

BASEL III - PILLAR 3 DISCLOSURES AS ON JUNE 30, 2026

Bandhan Bank Limited (hereafter referred as the “Bank”) was incorporated on December 23, 2014, as a public limited company under the provisions of the Companies Act, 2013. A license authorizing the Bank to carry on banking business was issued by the RBI in terms of Section 22(1) of the Banking Regulation Act, 1949 on June 17, 2015. The Bank commenced its banking operation on August 23, 2015.

The Bank was listed on March 27, 2018, on National Stock Exchange of India (NSE) and BSE Limited.

DF – 2: Capital Adequacy**Qualitative Disclosure:**

RBI issued Prudential Norms on Capital Adequacy Directions, 2025 dated November 28, 2025, updated from time to time. As on June 30, 2026, the Bank is required to maintain minimum CET1 CRAR of 8% and minimum total CRAR of 11.50%. The minimum capital requirement includes capital conservation buffer (CCB) of 2.50%.

The Bank has a process for assessing its overall capital adequacy in relation to the Bank's risk profile and strategy for maintaining its capital levels. The process provides an assurance that the Bank has adequate capital to support all risks inherent to its business and an appropriate capital buffer based on its current and projected business profile. The Bank identifies, assesses and manages comprehensively all risks that it is exposed to through sound governance and control practices, robust risk management framework and an elaborate process for capital planning.

Bank calculates its capital ratios as per the extant RBI guidelines and direction. The Pillar I Risk Weighted Assets (RWA) calculation covers the following risks:

- i. Credit Risk (Standardized Approach)
- ii. Market Risk (Standardized Approach)
- iii. Operational Risk (Basic Indicator Approach)

As on June 30, 2026, the Bank had a total capital of Rs 26,597 Cr, out of which CET 1 and Tier 1 capital stood at Rs. 25,706 Cr. The Capital to Risk Weighted Assets Ratio (CRAR) of the Bank stood at 18.15% against regulatory requirement of 11.50%.

Internal assessment Of Capital: The Bank's capital management includes a comprehensive internal capital adequacy assessment process (ICAAP) conducted annually which determines the adequate level of capitalization for the Bank to meet regulatory norms and current and future business needs, including

under stress scenarios. The ICAAP encompasses capital planning for a three-year time horizon, assessment of material risks and the relationship between risk and capital.

The ICAAP and capital management of the Bank is administered by the Finance and the Risk Management under the supervision of the Board and the Risk Committee.

The capital management is complemented by the risk management framework, which covers the policies, processes, methodologies and frameworks established for the management of material risks. Stress testing, which is a key aspect of the ICAAP and the risk management framework, provides an insight on the impact of extreme but plausible scenarios on the Bank's risk profile and capital position. Based on the stress testing policy, the Bank conducts stress tests on its various portfolios and assesses the impact on its capital adequacy ratio and the adequacy of capital buffers for current and future periods. The Bank periodically assesses and refines its stress testing policy to ensure that the stress scenarios capture material risks as well as reflect market conditions and operating environment. The business and capital plans along with the stress testing results are integrated into the ICAAP.

Based on the ICAAP, the Bank determines the level of capital that needs to be maintained by considering the following in an integrated manner:

- a) Bank's strategic focus, business plan and growth objectives
- b) Regulatory capital requirements as per the RBI guidelines and changes thereof applicable on future dates
- c) Assessment of material risks and impact of stress testing

Monitoring and reporting: The Board of Directors of the Bank maintains an active oversight over the Bank's capital adequacy levels. On a quarterly basis, an analysis of the capital adequacy position, the risk weighted assets and an assessment of the various aspects of capital and risk management as stipulated by RBI, are reported to the Board.

Further, the ICAAP process which is annually documented also serves as a mechanism for the Board to assess and monitor the Bank's capital adequacy position over a three-year time horizon.

Quantitative Disclosure

The standalone CRAR position of the Bank as on June 30, 2026, stood as below:

Capital Requirement	
	(Rs in crore)
(a) Capital requirements for credit risk:	
Portfolios subject to Standardised approach	13,844.16
Securitisation exposures	9.92
(b) Capital requirements for Market risk:	
Standardised duration approach	118.98
Interest Rate Risk	106.37
Foreign exchange Risk (including Gold)	7.12
Equity Risk	5.49
(c) Capital requirements for Operational risk:	
Basic indicator approach	2880.50
(d) Common Equity Tier 1, Tier 1 and Total capital ratio:	
CET I	17.54%
TIER I	17.54%
TIER II	0.61%
TOTAL	18.15%

Note: At minimum capital requirement of 11.50% (including CCB).

Risk Exposure and Assessment

The Bank encourages calculated risk-taking, where risks are known, and are within the risk limits arising from the Board approved risk appetite. Also, while evaluating the risks, the associated returns are also considered. The key constituents that promote "Risk aware culture" in the Bank are:

- Encourage employees to take business decisions in line with the Bank's approved risk appetite.
- Proper handling of whistle blowers who report on fraudulent activities.
- Proper handling of employees who report potential risks; and
- Adequate and regular training of personnel in the business areas on their roles in risk management.

Risk transparency is fostered through reporting, disclosure, sharing of information and open dialogue on the risks arising from various activities across the Bank.

