- ✓ Policy on Unhedged Foreign Currency Exposures of Corporates including SMEs
- ✓ Market Risk Management Policy
- ✓ Business Continuity Plan Policy
- ✓ Climate Risk Policy
- ✓ Fraud Risk Management Policy
- ✓ Model Risk Management Policy
- ✓ Digital Lending Policy
- ✓ Green Deposit Financing Framework
- ✓ Environment & Social risk policy
- ✓ Operational Resilience Policy

The structure and organization of Risk Management functions of the Bank is as follows:

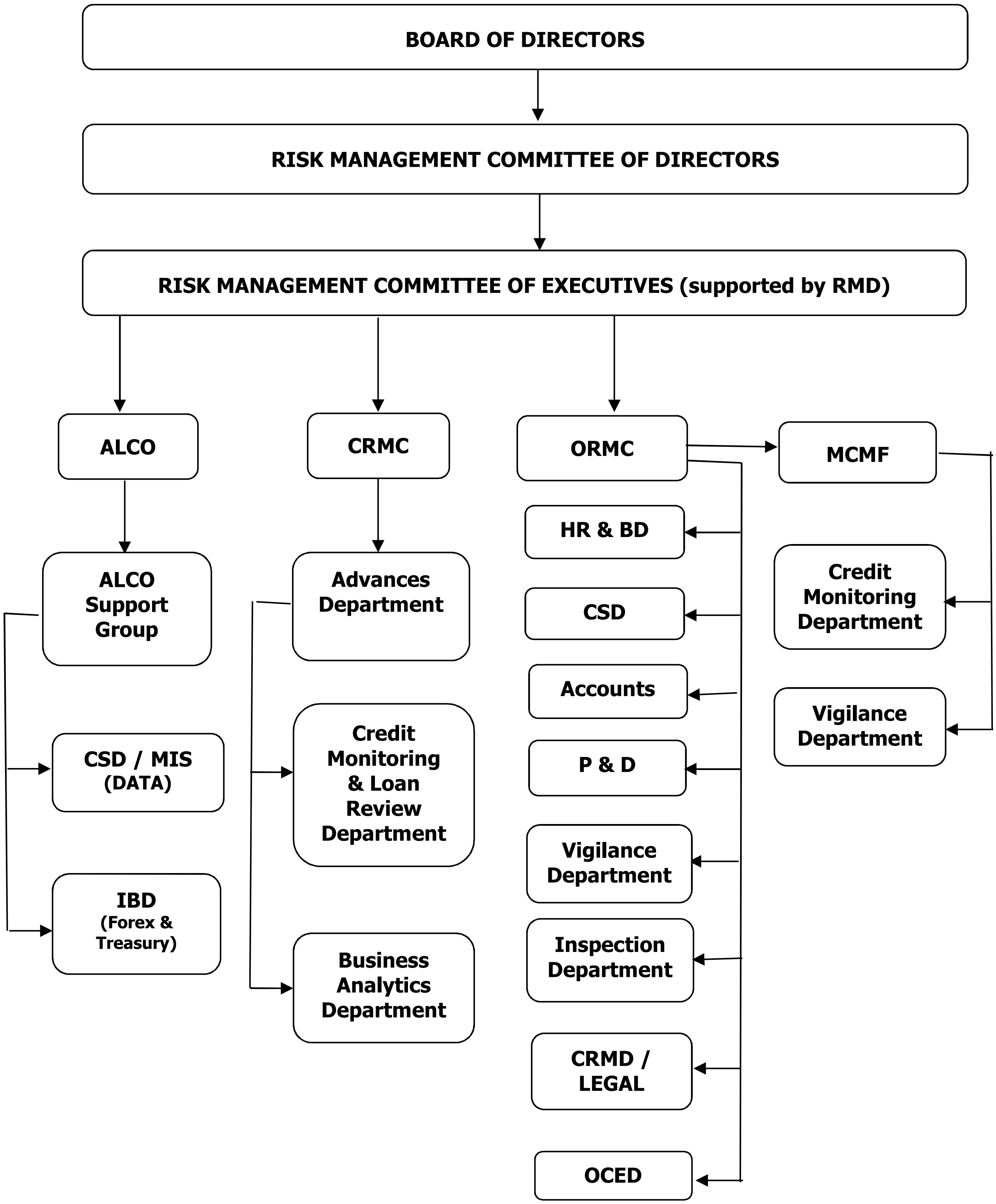

Table DF – 3
CREDIT RISK: GENERAL DISCLOSURES

Credit Risk:

Credit Risk refers to the possibility of losses arising from a diminution in the credit quality of borrowers or counterparties. In a bank's portfolio, credit risk primarily emanates from lending activities, wherein a borrower may fail to meet its financial obligations due to deterioration in credit quality or creditworthiness of borrowers or counterparties.

Credit Risk Management encompasses a range of management techniques that enable banks to mitigate the adverse impact of credit risk. The objective of Credit Risk Management is to identify, measure, monitor and control credit risk through the adoption of appropriate methodologies and prudential practices.

The Bank has formulated a Loan Policy which lays down various prudential norms, benchmarks and guidelines for sanctioning of credit facilities as well as their subsequent monitoring and recovery. In addition, the Bank has also framed a separate Credit Risk Management Policy and a Policy on Credit Risk Mitigation and Collateral Management.

Credit risk is assessed through a robust internal credit risk rating system. Credit rating is a process wherein the strengths and weaknesses of a borrower are evaluated and a score is assigned, enabling the Bank to take a view on the acceptability or otherwise of a credit proposal. Earlier, the Bank used its own internal rating models for borrower assessment. However, since FY 2024–25, the Bank has started rating borrowers with exposures above Rs.50 lakh through ICRA Analytics Limited Rating Solution (IRS 3.0), which computes Probability of Default (PD) and Expected Loss (EL) of the borrower.

The Bank has also digitized its lending processes and credit decisioning through Newgen Software Technologies Limited for retail and corporate lending (MSME and non-MSME segments), and uses BCG scorecards for MSME lending. In addition, the Bank has engaged fintech partners such as ScoreMe, Perfios (for Credit Assessment Reports), Hunter/Experian (for fraud assessment of borrowers), and Legality (for digital signing and documentation) etc. for specific credit risk assessment, underwriting support, fraud evaluation and digital documentation processes.

Credit Risk Management Policy:

The Bank has put in place a well-structured Credit Risk Management Policy duly approved by the Board. The Policy document defines the organizational structure, roles and responsibilities, and the processes through which credit risk is identified, measured, monitored and managed. Credit risk is monitored on a bank-wide basis, and compliance with the risk limits approved by the Credit Risk Management Committee (CRMC) / Board and is being reviewed periodically.

The Bank adopts the definition of 'past due' and 'impaired credits' (for reporting purposes) as defined by Reserve Bank of India under Income Recognition, Asset Classification and provisioning (IRAC) norms (vide RBI Master Circular dated Nov 28, 2025).