Risk Governance Model

The Bank has established a robust system for directing and controlling the management of various risks within and across the Bank. This governance model defines three key roles:

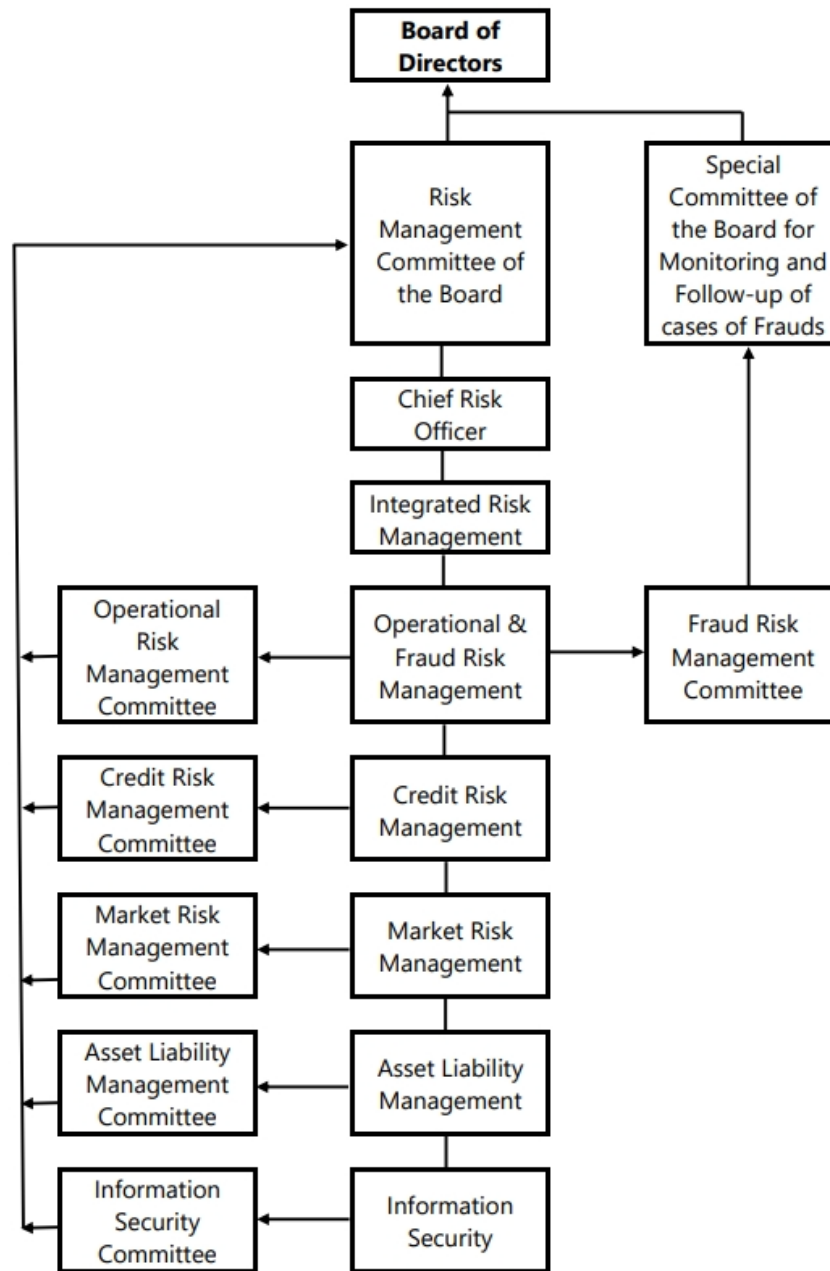
- Business that takes, manage, and assess risk
- Risk Management that provides risk appetite, governing policies, analysis, monitoring, and reporting; and
- Internal Audit that provides independent inspection and assurance.

Risk Management Department is responsible for setting up the appropriate risk control mechanism to quantify and monitor risks in timely manner.

Risk Governance Framework

The Bank believes that the role of risk management should not be biased by consideration of profits or performance evaluation and should be in line with regulatory guidelines and international good practices. The risk governance framework has been designed taking the following into account.

Risk Governance Structure



The risk governance framework provides guidance on adopting a more holistic approach to manage risk, emphasizing four related elements:

- Developing the corporate risk profile.
- Establishing a risk function that manages risk in an integrated manner.

- Practicing integrated risk management; and
- Ensuring continuous risk monitoring.

The risk governance framework for the Bank is supported by the detailed roles and responsibilities within the Bank.

Governance Committees

Key roles and responsibilities relating to risk management are clearly defined and stated below:

Board of Directors

Board of Directors (BoDs) has the overall responsibility for management of all the Risks. The key responsibilities of BoDs are the following:

- Be aware of the major aspects of the bank's risks that should be managed and should approve an appropriate risk management framework for the bank and review it periodically.
- Based on the recommendation of RMCB and individual RMCs, approve and periodically review the risk appetite, risk management policies, and processes.
- Establish a management structure, which can effectively implement the Bank's risk management framework and define clear lines of management responsibility, accountability and reporting.
- Provide senior management with clear guidance and direction with respect to promotion of risk management culture and awareness in the bank.
- Ensure that the Bank has adequate internal controls (empower internal audit) in place to oversee the implementation of policy and procedures.
- Approve ICAAP and the underpinning capital requirements periodically.
- Ensure that the Bank has in place appropriate methods for monitoring compliance with laws, regulations and internal policies;
- Obtain assurance (through internal audit and external reviews) that the Bank's risk management policies for significant risks are being adhered to.

Risk Management Committee of the Board

RMCB has overall responsibility to oversee the Integrated Risk Management program including Credit, Market, Operational and other key risks. The committee is responsible to:

- Oversee risk management function and obtain assurance from the respective committees and risk departments that the key risks facing the Bank have been properly identified and are being appropriately managed.
- Define the risk appetite of the Bank within overall parameters set by the Board including business strategy & growth and review Risk Profile on quarterly basis

- Ensure effectiveness in the conduct of the overall risk governance.
- Approve risk limits at the bank-wide level for various portfolios such as product, industry, geography, risk types etc.
- Recommend risk management and measurement policies/ guidelines and procedures before submission to the Board.
- Allocate and maintain sufficient resources (including IT support) for risk identification, measurement, monitoring and reporting.
- Recommend risk capital computation and place it to the Board for approval.
- Reinforce the culture and awareness of risk management throughout the organization.
- Approve and ensure robustness of financial models and effectiveness of systems used to measure Credit Risk whenever applicable, which include:
 - Approve the use of risk rating systems for business and risk management purposes.
 - Ensure effectiveness and performance of rating system and associated processes and controls
 - Approve all material credit risk models and rating systems along with changes if any made to them; and
- Discuss the findings of the Audit Committee of the Board (ACB) whichever and whenever deemed necessary

Audit Committee of the Board

The Audit Committee of the Board (ACB) is responsible to:

- Assist the Board in carrying out its oversight responsibilities as they relate to the Banks financial and reporting practices, internal control and compliance with laws, regulations and ethics

A. Financial and Other Reporting

- Provide assurance to the governing board that financial information reported by management reasonably portrays the Bank's financial condition, results of operations, and plans and long-term commitments.
- Review of financial and/or fiscal policies and policy decisions.
- Review of the financial statements including interim financial statements, auditors' opinion and management letter.
- Recommendations on the selection of the external auditors or participation in the selection of external auditors.
- Oversight of the external audit coverage; and
- Review of other reports that require approval by the BOD prior to submission.

B. Internal Control

- Understand the Bank's key risk areas and the internal controls structure.
- Monitor the control process through the results of internal and external audits.
- Examining and evaluate the planning, organization and directing processes to determine that the objectives and goals will be achieved; and
- Evaluate systems, processes, operations, functions & activities within the organization.

C. Compliance with Laws, Regulations and Ethics

- Provide reasonable assurance to the governing board that the Bank is in compliance with pertinent laws and regulations, is conducting its affairs ethically, and is maintaining effective controls against conflicts of interest /fraud.

Special Committee of the Board for Monitoring and Follow-up of cases of Frauds

The roles and responsibilities of the Committee are:

- To oversee the effectiveness of the fraud risk management in the Bank including prevention, early detection, investigation, staff accountability, monitoring, recovery, analysis and reporting of frauds.
- To review and monitor cases of frauds based on categories/trends of frauds, industry/sectoral/geographical concentration of frauds, delay in detection/classification of frauds and delay in examination/conclusion of staff accountability, etc.
- To review the root cause analysis and suggest mitigating measures for strengthening the internal controls, risk management framework and minimizing the incidence of frauds.
- To review the cases remaining in red-flagged status beyond one hundred and eighty days with adequate reasoning / justification thereof; and

Market Risk Management Committee

The Market Risk Management Committee is responsible for:

- Setting policies and guidelines for market risk measurement, management and reporting; placing before the Board for approval.
- Identification, assessment, monitoring, reporting and analysis of market risk associated with treasury operations, setting of risk parameters, overseeing compliance with risk parameters etc.
- Reviewing and ensuring adherence to market risk limits, including triggers or stop-losses for traded and accrual portfolios.
- Risk research and analysis, development of risk mitigation strategies.

- Ensuring robustness of financial models, and the effectiveness of all systems used to calculate market risk.
- Ensure appointment of qualified and competent staff and support RMCB in the conduct of effective market risk governance.
- Ensure effective management of currency and country risk.
- Review the stress testing results for market risk.

Asset Liability Management Committee

The Asset Liability Management Committee is responsible for:

- Manage the liquidity gaps and the interest rate risk by deciding on desired maturity profile and mix of incremental assets and liabilities and effectively articulate the balance-sheet management strategies.
- Approve risk limits and triggers for liquidity and interest rate risks and ensuring adherence to the limits set by the Board.
- Ensure the effectiveness of the Contingency Funding Plan.
- Articulating interest rate view of the Bank and deciding on the future business strategy.
- Review and articulate the fund management.
- Approve the transfer pricing mechanism for the Bank and ensure the effective balance sheet management.
- Review micro and macro-economic factors.
- Approve pricing for deposits and advances.
- Review the stress testing results for liquidity risk and IRRBB.

Credit Risk Management Committee

Credit Risk Management Committee is responsible for overseeing implementation of Credit Risk Management Framework across the Bank and providing recommendations to the RMCB. Key responsibilities of the committee include:

- Review and approve the Risk profile of the Bank.
- Review and recommend policies pertaining to Credit Risk Management to the RMCB for review and approval.
- Clear policies on standards for presentation of credit proposals, financial covenants, rating standards and benchmarks and recommend to the Board, for its approval.
- Reviewing Credit Approving Powers, prudential limits on large credit exposures, standards for loan collateral, portfolio management, loan review mechanism, risk concentrations, risk monitoring and evaluation, provisioning, regulatory / legal compliance.