Quantitative Disclosures:

Total Gross Credit Risk Exposures including Geographic Distribution of Exposure: (₹ in crore)

Exposure as on March 31, 2026	Domestic	Overseas	Total
Fund based	73075.67	--	73075.67
Non-fund based (incl. Derivative exposure)	3593.61	--	3593.61
Investment (Non SLR)	146.28	--	146.28
Total	**76815.56**	**--**	**76815.56**

Industry type distribution of exposures – March 31, 2026 (₹ in crore)

S. no	INDUSTRY /ACTIVITY	FUNDED EXPOSURE	NON-FUNDED EXPOSURE	INVESTMENT EXPOSURE (NON SLR)	TOTAL EXPOSURE
1	Mining and Quarrying	202.12	11.16	0.00	213.27
2	Iron and Steel	1008.65	32.64	0.33	1041.61
3	Other Metal and Metal Products	2142.52	250.25	0.00	2392.77
4	Engineering of which Electronics	302.71	56.62	0.00	359.33
5	Others (incl Electrical & Home Appliances)	506.47	155.62	0.00	662.09
6	Cotton Textiles	2464.89	102.53	0.00	2567.41
7	Other textiles	2683.40	103.39	0.00	2786.79
8	Food Processing	645.68	17.06	0.00	662.73
9	Beverages and Tobacco	396.54	0.00	0.00	396.54
10	Leather and Leather products	31.81	0.00	0.00	31.81
11	Wood and Wood Products	156.98	31.18	0.00	188.16
12	Paper and Paper Products	813.28	46.31	0.00	859.58
13	Petroleum, Coal Products and Nuclear Fuels	65.00	0.00	0.00	65.00
14	Drugs and Pharmaceuticals	215.33	24.44	0.00	239.77
15	Other Chemicals and Chemical Products	396.98	41.76	0.12	438.87
16	Rubber, Plastic and their Products	589.52	32.59	0.00	622.12
17	Glass & Glassware	25.38	0.52	0.00	25.90

S. no	INDUSTRY /ACTIVITY	FUNDED EXPOSURE	NON-FUNDED EXPOSURE	INVESTMENT EXPOSURE (NON SLR)	TOTAL EXPOSURE
18	Cement and Cement Products	61.53	6.50	0.00	68.03
19	Vehicles, Vehicle Parts and Transport Equipment & auto parts	337.36	8.17	0.00	345.53
20	Gems and Jewellery	620.01	1.72	0.00	621.73
21	Construction	907.78	169.76	0.09	1077.63
22	Infrastructure	2027.90	657.73	0.00	2685.63
23	Other Industries	2277.32	185.77	0.00	2463.09
	All Industries/ Activities Total	**18879.15**	**1935.70**	**0.54**	**20815.39**
	Residuary other advances	54196.53	1657.91	145.74	56000.18
	Total Gross Exposure	**73075.68**	**3593.61**	**146.28**	**76815.56**

Industries wherein the bank's exposure in related industry has exceeded 5% of the total gross credit exposure as on Mar 31, 2026: Nil

Residual contractual maturity breakdown of assets March 31, 2026

(Computed as per the guidelines of RBI on Asset Liability Management)

(₹ in crore)

PERIOD	Cash, RBI Balance & Balance with all Banks	Advances (Net)	Investments (Net)	Fixed & Other Assets	Total
1 day	4042.24	527.37	6908.36	163.80	11641.77
2 to 7 days	2772.77	1692.81	662.91	240.36	5368.85
8 to 14 days	70.28	1062.12	366.13	230.94	1729.47
15 to 30 days	146.50	1064.60	785.51	27.24	2023.85
31 days & upto 2 months	93.56	1720.19	501.64	20.57	2335.96
Over 2 months & upto 3 months	78.56	2739.67	421.25	20.57	3260.06
Over 3 months & upto 6 months	156.98	4838.95	849.71	344.87	6190.51
Over 6 months & upto 1 Year	594.48	15754.49	3207.65	94.34	19650.96
Over 1 year & upto 3 years	958.61	24572.95	5191.09	412.47	31135.12
Over 3 years & upto 5 years	7.48	4734.26	40.08	28.68	4810.50
Over 5 years	5.61	7167.76	52.59	1651.39	8877.35
Total	**8927.07**	**65875.17**	**18986.92**	**3235.23**	**97024.40**

Gross & Net NPA:

Gross NPA	(₹ in crore)
Sub-standard	357.91
Doubtful 1	170.88
Doubtful 2	137.57
Doubtful 3	423.36
Loss	183.36
Gross NPA Total	**1273.08**

Net NPA	(₹ in crore)
Sub-standard	289.47
Doubtful 1	88.41
Doubtful 2	71.54
Doubtful 3	--
Loss	--
Net NPA Total	**449.42**

Geographical-wise NPA			(₹ in crore)
Particulars	**Domestic**	**Overseas**	**Total**
Gross NPA	1273.08	Nil	1273.08
Provision for NPA	810.53	Nil	810.53
Provision for Standard Asset	327.63	Nil	327.63

Particulars	(%)
Gross NPA to Gross Advances	1.91%
Net NPA to Net Advances	0.68%

The movement of Gross NPA are as under:

(₹ in crore)

S.no	Position	NPA
1	Opening balance at the beginning of the year (April 01, 2025)	1638.17
2	Additions made during the year	744.84
3	Reductions during the year	1109.93
4	Closing balance at the end of the year (March 31, 2026) (1 + 2 - 3)	1273.08

The movements of provisions for NPAs are as under: (₹ in crore)

S.no	Position	Total Provision
1	Opening balance at the beginning of the year (April 01, 2025)	966.75
2	Provisions made during the year	254.00
3	Write-off /Write-back of excess provisions during the year	410.22
4	Closing balance at the end of the year (March 31, 2026) (1 + 2 - 3)	810.53

(₹ in crore)

Recovery made during the year till March 31, 2026, which is directly taken to Income Account	229.16

(₹ in crore)

Non-performing investment	1.93
Provision held for non-performing investment	1.99

The movement of provisions for depreciation on investments (₹ in crore)

S.no	Position	Total Provision
1	Opening balance at the beginning of the year (April 01, 2025)	NA
2	Provisions made during the year	NA
3	Write-off during the year	NA
4	Write-back of excess provisions during the year	NA
5	Closing Balance at the end of the year (March 31, 2026) (1 + 2 – 3 – 4)	NA

Table DF - 4
CREDIT RISK
DISCLOSURES FOR PORTFOLIO SUBJECT TO THE STANDARDISED APPROACH

Qualitative Disclosures:

The Bank accepts ratings assigned by External Credit Rating Agencies approved by the Reserve Bank of India, namely CRISIL, ICRA, CARE, India Ratings & Research Pvt Ltd., Acuite Ratings & Research Ltd., Infomerics Valuation and Rating Pvt Ltd., and Brickwork Ratings, to facilitate corporate borrowers in obtaining credit ratings.

Borrowers who have not obtained ratings from any of the approved external credit rating agencies are treated as “unrated” for regulatory and risk-weight computation purposes.

The Bank computes risk weights based on external ratings assigned to borrowers, both for long-term and short-term facilities. These ratings are generally facility-specific and are used in accordance with Basel III guidelines. The Bank follows the procedures prescribed under Basel III norms for the use of external ratings in risk weight computation and capital adequacy assessment.

- Rating assigned by any of the applicable rating agency is used for all the types of claims on the borrowing entity. In case of availability of rating of more than one rating agency, the least among the rating is taken.
- 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:

The exposures, after risk mitigation under the Standardised Approach (both rated and unrated), classified into the three major risk buckets, along with exposures deducted as part of risk mitigation, are given below.