- Ensure implementation of credit risk policy and strategy approved by the Board as per the recommendation of the RMCB.
- Monitor credit risk on a bank wide basis and ensure compliance with limits approved by Board
- Monitor quality of loan portfolio at periodic intervals, identifying problem areas and issuing directions for rectifying deficiencies.
- Monitor credit risks on the Bank-wide basis and ensuring compliance with the approved risk parameters/ prudential limits and monitor risk concentrations including industry exposures.
- Ensure regulatory compliance in the Bank's policies and guidelines in regard to credit risk.
- Recommending changes in Delegation of Power (DOP) to appropriate authority within the overall limit approved by Board.
- Review all rating system validation results to assess efficacy and effectiveness of model performance and the need for any adjustments, and placing recommendations before RMCB if required
- Review the use of internal risk rating systems for business and risk management purposes and placing recommendations before the RMCB.
- Bring to the attention of RMCB material issues for information / recommendation / approval; and
- Review and approve the credit risk stress testing scenarios, results and outcome analysis.

Operational Risk Management Committee

The Operational Risk Management Committee is responsible for:

- Development of ORM Framework in terms of all the policies and procedures, methodologies, models, tools and system for their effective implementation.
- Report to the Board/RMCB on operational risk profile, significant issues, key risks, material internal & external changes, operational risk capital computation and its allocation, major policy non-compliance, any other information that may be considered appropriate for reporting to the Board.
- Establish and review the risk appetite and operational risk management strategy based on a review of risk profile and change therein, if any
- To review process, people and system gaps in light of fraud incidents and initiate measures to address those gaps.
- Ensure timely and accurate reporting to all stakeholders and recommend further preventive measures such as controls based on review, analysis and assessment of loss and fraud incidents.
- Review of business continuity and disaster recovery capability.
- Ensure that operational risk issues are effectively communicated to appropriate staff responsible for managing credit, market and other risks, as well as those managing third-party outsourcing arrangements.

- Ensure integration of operational risk management practices into day-to-day operations of the Bank.
- Take initiatives towards strengthening of operational risk management culture in the Bank.

Audit Committee of Executives

The Audit Committee of Executives is responsible to:

- Provide an independent assurance to the Board on their assessment of compliance with the risk processes across the Bank.
- Independently validate the ratings/ scores assigned by Credit Risk Management Team post sanction of loans and reporting the deviations.
- Review (at least annually) the scoring/ rating system and its operations, capital calculations under various approaches including the estimation of PDs, LGDs and EADs.
- Independently validate proper implementation of risk mitigation plans drawn out by the focus group or committees for various key risks.
- Independently validate the significant risks identified under RCSA process;
- Give assurance to the board on the management of risks, including the effectiveness of the controls and the compliance and irregularities.
- Give assurance to the board on the accuracy of the reporting and the appropriateness of the risk reporting design; and
- Feedback on the adherence to the Bank's values and code of ethics.

Fraud Risk Management Committee

The Fraud Risk Management Committee is responsible to:

- Review the effectiveness of the fraud risk management in the bank including prevention, early detection, investigation, delay in examination / conclusion of staff accountability, monitoring, recovery, analysis and timely reporting of frauds.
- Review the root cause analysis and suggest/ analyse mitigating measures for strengthening the internal controls, risk management framework and minimising the incidence of frauds.
- Monitor the effectiveness of the framework for Early Warning Signals (EWS) and Red Flagging of Accounts (RFA).
- Review and monitor the EWS indicators identified for monitoring credit facilities/ loan accounts and other banking transactions.
- Review the Fraud Risk Management Policy.

Information Security Committee

Information Security Committee is responsible for:

- Issuing, reviewing and finalizing Information/Cyber Security Policy, standards & procedures.
- Approving the standards and procedures and any subsequent modifications for achieving desired level of information security system in line with the business requirements.
- Approving and monitoring major information security projects and the status of information security plans and budgets, establishing priorities along with assessing new developments or issues relating to information security.
- Discussing the development and implementation of a bank-wide information security management program.
- Reviewing the position of security incidents and various information security assessments and monitoring activities across the Bank.
- Reviewing the status of security awareness programs.

DF-3: Credit Risk

Qualitative Disclosure

“Credit risk” is defined as the possibility of losses associated with default by or diminution in the credit quality of Borrowers or Counterparties arising from:

- Outright default due to inability or unwillingness of a borrower or counterparty to meet commitments in relation to lending, trading, settlement and other financial transactions; or
- Reduction in portfolio value arising from actual or perceived deterioration in credit quality of borrowers or counterparties.

Credit Risk faced by a Bank depends on both internal and external factors. Internal factors are unique to the Bank which are within the control of the Bank and emanates from the Bank’s dealings with an individual, non-corporate, corporate, bank, financial institution or sovereign. On the other hand, external factors arise from situations, which are beyond the control of the Bank but the consequences of which need to be managed in order to mitigate their impact on the Bank.

The bank has a robust credit monitoring processes to facilitate efficient and effective credit management as well as to initiate a proactive remedial measure in case of any deterioration in credit quality. Business units shall comply with operational guidelines arising out from the effective credit monitoring process set out in this section and initiate risk mitigating action at the earliest.