(₹ in crore)

Risk Weight	Rated	Unrated	Total
Below 100 %	1506.94	49209.33	50716.27
At 100 %	930.74	21696.91	22627.65
More than 100 %	812.61	4025.40	4838.01
Total outstanding after mitigation	3250.29	74931.64	78181.93
Deducted (as per Risk Mitigation)	34.42	23004.33	23038.75

Table DF – 5

CREDIT RISK MITIGATION: DISCLOSURES FOR STANDARDISED APPROACHES

Qualitative Disclosures:

The Bank has put in place Credit Risk Mitigation and Collateral Management Policy with the primary objective of

- Mitigating Credit Risks and enhancing awareness on identification and acceptance of appropriate collateral, taking into account the spirit of Basel III / RBI guidelines.
- Optimizing the benefits of Credit Risk Mitigation in the computation of capital charge in accordance with the approaches prescribed under Basel III / RBI guidelines.

Valuation and methodologies are detailed in Credit Risk Management Policy, Valuation Policy and Loan Policy of the Bank.

The Bank recognizes the following Financial Collateral (FC) for Credit Risk Mitigation.

a) Cash or Cash equivalent (Bank Deposits /Certificate of Deposits issued by the Bank, etc.)
b) Gold Jewellery including gold coins specially minted by Banks (the value of gold jewellery and coins shall be arrived at after converting it notionally to 99.99 purity)
c) Kisan Vikas Patras *

d) National Savings Certificates *
   (* - Provided no lock in period is operational and if they can be encashed within the holding period)
e) Life Insurance Policies with a declared surrender value
f) Securities issued by the Central and State Governments
g) Debt securities rated by an approved Credit Rating Agency, in respect of which the Bank should be sufficiently confident about the market liquidity where such securities are either:
   - Attracting 100 per cent or lesser risk weight i.e., rated atleast BBB (-) when issued by public sector entities and other entities (including banks and Primary Dealers); or
   - Attracting 100 per cent or lesser risk weight i.e., rated atleast CARE A3 / CRISIL A3 / India Ratings and Research Private Limited (India Ratings) A3 / ICRA A3 / Brickwork A3 / Acuite A3 / IVR A3 (INFOMERICS) in respect of short-term debt instruments.

- Debt securities though not rated by Credit Rating Agency, where
   - The securities are issued by a bank;
   - The securities are listed on a recognized stock exchange;
   - The securities are classified as senior debt;
   - All rated issues of the same seniority by the issuing bank are rated atleast BBB (-) or CARE A3 / CRISIL A3 / India Ratings and Research Private Limited (India Ratings) A3 / ICRA A3 / Brickwork A3 / Acuite A3 / IVR A3 (INFOMERICS) by a chosen Credit Rating Agency;
   - The Bank holding the securities as collateral has no information to suggest that the issue warrants a rating below BBB (-) or CARE A3/CRISIL A3/ India Ratings and Research Private Limited (India Ratings) A3 /ICRA A3/Brickwork A3/ Acuite A3 / IVR A3 (INFOMERICS), as applicable and
   - The Bank is sufficiently confident about the market liquidity of the security.

h) Units of Mutual Funds regulated by the securities regulator of the jurisdiction of the bank's operation where
   - a price for the units is publicly quoted daily i.e., where the daily NAV is available in public domain and
   - Mutual fund is limited to investing in the instruments listed above

The Bank accepts guarantees from individuals with considerable net worth and the Corporates, besides guarantee issued by Government, other Commercial Banks, ECGC, CGSE and CGTSI.

Concentration Risk in Credit Risk Mitigation: All types of securities eligible for mitigation are easily realizable financial securities. At present, a ceiling of 35% of Gross Advances in respect of Gold Jewels (financial collateral) has been prescribed in order to address the concentration risk in credit risk mitigants recognized by the bank. The portion of advances subjected to CRM including non-funded advances amounted to 29.47% of outstanding total of funded and non-funded credit. The Bank has ensured legal certainty in the matter of credit risk mitigation as per RBI guidelines.

Quantitative Disclosures: (₹ in crore)

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:

Portfolio category	Financial collateral	Quantum of exposure covered
Funded – Credit	Bank's own deposits	1639.29
	Gold jewels	19450.97
	LIC/KVP/NSC	16.24
Non Funded	Bank's own deposits	757.81

b. For each separately disclosed portfolio, the total exposure (after, on balance sheet netting) that is covered by Guarantees:

Portfolio category	Guaranteed by	Quantum of exposure covered
Funded - Credit	Food Credit (Central Government)	277.30
	ECGC	611.37
	CGTSI	256.38
	CGSE	103.99
	ECLGS (Central Government)	209.02

Table DF – 6
SECURITIZATION EXPOSURES: DISCLOSURE FOR STANDARDISED APPROACH

Qualitative Disclosures: The Bank has not undertaken any securitization activity.

Quantitative Disclosures: NIL

Table DF – 7
MARKET RISK IN TRADING BOOK

Qualitative Disclosures:

Market Risk in trading book is assessed as per the Standardised Duration Approach. The capital charge for both investments and foreign exchange exposure is computed as per Reserve Bank of India prudential guidelines based on the circular dt. November 28, 2025.

a. **Definition of Market Risk**:
Market Risk refers to the potential losses arising from volatility in interest rates, foreign exchange rates, equity prices and commodity prices. Market Risk arises with respect to all Market Risk Sensitive Financial Instruments, including Securities, Foreign Exchange Contracts, Equity and Derivative Instruments as well as from Balance Sheet or Structural Positions.

b. Portfolios covered under Standardised Approach:

The bank's portfolio comprises of Government securities, equity shares and forex portfolio.

c. Strategies and processes:

1. The Bank has put in place a Comprehensive Market Risk Management Framework to address the Market Risks (Bank Wide) including that of the Trading Book.
2. Within the above framework, various policies of the Bank prescribes Limits like Value at Risk (VaR), Duration, Minimum holding level for Liquid Assets, Exposure limits, Forex Open Position Limits (day light/overnight), Stop-Loss Limits etc.
3. Risk profiles are analyzed and the effectiveness of risk mitigants is regularly monitored through Mid Office.
4. Adherence to limits are being monitored by dedicated Mid Office, which reports exceptions to the head of the Risk Management Department, independent of Treasury /IBD operational units.

d. Risk Measurement:

1. Value at Risk (VaR) numbers is arrived for Equity Portfolio and Foreign Exchange Position.
2. The positions are marked to market at stipulated intervals. The Duration /Modified Duration for Trading Book is computed and its adherence to the prescribed duration limits is ensured.
3. The Bank is computing capital charge for both investments and foreign exchange exposure categories using Standardised Duration Approach as required under RBI guidelines.
4. Stress Testing Analysis is done by applying rate shocks on investment portfolio and also on foreign exchange open position.

Quantitative Disclosures:

Capital charge for Market risk – March 31, 2026 (₹ in crore)	
Interest Rate Risk	Nil
Equity Position Risk	1.32
Foreign Exchange Risk	9.90
Total	**11.22**

Table DF – 8
OPERATIONAL RISK

Qualitative Disclosures:

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 Reputational Risks.

The Bank has put in place Operational Risk Management Policy duly approved by the Board. This Policy outlines the Organisation Structure and covers the process of Identification, Assessment

/Measurement and control of various Operational Risks.

The other policies adopted by the Bank which deal with the management of operational risks are Inspection Policy, Information Security Audit Policy and Policy on Modified Code of Conduct for Know Your Customer & Anti-Money Laundering Standards.

Operational Risks in the Bank are managed through comprehensive and well-articulated internal control framework. Operational risk is mitigated by effecting suitable insurance coverage wherever necessary. The Bank has also put in place a compliance cell to supervise KYC & AML guidelines and off site monitoring of high value transactions. For accounting operations in the computerized environment, suitable internal control system is maintained and a separate policy on I.T. Security is in place specifying the internal guidelines on access, control, communications, operations, personal security, business continuity management etc. Bank has made tie up arrangements with HDFC ERGO General Insurance Company Ltd for Insurance coverage for Cyber security, crime & signature management plus liability insurance (3 policies) for Rs.325.00 crore.

Quantitative Disclosures:

Capital charge for Operational Risk is computed as per the Basic Indicator Approach based on 15% of the average of the gross income for the previous three years i.e. 2022-23, 2023-24 & 2024-25 as defined in the Master Circular on Basel III Capital Regulations of RBI dated November 28, 2025. The capital charge for operational risk is arrived at ₹ 434.49 crore.

Table DF – 9
INTEREST RATE RISK IN THE BANKING BOOK (IRRBB)

Qualitative Disclosures:

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 impact on income (earning perspective) is measured through use of Gap Analysis by applying notional rate shock up to 200 bps as prescribed.

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 up to 200 bps is arrived at for one year time horizon.

The Bank has adopted 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 RBI Guidelines on Banks "Asset Liability Management" Directions, 2025 DOR.LRG.No.82/13-10-001/2025-26 dated November 28, 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 yields as per yield curve suggested by RBI.

Quantitative Disclosures:

a. The impact of change in Interest Rate i.e. Earnings at Risk for 200 bps interest rate shock as on March 31, 2026 is ₹ 247.82 crore.
b. The impact of change in market value of Equity for an interest rate shock of 200 bps as on March 31, 2026 is 5.93%.

Table DF – 10
GENERAL DISCLOSURES FOR EXPOSURES RELATED TO COUNTERPARTY CREDIT RISK

Counterparty Credit Risk (CCR) is the risk that a counterparty to a transaction could default before the final settlement of the transaction cash flows. Unlike credit risk arising from a loan, where the exposure is unilateral and only the lending bank is exposed to the risk of loss, CCR creates a bilateral risk of loss, where either party to the transaction may be exposed to potential loss.

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 are inherently 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 its own risk management needs, including mitigation of interest rate and foreign exchange risk. Derivative exposures are computed using the current exposures method.

Counterparty Credit exposure as on March 31, 2026 (₹ in crore)

Nature	Notional Amount	Potential Exposure @ 1% / 5%	Current exposure	Total credit exposure	Total RWA
Forward contracts	13258.05	200.68	254.10	454.78	35.89

The capital requirement for Bank's exposure to Qualified Central Counter Party (QCCP) has been computed in respect of exposure to Clearing Corporation of India (CCIL) as on March 31, 2026, amounting to ₹ 2122.73 crore with corresponding risk weighted assets of ₹ 424.55 crore, which forms part of total credit risk weighted assets. As per RBI extent guidelines, the Credit Valuation Adjustment (CVA) risk capital charge has been computed, which amounted to ₹ 0.76 crore and the corresponding risk weighted value of ₹ 9.55 crore has also been included in the total credit risk weighted assets.

Table DF – 11
COMPOSITION OF CAPITAL

	Basel III common disclosure – March 31, 2026	(₹ in crore)	Ref no.
	Common Equity Tier 1 capital: Instruments and Reserves		
1	Directly issued qualifying common Share Capital plus related stock surplus (Share Premium)	1014.67	-
2	Retained Earnings	9235.90	-
3	Accumulated other Comprehensive Income (and Other Reserves)	-	-
3a	Revaluation Reserves	-	-
4	Directly issued capital subject to phase out from CET 1 (only applicable to Non-Joint Stock Companies)	-	-
	Public sector capital injections grandfathered until January 01, 2018	-	-
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET 1)	-	-
6	**Common Equity Tier 1 capital before regulatory adjustments**	**10250.57**	-
	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)	106.62	-
10	Deferred tax assets (net)	13.73	-
11	Cash-flow hedge reserve	-	-
12	Shortfall of provisions to expected losses	-	-
13	Securitisation 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	0.35	-
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	-	-

	Basel III common disclosure – March 31, 2026	(₹ in crore)	Ref no.
	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)	-	-
20	Mortgage Servicing Rights (amount above 10% threshold)	-	-
21	Deferred Tax Assets arising from temporary differences (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 (26a+26b+26c+26d+26e+26f+26g)	13.81	-
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 unrealized gains arising on fair valuation of Level 3 financial instruments (including derivatives)	13.81	-
26h	of which : contribution in the form of subordinated units of an AIF scheme	-	-
26i	Of which : full amount of Default Loss Guarantee (DLG), if the bank is the DLG provider	-	-
27	Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions	-	-
28	**Total Regulatory Adjustments to Common equity Tier 1**	**134.51**	**-**
29	**Common Equity Tier 1 capital (CET 1)**	**10116.06**	**-**
	Additional Tier 1 capital : instruments		
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	-	-

	Basel III common disclosure – March 31, 2026	(₹ in crore)	Ref no.
34	Additional Tier 1 instruments (and CET 1 instruments not included in row 5) issued by subsidiaries and held by third parties (amount allowed in group AT 1)	-	-
35	of which : instruments issued by subsidiaries subject to phase out	-	-
36	**Additional Tier 1 capital before Regulatory Adjustments**	-	-
	Additional Tier 1 capital: regulatory adjustments		
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	Investments in the Additional Tier 1 capital of unconsolidated insurance subsidiaries	-	-
41b	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	**Total regulatory adjustments to Additional Tier 1 capital**	-	-
44	**Additional Tier 1 capital (AT1)**	-	-
44a	**Additional Tier 1 capital reckoned for capital adequacy**	-	-
45	**Tier 1 capital (T1 = CET1 + Admissible AT1) (29 + 44a)**	**10116.06**	**-**
	Tier 2 capital : instruments and provisions		
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	Provisions	534.64	-
51	**Tier 2 capital before regulatory adjustments**	**534.64**	-
	Tier 2 capital: regulatory adjustments		
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)	-	-

	Basel III common disclosure – March 31, 2026	(₹ in crore)	Ref no.
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	**Total regulatory adjustments to Tier 2 capital**	-	-
58	**Tier 2 capital (T2)**	534.64	-
58a	**Tier 2 capital reckoned for capital adequacy (1.25% of credit RWA)**	**537.68**	-
58b	**Excess Additional Tier 1 capital reckoned as Tier 2 capital**	**-**	-
58c	**Total Tier 2 capital admissible for capital adequacy**	**534.64**	-
59	**Total capital (TC = T1 + Admissible T2) (45 + 58c)**	**10650.70**	-
60	**Total risk weighted assets (60a + 60b + 60c)**	**48585.66**	-
60a	of which : total credit risk weighted assets	43014.34	-
60b	of which : total market risk weighted assets	140.20	-
60c	of which : total operational risk weighted assets	5431.12	-