Reports of credit monitoring system may either be generated through Bank's Management Information System (MIS) or by virtue of internal analyses regularly being put up to CRMC/RMCB or to any other official forums.

Definitions of non-performing assets:

Non-performing asset shall mean an asset, including a leased asset, which has ceased to generate income for the Bank. The Bank shall classify a loan or an advance as NPA if any of the following conditions are satisfied:

- i. Interest and / or instalments of principal remain overdue for a period of more than 90 days in respect of Term Loan.
- ii. The bill remains overdue for a period of more than 90 days in the case of bills purchased / Bills Discounted.
- iii. The instalment of principal or interest thereon remains overdue for two crop seasons for short duration crops.
- iv. The instalment of principal or interest thereon remains overdue for one crop seasons for long duration crops.
- v. The amount of liquidity facility remains outstanding for more than 90 days, in respect of a securitisation transaction undertaken in terms of the Reserve Bank of India (Commercial Banks – Securitisation Transactions) Directions, 2025.
- 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. In case of any other loan facilities, any amount remains 'Overdue' for a period more than 90 days after the due date.
- viii. A credit card account will be treated as non-performing asset if the minimum amount due, as mentioned in the statement, is not paid fully within 90 days from the payment due date mentioned in the statement.
- ix. In respect of Overdraft/ Cash Credit accounts, if they remains "Out of Order" as indicated below,

Cash credit/ Overdraft account should be treated as 'out of order' if any of the following conditions are satisfied:

- The outstanding balance remains continuously in excess of the sanctioned limit / drawing power for 90 days;
 - The outstanding balance in the principal operating account is less than the sanctioned limit / drawing power, but there are no credit continuously for 90 days;
 - The outstanding balance is less than the sanctioned limit / drawing power but credits are not enough to cover interest debited during the previous 90 days period, 'Previous 90 days period' referred above shall be inclusive of the day for which the day-end process is being run.
- x. In case Bank Guarantees (B.G.) / Letter of Credit (L.C.) devolve on the Bank, the account be treated as NPA after 90 days from the date of payment of the amount if the amount is not reimbursed by the customer.
- xi. Bank should ensure that drawings in working capital accounts are covered by adequacy of current assets, since current assets are first appropriated in times of distress. Drawing power is required to be arrived at based on the stock statement which is current (after factoring for old/obsolete/perishable stocks). However, considering the difficulties of large borrowers, stock statements relied upon by the Bank for determining drawing power should not be older than three months. The outstanding in the account based on drawing power calculated from stock statements older than three months, would be deemed as irregular. A working capital borrower account will become NPA if such irregular drawings are permitted in the account for a continuous period of 90 days even though the unit may be working or the borrower's financial position is satisfactory.
- xii. An account where the regular / ad hoc credit limits have not been reviewed / renewed within 180 days from the due date / date of ad hoc sanction;
- xiii. In case of project finance loans, an account may also be classified as NPA based on the DCCO-related asset classification norms applicable to projects under implementation under the extant IRAC framework (Master circular on IRAC norms dated April 01, 2025), where financial closure was achieved prior to 01.10.2025 and no credit event has occurred under the applicable regulatory directions.

With effect from 01.10.2025, all new project finance exposures, and existing project finance exposures in which a credit event has occurred, shall be governed by the project finance framework prescribed under Chapter "F. Projects Under Implementation" of the Reserve Bank of India (Commercial Banks – Resolution of Stressed Assets) Directions, 2025 dated November 28, 2025, as amended from time to time. Asset classification shall thereafter be carried out in accordance with the applicable regulatory norms.

- xiv. Advances against term deposits, NSCs eligible for surrender, KVPs and life insurance policies need not be treated as NPAs, provided adequate margin is available in the accounts.
- xv. The credit facilities backed by guarantee of the Central Government though overdue shall be treated as NPA only when the Government repudiates its guarantee when invoked. State Government guaranteed advances and investments in State Government guaranteed securities shall attract asset classification and provisioning norms if interest and / or principal or any other amount due to the bank remains overdue for more than 90 days.

NPAs are further classified into sub-standard, doubtful and loss assets based on the criteria stipulated by RBI. A substandard asset is one, which has remained as NPA for a period less than or equal to 12 months. An asset is classified as doubtful if it has remained in the sub-standard category for a period of twelve months. A loss asset is one where loss has been identified by the Bank or by the internal / external auditors or the RBI inspection but the amount has not been written off fully by the Bank.

i. Credit Risk: Strategies and processes

The Bank has defined and implemented various risk management policies, procedures and standards with an objective to clearly articulate processes and procedural requirements that are binding on all concerned Business groups. The Credit & Risk Management Policy of the Bank is guided by the objective to build, sustain and maintain high quality credit portfolio by measurement, monitoring and control of the credit exposures. The policies also address more granular factors such as diversification of the portfolio across companies, business groups, industries, geographies and sectors. The policies reflect the Bank's approach towards lending to borrowers in light of prevailing business environment and regulatory stipulations.

The Bank's Policies also detail the standards, processes and systems for growing and maintaining its diversified portfolio. The policies are reviewed annually in anticipation of or in response to the dynamics of the environment (regulatory & market) in which the Bank operates or to change in strategic direction, risk tolerance, etc. The policies are approved by the Board of Directors of the Bank.