	Capital ratios		
61	Common Equity Tier 1 (as a percentage of risk weighted assets)	20.82%	-
62	Tier 1 (as a percentage of risk weighted assets)	20.82%	-
63	Total capital (as a percentage of risk weighted assets)	21.92%	-
64	Institution specific buffer requirement (minimum CET1 requirement plus capital conservation plus countercyclical buffer requirements plus higher of G-SIB buffer requirement 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 : higher of G-SIB and D-SIB buffer requirement	-	-
68	Common Equity Tier 1 available to meet buffers (as a percentage of RWA)	20.82%	-
	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 Standardised Approach (prior to application of cap)	534.64	-
77	Cap on inclusion of provisions in Tier 2 under Standardised Approach	534.64	-
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	-	-

Notes to the template

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		13.73
	Total as indicated in row 10		13.73
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		534.64
	Eligible Revaluation Reserves included in Tier 2 capital		--
	Total of row 50		534.64

Table DF-12

COMPOSITION OF CAPITAL- RECONCILIATION REQUIREMENTS

Step 1 (₹ in crore)

	Particulars as on March 31, 2026	Balance sheet as in financial statements	Balance sheet under regulatory scope of consolidation
	A. Capital & Liabilities		Not Applicable
Total Capital		**10564.86**	
i	Paid-up Capital	74.30	
	Reserves & Surplus	10490.56	
	Minority Interest	---	
Deposits		**78307.95**	
ii	of which : Deposits from banks	371.59	
	of which : Customer deposits	77936.36	
	of which : Other deposits (pl. specify)	---	
Borrowings		**5326.80**	
iii	of which : From RBI (REPO)	500.00	
	of which : From banks	12.18	
	of which : From other institutions & agencies	4340.44	
	of which : Others (pl. specify) Outside India	474.18	
	of which : Capital instruments	---	
iv	**Other liabilities & provisions**	**2824.79**	
	Total	**97024.40**	
	B. Assets		Not Applicable
i.	**Cash and balances with Reserve Bank of India**	**6267.33**	
	Balance with banks and money at call and short notice	**2659.74**	
ii.	**Investments**	**18986.92**	
	of which : Government securities	18872.63	
	of which : Other approved securities	---	
	of which : Shares	24.26	
	of which : Debentures & Bonds	83.61	
	of which : Subsidiaries / Joint Ventures / Associates	---	
	of which : Others (Commercial Papers, Mutual Funds etc.)	6.42	
iii.	**Loans and advances**	**65875.17**	
	of which : Loans and advances to banks	6.65	
	of which : Loans and advances to customers	65868.52	
iv.	**Fixed assets**	**468.53**	
v.	**Other assets**	**2766.71**	
	of which : Goodwill and intangible assets	---	
	of which : Deferred tax assets	243.03	
vi.	Goodwill on consolidation	---	
vii.	Debit balance in Profit & Loss account	---	
	Total	**97024.40**	

Step 2

1. As the Bank does not have any subsidiary, no disclosure relating to any legal entity for regulatory consolidation is made.
2. Break up for DF-11 items is given below as shown in the Bank's financial statements:

Common Equity Tier 1 capital: Instruments and Reserves				
Ref. no.	As per Balance Sheet	(₹ in crore)	As shown in DF-11 Composition of Capital	As shown in DF-12 (Step1) Balance Sheet
a.	Paid-up Capital	74.30	S.No.1	Paid-up Capital
b.	Share Premium	940.37		Reserves & Surplus
c.	Statutory reserves	2966.00	S.No.2	Reserves & Surplus
d.	Capital Reserves	353.39		Reserves & Surplus
e.	General reserves	5076.24		Reserves & Surplus
f.	Special Reserve under IT	911.00		Reserves & Surplus
g.	Balance in P&L (less dividend payable)	-70.73		Reserves & Surplus
	Total	**10250.57**		

Common Equity Tier 1 capital : Regulatory adjustments (deductions)				
Ref no.	As per Balance Sheet	(₹ in crore)	As shown in DF-11 Composition of Capital	As shown in DF-12 (Step1) Balance Sheet
h.	Unrealized gains on level 3 investment (AFS reserve)	13.81	S.No.7	
i.	Intangible assets (Application software)	106.62	S.No.9	Included in Fixed Assets
j.	Deferred Tax assets (net)	13.73	S.No.10	Other Assets / Liabilities
k.	Reciprocal cross-holdings in Common Equity	0.35	S.No.17	
	Total	**134.51**		

Tier 2 capital : Instruments and Provisions (Additions)				
Ref. no.	As per Balance Sheet	(₹ in crore)	As shown in DF-11 Composition of Capital	As shown in DF-12 (Step1) Balance Sheet
l.	Investment reserve	165.68	S.No.50	Reserves & Surplus
m.	Provision for Standard Assets	327.63		Other liabilities & provisions
n.	Provision for Country Risk Exposure	2.25		
o.	Provision for Unhedged Foreign Currency Exposure (UFCE)	2.72		
p.	Provision for impact of COVID19	6.36		
q.	Provision for Contingencies	30.00		
	Total	**534.64**		

Step 3

Extract of Basel III common disclosure template (with added column) - Table DF-11 (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 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	1014.67	2 (a) & 2 (b)
2	Retained earnings	9235.90	2(c) to 2(g)
3	Accumulated other comprehensive income (and other reserves)	___	
4	Directly issued capital subject to phase out from CET1 (only applicable to non-joint stock companies)	___	
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	___	
6	Common Equity Tier 1 capital before regulatory adjustments	10250.57	(sum of 1 & 2 above)
7	Prudential valuation adjustments	___	___
8	Goodwill (net of related tax liability)	___	

Table DF-13

MAIN FEATURES OF REGULATORY CAPITAL INSTRUMENTS

Main Features of Regulatory Capital Instruments (Equity Shares & Bond Series I, II)			
S.no.	**Description**	**Equity Shares**	**Bond Series II**
1	Issuer	City Union Bank Ltd	NIL
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	INE491A01021	
3	Governing law(s) of the instrument	Applicable Indian statutes and regulatory requirements	
	Regulatory treatment		
4	Transitional Basel III rules	Common Equity Tier I	
5	Post-transitional Basel III rules	Common Equity Tier I	
6	Eligible at solo / group / group & solo	Solo	
7	Instrument type	Common Equity Shares	
8	Amount recognized in regulatory capital (Rs. in crore, as of most recent reporting date)	74.30 crore	
9	Par value of instrument	Re.1 per equity share	
10	Accounting classification	Shareholders' Equity	
11	Original date of issuance	Various dates	
12	Perpetual or dated	Perpetual	
13	Original maturity date	No Maturity	
14	Issuer call subject to prior supervisory approval	Not Applicable	
15	Optional call date, contingent call dates and redemption amount	Not Applicable	
16	Subsequent call dates, if applicable	Not Applicable	
	Coupons / dividends	Dividend	
17	Fixed or floating dividend / coupon	Not Applicable	