To avoid concentration of credit risk, the Bank has put in place internal guidelines on exposure norms in respect of single borrower, groups, exposure to sensitive sector, industry exposure, unsecured exposures, etc. Norms have also been detailed for soliciting new business as well as for preliminary scrutiny of new clients. The Bank abides by the directives issued by RBI, SEBI and other regulatory bodies in respect of lending to any industry including Financial Institution Groups, Commercial Real Estate, and Capital Markets. In addition, internal limits have been prescribed for certain sensitive segments based on prudential considerations.

In view of putting in place a comprehensive credit risk framework to aggregate overall credit risk perception of the Bank Risk Profiling is carried out as a part of Risk Appetite Framework to access, monitor and communicate the risk perception to Board & senior management. The framework is approved by the Board of Directors via Risk Management Committee of the Board and any change in the appetite, credit risk limits or credit risk parameters get approved by the Board of Directors only. This process of quantification and benchmarking via credit risk helps senior leadership to understand the risk and monitor by way of constant tracking.

ii. Credit Risk: Structure and organization

The organizational structure for Credit Risk Management is as follows:

- Board of Directors
- Risk Management Committee of Board (RMCB)
- Credit Risk Management Committee (CRMC)
- Chief Risk Officer (CRO)
- Head - Credit Risk
- Credit Risk Function

iii. Credit Risk: Scope and nature of measurement systems

The Bank's approach for credit risk identification and assessment of credit risks underlying both funded and non-funded exposures is explicitly set out. All credit proposals are subject to a credit risk scoring process / risk rating process based on the quantum of advance value to support credit approvals and decision making as well as to enhance risk management capabilities for portfolio management, pricing and risk-based capital measurement.

iv. Credit Risk: Policies for hedging and/or mitigating risk

The Bank's credit risk governance framework is being built up to strengthen risk evaluation and management of credit whilst positioning the Bank to effectively and efficiently manage changes in the environment. Through an effective, Board approved risk governance framework, the Bank seeks to ensure adequate risk oversight, monitoring and reporting of credit risks.

The responsibilities for managing credit risk extend throughout the Bank. Key principles of credit risk governance are:

- Adequate oversight, monitoring and control of credit risk through the Board, risk committees and senior management.

- Clearly defined roles and responsibilities for overall credit risk management.
- Establishment of functional independence of Credit Risk Management function from personnel and management functions responsible for credit origination and credit administration.
- Appropriate mechanisms to ensure that the Board and senior management understand credit risk rating systems design and operations through regular training and involvement in the model review and approval processes.
- Business units monitor and manage credit risk in their businesses and report.

Quantitative Disclosures

a. Total gross credit risk exposure by facility:

(Rs in Cr)

Facility Type	Credit Exposure
Fund Based *	1,66,730.06
Non-Fund Based **	6,651.64
Total	1,73,381.70

(*) Fund-Based Exposure includes Loans and Advances (Gross), Investments in Bonds, Equity Shares, Alternative Investment Funds, and PTCs.

(**) Non-Fund Based Exposure (post CCF) includes exposures through issuance of Letters of Credit and Bank Guarantees. It also includes the Credit Equivalent Exposure for Foreign Exchange and Derivative Transactions of the Bank.

b. Total gross credit risk exposure by geography:

(Rs in Cr)

Category	Fund Based (*)	Non-Fund Based (**)	Total Credit Exposure
Domestic	1,66,730.06	6,651.64	1,73,381.70
Overseas	-	-	-
Total	1,66,730.06	6,651.64	1,73,381.70

c. Total gross credit risk exposure by industry:
(Rs in Cr)

Industry	Fund Based	Non-Fund Based	Total Credit Exposure
A. Mining and Quarrying	105.01	-	105.01
B. Food Processing	2,102.59	10.00	2,112.59
C. Beverages (excluding Tea & Coffee) and Tobacco	517.46	1.13	518.59
D. Textiles	1,570.84	5.00	1,575.84
E. Leather and Leather products	66.89	-	66.89
F. Wood and Wood Products	290.84	-	290.84
G. Paper and Paper Products	149.94	27.00	176.94
H. Petroleum (non-infra), Coal Products (non-mining) and Nuclear Fuels	45.00	-	45.00
I. Chemicals and Chemical Products (Dyes, Paints, etc.)	2,107.66	130.50	2,238.16
J. Rubber, Plastic and their Products	235.75	30.32	266.07
K. Glass & Glassware	31.12	-	31.12
L. Cement and Cement Products	235.02	-	235.02
M. Basic Metal and Metal Products	3,199.29	876.28	4,075.57
N. All Engineering	2006.68	654.06	2,660.74
O. Vehicles, Vehicle Parts and Transport Equipment	468.69	-	468.69
P. Gems and Jewellery	665.09	-	665.09
Q. Construction	167.45	100.50	267.95
R. Infrastructure	4,073.53	2,495.28	6,568.81
S. Other Industries	5,187.27	60.25	5,247.52
Residuary other advances (to tally with gross advances)	1,43,503.94	2,261.32	1,45,765.26
Total	1,66,730.06	6,651.64	1,73,381.70

d. Residual maturity breakdown of Assets (in line with SLS report):
(Amount In Cr)

Time Buckets	Cash and balances with Reserve Bank of India	Balance with Banks and Money at Call and Short Notice	Investments	Advances	Fixed Assets	Other Assets	Total
Next Day	5,141.75	1,531.72	6,794.61	3,943.33	-	377.29	17,788.71
2 to 7 Days	93.58	109.85	597.39	3,424.70	-	493.65	4,719.17
8 to 14 Days	78.38	-	514.97	2,294.66	-	179.04	3,067.04
15 to 30 Days	169.96	-	1,104.26	2,172.17	-	121.86	3,568.25
31 Days to 2 Months	183.05	-	1,200.71	5,914.67	-	196.70	7,495.13
More than 2 Months to 3 Months	178.83	0.41	1,448.21	5,554.99	-	215.24	7,397.69
More than 3 Months to 6 Months	500.11	-	4,021.72	14,855.00	-	125.70	19,502.52
More than 6 Months to 1 Year	993.10	0.05	7,499.14	23,100.80	-	298.36	31,891.46
More than 1 Year to 3 Years	1,647.85	45.02	10,760.10	46,335.11	-	325.55	59,113.62
More than 3 Years to 5 Years	221.51	0.28	2,282.09	13,620.38	-	1,638.38	17,762.63
5 Years & Above	97.81	-	2,090.14	30,466.93	1,507.86	2,945.82	37,108.56
Total	9,305.94	1,687.33	38,313.32	1,51,682.75	1,507.86	6,917.59	2,09,414.78

e. Position of Non-Performing Assets (NPA):
(Rs in Cr)

Particulars	As on June 30, 2026
Gross Advances	1,55,152.07
Net Advances	1,51,682.75
Gross NPA	4,880.95
1. Substandard	3,682.24
2. Doubtful 1	802.08
3. Doubtful 2	189.09
4. Doubtful 3	63.20
5. Loss	144.33
NPA Provision	3,469.32

Particulars	As on June 30, 2026
Net NPA	1,411.63
NPA Ratios	
Gross NPA to Gross Advances (%)	3.15%
Net NPA to Net Advances (%)	0.93%

f. Movement of Non-Performing Assets (NPA Gross):

(Rs in Cr)

Particulars	As on June 30, 2026
Opening Balances	5,019.55
Additions	1,079.24
Write Offs	768.93
Reductions*	448.91
Closing Balances	4,880.95

* This includes OTS (One Time Settlement)

During Q1 FY27, the Bank sold an ARC portfolio amounting to ₹291.44 crore. Out of this, cash recovery of ₹119.49 crore has been reported under “Reductions”, while the remaining ₹171.95 crore has been classified under “Write Offs (including ARC Sale)”.

g. Movement of Specific & General NPA Provisions:

(Rs in Cr)

Particulars	As on June 30, 2026	
	Specific Provisions	General Provisions
Opening Balances	3,567.46	1,074.09
Add: Provisions made during the period	865.83	-
Less : Transfer to Counter cyclical Provisional Buffer	-	-
Less : Write offs	768.93	-

Less : Write Back of excess provision*	195.04	4.89
Closing Balances	3,469.32	1,069.20

Specific Provisions represents provisions for NPAs.

** It includes OTS*

General Provisions represents provisions for Standard Advances (incl. Restructured Standard).

h. Geography based position of NPAs, Specific provisions and General provisions:
(Rs in Cr)

Particulars	As on June 30, 2026	
	Domestic	Overseas
Gross NPA	4,880.95	-
Provision for NPA	3,469.32	-

i. Position of Non-Performing Investments (NPI):

(Rs in Cr)

Particulars	As on June 30, 2026
Amount of Non-performing Investments (NPI)*	-
Amount of provisions held for Non-performing Investments*	-

j. Movement of provisions for depreciation on investments:

(Rs in Cr)

Particulars	As on June 30, 2026
Opening Balance	614.33
Provisions made during the period	-
Write offs / Write Back of excess provisions	5.54
Closing Balance	608.79

k. By major industry or counterparty type as on June 30, 2026:

(Rs in Cr)

Particulars	Total Advances (Outstanding) - Funded	Gross NPAs (Funded) at end of the period	Specific Loan Provision
Basic Metal and Metal Products	2,881.22	10.24	4.03
Infrastructure	2,561.69	0.07	0.06
Chemicals and Chemical Products (Dyes, Paints, etc.)	1,850.74	6.66	3.88
All Engineering	1,672.59	26.28	19.51
Food Processing	1,438.69	3.65	1.94
Total	10,404.93	46.90	29.42

DF - 4: Credit Risk- Disclosures for Portfolios Subject to Standardized Approach

Qualitative Disclosure

In line with RBI guidelines, the Bank has employed Standardized Approach under Prudential Norms on Capital Adequacy Directions, 2025 for computing risk-weighted assets of its credit portfolio.

As per regulations, the Bank is using issuer ratings, short-term ratings, long-term instrument ratings and /or bank facility ratings issued by the specified accredited External Credit Rating Agencies (ECRA) and published in public domain in order to assign credit risk weights to its counterparties.