Main Features of Regulatory Capital Instruments (Equity Shares & Bond Series I, II)			
S.no.	**Description**	**Equity Shares**	**Bond Series II**
18	Coupon rate and any related index	Not Applicable	NIL
19	Existence of a dividend stopper	Not Applicable	
20	Fully discretionary, partially discretionary or mandatory	Fully Discretionary	
21	Existence of step up or other incentive to redeem	No	
22	Noncumulative or cumulative	Non-cumulative	
23	Convertible or non-convertible	Not Applicable	
24	If convertible, conversion trigger(s)	Not Applicable	
25	If convertible, fully or partially	Not Applicable	
26	If convertible, conversion rate	Not Applicable	
27	If convertible, mandatory or optional conversion	Not Applicable	
28	If convertible, specify instrument type convertible into	Not Applicable	
29	If convertible, specify issuer of instrument it converts into	Not Applicable	
30	Write-down feature	No	
31	If write-down, write-down trigger(s)	Not Applicable	
32	If write-down, full or partial	Not Applicable	
33	If write-down, permanent or temporary	Not Applicable	
34	If temporary write-down, description of write-up mechanism	Not Applicable	
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Subordinated Claim at the time of liquidation	
36	Non-compliant transitioned features	No	
37	If yes, specify non-compliant features	No	

Note: Tier – II bond is nil.

Table DF-14

FULL TERMS AND CONDITIONS OF REGULATORY CAPITAL INSTRUMENTS

The details of the Tier II capital [Bonds] raised by the Bank – **NIL.**

Table DF-15

REMUNERATION

Qualitative Disclosures:		
(a)	Information relating to the composition and mandate of the Remuneration Committee.	The Committee comprised of Three members. The mandate includes administration of Employee Stock Options, review of Compensation Policy of the Bank, Succession planning for Board of Directors, appointment and remuneration of Whole-time Directors, Non-Executive / Independent Directors, Key Managerial Personnel, Material Risk Takers (MRT), Control Function Staff, Other category staffs etc.
(b)	Information relating to the design and structure of remuneration processes and the key features and objectives of remuneration policy.	Key Features: Board oversees the design of the compensation package and operations. The proportion of cash, equity and other forms of compensation are consistent with risk alignment. Objective: i) Alignment of compensation with prudent risk taking.
(c)	Description of the ways in which current and future risks are taken in to account in the remuneration processes. It should include the nature and type of the key measures used to take account of these risks.	The Compensation is adjusted for all types of risks and the compensation outcome are symmetric with risk outcomes.
(d)	Description of the ways in which the Bank seeks to link performance during a performance measurement	Qualitative features such as skills, knowledge, abilities etc. are factored in besides performance in financial parameters.

	period with levels of remuneration.		
(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 deferral part in Cash Component (if any) and Non-Cash Component under variable remuneration shall be for a period for 3 years as provided under the Compensation Policy of the Bank. The criteria for adjusting the deferred remuneration shall be as per the Compensation Policy, applicable ESOP Scheme of the Bank and also, the Reserve Bank of India (Commercial Banks - Governance) Directions, 2025 dt.28.11.2025 on Compensation to Whole-time Directors / Chief Executive Officers / Material Risk Takers and Control Function Staffs, SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and other relevant Regulatory / Statutory stipulations.	
(f)	Description of the different forms of variable remuneration (i.e. cash, shares, ESOPs and other forms) that the Bank utilizes and the rationale for using these different forms.	The Bank pays variable remuneration as approved by RBI for each FY comprising of Cash Component and Non-Cash Component (in the form of ESOP at present). The grant of above forms of variable compensation is subject to relevant Regulatory / Statutory stipulations.	
Quantitative Disclosures: The quantitative disclosures pertaining to Whole-time Directors as on 31st March, 2026 and 31st March, 2025 is given below:			
	Particulars	**Current Year**	**Previous Year**
(g)	Number of meetings held by the Remuneration Committee during the financial year and remuneration paid to its members.	8 meetings of the Compensation & Remuneration Committee ("CRC") was held during the financial year and 1 meeting of Nomination and Remuneration Committee was held during the year (After merging of Nomination Committee and CRC during February 2026). The total remuneration & commission paid to the Committee members during the year is Rs.1,25,85,822/- (including	6 meetings of the Compensation & Remuneration Committee ("CRC") was held during the financial year and the total remuneration & commission paid to the Committee members during the year is Rs.1,23,00,000/- (including profit linked commission of Rs.60,00,000/- paid to the members pertaining to FY 2024).

		profit linked commission of Rs.81,80,822/- paid to the members pertaining to FY 2025).	
(h)	(i) Number of employees having received a variable remuneration award during the financial year.	2	1
	(ii) Number and total amount of sign – on awards made during the financial year.	NIL	NIL
	(iii) Details of guaranteed bonus, if any, paid as joining / sign on bonus.	NIL	NIL
	(iv) Details of severance pay, in addition to accrued benefits, if any.	NIL	NIL
(i)	(i) Total amount of outstanding deferred remuneration, split into cash, shares and share-linked instruments and other forms.	**1. MD & CEO** **<u>Variable Pay FY 2025</u>** The outstanding deferred remuneration is as under: • **Cash Component:** Rs. 64,50,000/- deferred over a period of 3 years [Rs. 21,50,000/- in Dec' 2026, 2027 & 2028 respectively]	**Variable Pay FY 2024** The outstanding deferred remuneration is as under: • **Cash Component :** Rs. 53,75,000/- deferred over a period of 3 years

		• **Non Cash Component** • Rs. 1,29,00,000/- 45,450 Stock Options had been granted by the NRC for the aforesaid amount, at its meeting held on 27.2.2026 and the same is deferred over a period of 3 years. The vesting schedule is given below: Deferral 1 – 13,635 Stock Options – Feb' 2027 Deferral 2 – 13,635 Stock Options - Feb' 2028 Deferral 3 – 18,180 Stock Options - Feb' 2029 **<u>Variable Pay FY 2024</u>** The outstanding deferred remuneration is as under: • **Cash Component:** Total - Rs. 35,83,334/- Deferral 2 – Rs. 17,91,666/- : vesting due in Feb' 2027 Deferral 3 – Rs. 17,91,668/- : vesting due in Feb' 2028	• **Non Cash Component :** Rs. 1,07,50,000/- 69,462 Stock Options had been granted by the CRC for the aforesaid amount, at its meeting held on 26.03.2025 and the same is deferred over a period of 3 years. **Variable Pay FY 2023** The outstanding deferred remuneration is as under: • Cash Component: Rs.32,66,667 (Deferral2 & 3) • Non Cash Component : Rs. 98,00,000/- <u>Deferral 1</u> – 22,328 Stock Options vested in March 2025 <u>Deferral 2</u> – 22,328 Stock Options due for vesting in March 2026 <u>Deferral 3</u> – 29,772 Stock Options due for vesting in March 2027 **Variable Pay FY 2021** Non Cash Component : <u>Deferral 3</u> **–** 10,780 options vesting in August 2025

		• **Non Cash Component:** Deferral 1 – 20,838 Stock Options vested in March 2026 Deferral 2 – 20,838 Stock Options due for vesting in March 2027 Deferral 3 – 27,786 Stock Options due for vesting in March 2028 **Variable Pay FY 2023** The outstanding deferred remuneration is as under: • **Cash Component:** Rs. 16,33,334 (Deferral 3) • **Non Cash Component:** Deferral 2 – 22,328 Stock Options vested in March 2026 Deferral 3 – 29,772 Stock Options due for vesting in March 2027 **2. Executive Director – Shri R Vijay Anandh** **Variable Pay FY 2025** The outstanding deferred remuneration is as under:	