The RBI guidelines on capital adequacy require banks to use ratings assigned by specified External Credit Assessment Agencies (ECAIs) namely CARE, CRISIL, ICRA, India Ratings, Acuite Ratings and Infomerics for domestic counterparties and Standard & Poor's, Moody's and Fitch for foreign counterparties. The Bank is using short-term and long-term instrument/bank facilities' ratings which are assigned by the accredited rating agencies viz. CARE, CRISIL, ICRA, India Ratings, Acuite Ratings and Infomerics published in the public domain to assign risk-weights in terms of RBI guidelines. In respect of claims on non-resident corporates and foreign banks, ratings assigned by international rating agencies i.e. Standard & Poor's, Moody's and Fitch is used. For exposures with contractual maturity of less than one year, a short-term rating is used. For cash credit facilities and exposures with contractual maturity of more than one-year, long-term rating is used. Issue rating is used if the Bank has an exposure in the rated issue and this would include fund-based and non-fund based

working capital facilities as well as loans and investments. In case the Bank does not have exposure in a rated issue, the Bank uses the issue rating for its comparable unrated exposures to the same borrower, provided that the Bank's exposures are pari-passu or senior and of lesser maturity as compared to the rated issue. If an issuer has a long-term or short-term exposure with an external rating that warrants a risk weight of 150%, all unrated claims on the same counterparty, whether short-term or long-term, also receive 150% risk weight, unless the Bank uses recognised credit risk mitigation techniques for such claims. All unrated claims on corporates and NBFCs, except CICs, having aggregate exposure from banking system of more than ₹200 crore attract a risk weight of 150 per cent. Claims on corporates and NBFCs, except CICs, having aggregate exposure from banking system of more than ₹100 crore which were rated earlier and subsequently have become unrated also attract a risk weight of 150 per cent.

Quantitative Disclosure

The following table sets forth, the credit exposures subject to the Standardised approach after adjusting for credit risk mitigation by risk weights as of June 30, 2026.

(Rs in Cr)

Exposure Category	As on June 30, 2026
Below 100% Risk Weight	1,42,531.72
100% Risk Weight	16,729.42
More than 100% Risk Weight	26,347.63
Deducted	7,061.94

DF-11 and DF-12: Composition of Capital and Reconciliation

The requisite disclosures are available on the Bank's website under link titled Regulatory Disclosure - > Capital Composition and Reconciliation

DF-13: Main Features of Regulatory Capital Instruments

Sl. No	Particulars	Equity Share
1	Issuer	Bandhan Bank Ltd
2	Unique identifier	INE545U01014

Sl. No	Particulars	Equity Share
3	Governing laws of the instrument	Applicable Indian statutes and regulatory requirements
	Regulatory treatment	
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 Equity Shares
8	Amount recognized in regulatory capital (Rs. in Million, as of most reporting date)	16111
9	Par value of instrument	Rs. 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	Not Applicable
16	Subsequent call dates, if applicable	Not Applicable
	Coupons/ dividends	
17	Fixed or floating dividend/coupon	Not Applicable
18	Coupon rate and any related index	Not Applicable
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	Non-cumulative 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

Sl. No	Particulars	Equity Share
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 write-down, description of write-up mechanism	Not Applicable
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Perpetual Debt Instrument
36	Non-compliant transitioned features	Not Applicable
37	If yes, specify non-compliant features	Not Applicable

DF-14: Full Terms and Conditions of Regulatory Capital Instruments

Terms and Conditions of Equity Shares of Bandhan Bank

Sl. No.	Particulars	Terms
1	Voting shares	Equity shares of Bandhan Bank are voting shares.
2	Limit on voting rights	Limits on voting rights are applicable as per provisions of the Banking Regulation Act, 1949.
3	Position in subordination hierarchy	Represent the most subordinated claim in liquidation of the Bank. The paid up amount is neither secured/covered by a guarantee of the issuer or related entity nor subject to any other arrangement that legally or economically enhances the seniority of the claim.
4	Claim on residual assets	Entitled to a claim on the residual assets, which is proportional to its share of paid up capital; after all senior claims have been repaid in liquidation.
5	Perpetuity	Principal is perpetual and never repaid outside of liquidation (except discretionary repurchases/ buy backs or other means of effectively reducing capital in a discretionary manner that is allowable under relevant law as well as guidelines, if any, issued by RBI in the matter).

6	Distributions	Distributions are paid out of distributable items (retained earnings included). The level of distributions is not in any way linked to the amount paid up at issuance and is not subject to a contractual cap (except to the extent that a bank is unable to pay distributions that exceed the level of distributable items).
7	Loss Absorption	It is the paid up capital that takes the first and proportionately greatest share of any losses as they occur. Within the highest quality capital, each instrument absorbs losses on a going concern basis, proportionately and <i>pari-passu</i> with all others.
8	Accounting classification	The paid up amount is classified as equity capital. It is classified as equity in the Bank's Balance sheet.
9	Directly issued and paid – up	Share are directly issued and paid up. The Bank cannot directly or indirectly fund the purchase of its own equity shares. The Bank also does not extend loans against its own shares.
10	Approval for issuance	Paid up capital is only issued with the approval of the Shareholders of the Bank, either given directly by the Shareholders or, if permitted by applicable law, given by the Board of Directors or by other persons duly authorized by the Shareholders.

DF-17 and DF-18: Summary Comparison of Accounting Assets vs. Leverage Ratio Exposure Measure and Leverage Ratio Disclosure.

The requisite disclosures are available on the Bank's website under link titled Regulatory Disclosure -> Leverage Ratio Disclosure