		• **Cash Component:** Rs. 79,50,000/- deferred over a period of 3 years [Rs. 13,25,000/- in Dec' 2026, 2027 & 2028 respectively] • **Non Cash Component:** Rs. 79,50,000/- 28,010 Stock Options had been granted by the NRC for the aforesaid amount, at its meeting held on 27.2.2026 and the same is deferred over a period of 3 years. The vesting schedule is given below: Deferral 1 – 8,403 Stock Options due for vesting in Feb' 2027 Deferral 2 – 8,403 Stock Options due for vesting in Feb' 2028 Deferral 3 – 11,204 Stock Options due for vesting in Feb' 2029	
	(ii) Total amount of deferred remuneration paid out in the financial year.	**Variable Pay FY 2021** Deferred remuneration paid in FY 2025 is as under:	**Variable Pay FY 2021** Deferred remuneration paid in FY 2025 is as under:

		• **Non Cash Component:** Deferral 3 - 10,780 Stock Options exercised in FY 2026 **Variable Pay FY 2023** Deferred remuneration paid in FY 2026 is as under: • **Cash Component :** Deferral 1 - Rs. 16,33,333/- Deferral 2 - Rs. 16,33,333/- • **Non Cash Component :** Deferral 1 – 22,328 Stock Options exercised in FY 2026 **Variable Pay FY 2024** Deferred remuneration paid in FY 2026 is as under: • **Cash Component :** Deferral 1 - Rs. 17,91,666/-	• **Cash Component :** Deferral 3 - Rs. 7,06,370/- • **Non Cash Component :** Deferral 2 - 8,085 Stock Options exercised in FY 2025
(j)	Breakdown of amount of remuneration awards for the financial year to show fixed and variable, deferred and non-deferred.	**1. Dr. N. Kamakodi, MD & CEO** **Fixed Pay:** Revision of Fixed Pay w.e.f 01.05.2025 by RBI vide its letter dt.17.12.2025: • Rs.2,61,00,000/- per annum (including perquisites)	**Fixed Pay :** **A.** Revision of Fixed Pay w.e.f 01.05.2024 for Dr. N. Kamakodi - MD & CEO approved by RBI vide its letter dt.05.02.2025: • Rs.2,36,50,000/- per annum (including perquisites)

		<u>Variable Pay for FY 2025:</u> Variable pay for FY 2025 was approved by RBI vide its letter dt.17.12.2025 • Rs.2,58,00,000/- • **Cash Component: Rs. 1,29,00,000/-** <u>Upfront portion:</u> Rs. 64,50,000/- <u>Deferred portion:</u> Rs. 64,50,000/- due for payment as per below: Deferral 1, 2 & 3 : Rs. 21,50,000/- in Dec' 2026, 2027 and 2028 respectively. • **Non Cash Component: Rs.1,29,00,000/-** (100% Deferral) 45,450 Stock Options had been granted by the NRC for the aforesaid amount, at its meeting held on 27.2.2026	**Variable Pay for FY 2024:** Variable pay to MD & CEO for **FY 2024** was approved by RBI vide its letter dt.05.02.2025 – Rs.2,15,00,000/- • **Cash Component : Rs. 1,07,50,000/-** <u>Upfront portion</u>: Rs. 53,75,000/- <u>Deferred portion:</u> Rs. 53,75,000/- due for payment as per below: <u>Deferral 1</u> Rs. 17,91,666/- in FY 2026 <u>Deferral 2</u> Rs. 17,91,666/- in FY 2027 <u>Deferral 3</u> Rs. 17,91,668/- in FY 2028 • **Non Cash Component : Rs. 1,07,50,000/-** (100% Deferral) 69,462 Stock Options had been granted by the CRC for the aforesaid amount, at its meeting held on 26.03.2025 and the same is deferred over

		and the same is deferred over a period of 3 years. The vesting schedule is given below: Deferral 1 – 13,635 Stock Options – Feb' 2027 Deferral 2 – 13,635 Stock Options - Feb' 2028 Deferral 3 – 18,180 Stock Options - Feb' 2029 **2. Shri R Vijay Anandh – Executive Director** **Fixed Pay:** Revision in Fixed Pay of Shri. R. Vijay Anandh, Executive Director (w.e.f. 24.6.2025) approved by RBI vide its letter dt.17.12.2025: Rs. 2,28,00,000/- per annum (including perquisites) **<u>Variable Pay for FY 2025:</u>** Variable pay was approved by RBI vide its letter dt.17.12.2025 Rs.1,59,00,000/-	a period of 3 years. The vesting schedule is given below: <u>Deferral 1</u> – 20,838 Stock Options - March 2026 <u>Deferral 2</u> – 20,838 Stock Options - March 2027 <u>Deferral 3</u> – 27,786 Stock Options - March 2028 **A.** Approval of RBI for **Fixed Pay** of Shri. R. Vijay Anandh, Executive Director (w.e.f. 24. 06. 2024) approved by RBI vide its letter dt.28.05.2024: • Rs.2,06,57,000/- per annum (including perquisites) **B.** Approval of RBI for **Fixed Pay of** Shri. V. Ramesh, Executive Director (w.e.f. 21.02.2025) vide its letter dt.04.03.2025: • Rs.1,05,00,000/- per annum (including perquisites)

		Cash Component: Rs. 79,50,000/- deferred over a period of 3 years [Rs. 13,25,000/- in Dec' 2026, 2027 & 2028 respectively] **Non Cash Component:** • Rs. 79,50,000/- 28,010 Stock Options had been granted by the NRC for the aforesaid amount, at its meeting held on 27.2.2026 and the same is deferred over a period of 3 years. The vesting schedule is given below: Deferral 1 – 8,403 Stock Options - Feb' 2027 Deferral 2 – 8,403 Stock Options - Feb' 2028 Deferral 3 – 11,204 Stock Options – Feb' 2029 **3. Shri. R. Vijay Anandh, MD & CEO (w.e.f. 1.5.2026):** Approval of RBI vide its letter dt.9.2.2026, for **Fixed Pay** of Rs.2,50,00,000/- per annum (including perquisites)	

(k)	(i) Total amount of outstanding deferred remuneration and retained remuneration exposed to ex-post explicit and/or implicit adjustments. (ii) Total amount of reductions during the financial year due to ex-post explicit adjustments. (iii) Total amount of reductions during the financial year due to ex-post implicit adjustments.	NIL	NIL
(l)	Number of MRTs identified	3	NIL
(m)	• Number of cases where malus has been exercised. • Number of cases where clawback has been exercised. • Number of cases where both malus and clawback have been exercised.	NIL	NIL
(n)	General Quantitative Disclosure: The mean pay for the Bank as a whole (excluding sub-staff) and deviation of the pay of each of its WTDs from the mean pay.	Rs.7,76,17,180/-	Rs. 4,90,11,677/-

14) Disclosure on remuneration to Non-Executive Directors:

All the Non-Executive Directors are paid remuneration by way of sitting fees for attending meeting of the Board and its committees. Further, they are eligible for Profit Linked Commission (PLC) pursuant to the extant Reserve Bank of India (Commercial Banks - Governance) Directions, 2025 dt.28.11.2025, the Companies Act, 2013 and the Compensation Policy of the Bank. For FY 2026 an amount of Rs. 1.28 crore was paid as Sitting fees and for FY 2025 an amount of Rs. 1.42 crore was paid during the year as PLC (on pro-rata basis) to the Non-Executive Directors of the Bank. In the previous year an amount of Rs.1.29 crore and Rs.1.20 crore was paid as Sitting fees and PLC respectively.

Table DF-16
<u>EQUITIES – DISCLOSURE FOR BANKING BOOK POSITIONS</u>

Qualitative Disclosures:

As per RBI Master Direction - Classification, Valuation and Operation of Investment Portfolio of Commercial Banks (Directions) dt. November 28, 2025, investments will be classified as below

- Fair Value through Profit and loss (FVTPL),
- Available for Sale (AFS),
- Held to Maturity (HTM) and
- Held for Trading (HFT) is a separate investment subcategory within FVTPL.
- All investments in subsidiaries, associates and joint ventures are classified under Subsidiaries, Associates and Joint ventures in accordance with RBI guidelines.

In line with RBI guidelines, investments in HTM, AFS, and FVTPL (non-HFT) categories, as well as investments in subsidiaries, associates, and joint ventures, are classified under the banking book

Any gain or loss on sale of equity instruments designated under AFS shall be transferred from the AFS reserve to the capital reserve. In case of equity investment classified under FVTPL, gain or loss on sale shall be recognized in profit and loss account. Valuation gains or losses arising from investment under AFS are recognized in AFS reserve, whereas those under FVTPL is recognized in profit and loss account. Bank does not hold equity positions in HTM Category or in Subsidiaries, Associates or Joint ventures.

Quantitative Disclosures:

(₹ in crore)

S.no	Particular	Value
1	Value disclosed in the balance sheet of investments (Carrying value)	22.61
	Fair value of those investments (Market value as on 31.03.2026)	20.68
	For quoted securities, a comparison to publicly quoted share values where the share price is materially different from fair value	NA (Unquoted form)
2	The types and nature of investments, including the amount that can be classified as – • Publicly traded and • Privately held.	 -- 22.61
3	The cumulative realized gains (losses) arising from sales and liquidations in the reporting period	--
4	Total unrealised gains (losses) (Net of Tax)	13.82*
5	Total latent revaluation gains (losses)	--
6	Any amounts of the above included in Tier 1 and/or Tier 2 capital	--
7	Capital requirements broken down by appropriate equity groupings, consistent with the bank's methodology, as well as the aggregate amounts and the type of equity investments subject to any supervisory transition or grandfathering provisions regarding regulatory capital requirements	--

*Includes transitional gain on AFS investments due to the implementation of Master Direction - Classification, Valuation and Operation of Investment Portfolio of Commercial Banks (Directions), 2025

Table DF-17

LEVERAGE RATIO

The leverage ratio is a non-risk-based measure of a bank's total exposure relative to its Tier I capital. The leverage ratio is calibrated to act as a credible supplementary measure to the risk based capital requirements. Under the Basel III framework, the leverage ratio is defined as the capital measure (numerator) divided by the exposure measure (denominator) and is expressed as a percentage. Earlier, the indicative minimum benchmark Leverage Ratio prescribed was 4.50%, which has been revised to 3.50% as per the RBI circular on "Basel III Capital Regulations - Implementation of Leverage Ratio", vide DBR.BP.BC.No.49/21.06.201/2018-19 dated 28.06.2019.

Leverage Ratio = Capital Measure (Tier I Capital) / Exposure Measure

(Amount - ₹ in crore)

Summary comparison of Accounting Assets vs. Leverage Ratio Exposure					
S. no.	**Item**	**31-03-2026**	**31-12-2025**	**30-09-2025**	**30-06-2025**
1	Total consolidated assets as per published financial statements	97024.40	88130.30	84402.35	79799.52
2	Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	(0.35)	(0.35)	(0.41)	(0.42)
3	Adjustment for fiduciary assets recognized on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure	-----	-----	-----	-----
4	Adjustments for derivative financial instruments	454.78	521.53	358.98	316.10
5	Adjustment for securities financing transactions (i.e. repos and similar secured lending)	-----	-----	-----	-----
6	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off- balance sheet exposures)	3367.76	3221.60	3098.44	2882.70
7	Other adjustments (intangible & AFS reserves)	(134.17)	(165.00)	(145.07)	(136.93)
	Leverage Ratio exposure	**100712.42**	**91708.08**	**87714.29**	**82860.97**

Table DF – 18

LEVERAGE RATIO COMMON DISCLOSURE TEMPLATE

(Amount - ₹ in crore)

S.no.	Item	31-03-2026	31-12-2025	30-09-2025	30-06-2025
On – balance sheet exposures					
1	On-balance sheet items (excluding derivatives and SFTs, but including collateral)	97024.40	88130.30	84402.35	79799.52
2	(Asset amounts deducted in determining Basel III Tier 1 capital)	(134.52)	(165.35)	(145.48)	(137.35)
3	**Total on-balance sheet exposures** (excluding derivatives and SFTs) (sum of lines 1 and 2)	**96889.88**	**87964.95**	**84256.87**	**79662.17**
Derivative Exposures					
4	Replacement cost associated with all derivative transactions (i.e. net of eligible cash variation margin)	454.78	521.53	358.98	316.10
5	Add-on amounts for PFE associated with all derivative transactions	----	----	----	----
6	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the operative accounting framework	----	----	----	----
7	(Deductions of receivables assets for cash variation margin provided in derivative transactions)	----	----	----	----
8	(Exempted CCP leg of client-cleared trade exposures)	----	----	----	----
9	Adjusted effective notional amount of written credit derivatives	----	----	----	----
10	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	----	----	----	----
11	**Total derivative exposures (sum of lines 4 to 10)**	**454.78**	**521.53**	**358.98**	**316.10**
Securities financing transaction exposures					
12	Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	----	----	----	----
13	(Netted amounts of cash payables and cash receivables of gross SFT assets)	----	----	----	----
14	CCR exposure for SFT assets	----	----	----	----
15	Agent transaction exposures	----	----	----	----
16	**Total securities financing transaction exposures (sum of lines 12 to 15)**	----	----	----	----

S.no.	Item	31-03-2026	31-12-2025	30-09-2025	30-06-2025
Other off-balance sheet exposures					
17	Off-balance sheet exposure at gross notional amount	10882.00	10694.03	10432.84	9624.90
18	(Adjustments for conversion to credit equivalent amounts)	(7514.24)	(7472.43)	(7334.40)	(6742.20)
19	**Off-balance sheet items (sum of lines 17 and 18)**	**3367.76**	**3221.60**	**3098.44**	**2882.70**
Capital and total exposures					
20	Tier 1 capital	10116.06	8996.37	9010.39	9041.13
21	Total exposures (sum of lines 3, 11, 16 and 19)	**100712.42**	**91708.08**	**87714.29**	**82860.97**
Leverage ratio					
22	**Basel III leverage ratio (20 / 21)**	**10.04%**	**9.81%**	**10.27%**	**10.91%**