Mizuho Bank, Ltd. India

Basel III Pillar 3 Disclosures
As at September 30, 2024

Contents

Background:

Mizuho Bank, Ltd. (MHBK) is subsidiary of Mizuho Financial Group Inc. Mizuho Financial Group (”the Group”) is composed of MHFG (holding company) and its subsidiaries and affiliates and provides banking, trust banking, securities and other financial services. Mizuho Group has broad global network with a focus on Asia, where economic growth is continuing. Currently group network is extended to 38 countries. It is listed on the Tokyo stock exchange and New York stock exchange.

MHBK has five on-shore branches in India, viz. Mumbai, Gurgaon, Bangalore - Devanhalli, Chennai and Ahmedabad. The operations of the bank in India are involved in two main business lines viz. Treasury Operations and Corporate Banking. In line with the business strategy of the Group, the bank is focused purely on the corporate segment with no presence in the retail segment.

Overview:

The RBI has implemented Basel III capital regulations in India with effect from April 1, 2013. Pillar 3 disclosure requirements were introduced under Basel III regulations effective from July 2013. The purpose of the Pillar 3 disclosure is to ensure comparability of the capital adequacy of banks across jurisdictions with details of regulatory capital and regulatory adjustments to it.

Banks are required to maintain a minimum Pillar 1 Capital to Risk-weighted Assets Ratio (CRAR) of 9% on an on-going basis. Banks are also required to maintain a capital conservation buffer of 2.50% of Common Equity Tier 1 capital. Additionally, the Financial Stability Board (FSB), in consultation with Basel Committee on Banking Supervision (BCBS) and national authorities, has identified the list of global systemically important banks (G-SIBs), which are required to maintain an additional Capital Buffers to an extent of 1%. As Mizuho Bank Ltd is designated as G-SIB, 1 % additional Capital buffer is also required to be maintained by the Bank.

As at September 30, 2024, Mizuho Bank, Ltd. India (“MHBK India” or “the Bank”) is required to maintain a minimum Total Capital to Risk Weighted Assets ratio (CRAR) of 12.5% comprising Tier 1 Capital ratio of 7%, Tier 2 ratio of 2%, Capital Conservation Buffer (CCB) of 2.50% and capital buffer as a Global Systematically Important Bank (G-SIB) of 1%.

The Basel III framework consists of three-mutually reinforcing pillars:

- Pillar 1: Minimum capital requirements for credit risk, market risk and operational risk
- Pillar 2: Supervisory review of capital adequacy
- Pillar 3: Market discipline

Table DF-1: Scope of Application

Name of the entity to which the framework applies: Mizuho Bank, Ltd. India.

The Basel III Pillar 3 disclosures contained herein relate to Mizuho Bank, Ltd. Indian Branches for the period ended September 30, 2024. The Pillar 3 disclosures are compliant with Reserve Bank of India (the "RBI") Master circular DOR.CAP.REC.15/21.06.201/2023-24 dated May 12, 2023 and DOR.CAP.REC.3/21.06.201/2022-23 dated April 1, 2022 on BASEL III Capital Regulations along with the earlier circulars as amended from time to time.

MHBK's strategy for its India operations is to use its large capital buffers to support its future growth plans. While the bank displays a healthy risk appetite for growing its business, it is risk averse vis-à-vis regulatory requirements, and is likely to maintain more than adequate Capital to Risk weighted Assets Ratio (CRAR) even in scenario involving high NPAs.

I. Qualitative disclosures:

The provisions of Accounting Standard ("AS") 21 - Consolidated Financial statements, AS 23 Accounting for Investments in Associates in Consolidated Financial statements & AS 27 - Financial Reporting of Interest in Joint Ventures, issued by The Institute of Chartered Accountants of India ("ICAI") and notified by the Companies (Accounting Standards) Rules 2006 do not apply to the Bank. MHBK India has not invested its capital in any of the entities operating in India and owned by MHFG. Further, the Bank does not have any interest in insurance entities. Hence the qualitative disclosures are only made for MHBK India as a standalone entity.

a. List of group entities considered for consolidation

Name of the entity / Country of incorporation	Whether the entity is included under accounting scope of consolidation (yes / no)	Explain the method of consolidation	Whether the entity is included under regulatory scope of consolidation (yes / no)	Explain the method of consolidation	Explain the reasons for difference in the method of consolidation	Explain the reasons if consolidated under only one of the scopes of consolidation
Not Applicable						

b. List of group entities not considered for consolidation both under the accounting and regulatory scope of consolidation

Name of the entity / Country of incorporation	Principle activity of the entity	Total balance sheet equity (as stated in the accounting balance sheet of the legal entity) INR million*	% of bank's holding in the total equity	Regulatory treatment of bank's investments in the capital instruments of the entity	Total balance sheet assets (as stated in the accounting balance sheet of the legal entity) INR million*
Not Applicable					

** Amounts are as per last audited financial statements (F.Y. ending March 31, 2024)*

II. Quantitative disclosures: Not Applicable

c. List of group entities considered for consolidation

Name of the entity / country of incorporation (as indicated in (i)a. above)	Principle activity of the entity	Total balance sheet equity (as stated in the accounting balance sheet of the legal entity)	Total balance sheet assets (as stated in the accounting balance sheet of the legal entity)
Not Applicable			

d. The aggregate amount of capital deficiencies in all subsidiaries which are not included in the regulatory scope of consolidation i.e. that are deducted:

Name of the subsidiaries / country of incorporation	Principle activity of the entity	Total balance sheet equity (as stated in the accounting balance sheet of the legal entity)	% of bank's holding in the total equity	Capital deficiencies
Not Applicable				

e. The aggregate amounts (e.g. current book value) of the bank's total interests in insurance entities, which are risk-weighted:

Name of the insurance entities / country of incorporation	Principle activity of the entity	Total balance sheet equity (as stated in the accounting balance sheet of the legal entity)	% of bank's holding in the total equity / proportion of voting power	Quantitative impact on regulatory capital of using risk weighting method versus using the full deduction method
Not Applicable				

f. Any restrictions or impediments on transfer of funds or regulatory capital within the banking group:

Disclosures for MHBK India are given as a standalone entity and therefore this disclosure requirement is not applicable.

Table DF-2: Capital Adequacy

I. Qualitative disclosures

The Bank is required to comply with all applicable laws and regulations in India including guidelines issued by RBI and other relevant regulatory bodies.

The Internal Capital Adequacy Assessment Process (“ICAAP”) document assesses the capital adequacy for the Bank and details the process by which this assessment is made. It establishes a framework for banks to perform a comprehensive assessment of the risks they face and relate capital to those risks. The capital analysis performed by the Bank is expected to encompass all risks, not just the risks captured by the Basel III Pillar 1 minimum regulatory capital calculation. Successful risk identification and measurement requires having a comprehensive process to quantify, measure and aggregate these various risks to ensure that the Bank’s capital resources are sufficient to cushion volatility in earnings due to unexpected losses.

The ICAAP document is presented to the Senior Management Committee (“SMC”) for final review and approval on an annual basis.

ICAAP is an integral management tool for determining the adequacy of the Bank’s capital resources throughout the ICAAP planning horizon. It is also utilized to assess the risks being faced by the Bank and assess the adequacy of MHBK India’s capital under Baseline as well as Stress Scenarios over the ICAAP Planning Horizon. SMC of the Bank is responsible for acting at an early stage to prevent capital from falling below the minimum levels required to support risk characteristics.

Capital Requirements for Pillar 1 risks (i.e., Credit Risk, Market Risk and Operational Risk)

The Bank has assessed its capital requirement taking into account the three main risks as defined in Pillar 1 of the Basel III norms viz: Credit Risk, Market Risk and Operational Risk. The Credit Risk is computed using the Standardized Approach, the Market Risk is calculated using the standardized Duration Approach and the Operational Risk is calculated using the Basic Indicator Approach. The risk computation under each of these 3 Categories is adequately covered by the Capital of the Bank.

The Bank has assessed its future capital requirement and the same has been documented in the ICAAP document. The existing level of Capital is adequate to meet the Bank’s current and future business requirements and the CRAR ratio of the Bank is significantly higher than that prescribed by the regulators.

The regulatory capital consists of Tier 1 Capital (Common Equity Tier 1 + Additional Tier 1) and Tier 2 Capital. The Capital instruments eligible for inclusion in Tier 1 Capital comprise interest free capital received from head office, statutory reserves, remittable surplus retained (non-repatriable) and Capital reserves. The regulatory deductions in relation to Tier 1 Capital include Intangible Assets (INR 1,503 million) i.e. Deferred Tax Assets (INR 1,228 million) and software (INR 275 million).

The Tier 2 Capital consists of provisions made against standard assets, floating provisions, country risk provision, investment fluctuation reserve, investment reserve account, unhedged foreign currency exposure provision, excess provisions which arise on account of sale of NPAs and countercyclical provisioning buffer. The items under Tier 2 capital are reckoned up to a maximum of 1.25% of the total credit risk-weighted assets under the standardized approach. The CRAR as per Basel III as at September 30, 2024 is at 20.73%. The existing level of capital is adequate to meet the Bank's current and future business requirements and the CRAR of the Bank is significantly higher than that prescribed by the regulators i.e. 12.50%.

II. Quantitative disclosures

Capital Structure as on

INR million	September 30, 2024	March 31, 2024
Common Equity Tier 1 : (A)	100,544	98,479
Paid-up Share Capital	71,443	71,443
Statutory Reserves	8,283	8,283
Revenue Reserves	-	-
Remittable Surplus	22,321	20,267
Deductions: Intangible Assets	(1,503)	(1,514)
Tier 2 : (B)	4,366	4,064
Provision for Country Risk	-	-
Provision for Standard Assets	949	799
Unhedged Foreign Currency Exposure	1,052	766
Investment Reserve Account	-	134
Investment Fluctuation Reserves	2,365	2,365
Total Capital Funds : (A+B)	**104,910**	**102,543**

Capital requirement and CRAR

INR million	September 30, 2024	March 31, 2024
Capital requirements for credit risk:		
Portfolios subject to standardized approach	42,324	36,290
Securitization exposure	-	-
Capital requirements for market risk:		
Interest rate risk		
- General market risk	477	1,355
- Specific risk	-	-
Equity risk	-	-

INR million	September 30, 2024	March 31, 2024
- General market risk	-	-
- Specific risk	-	-
Foreign exchange risk (including gold)	891	270
Capital requirements for operational risk: (Basic indicator approach)	1,491	1,223
Total Capital Requirements	**45,183**	**39,138**
Common Equity Tier 1 capital ratio	19.87%	22.44%
Tier 1 capital ratio	19.87%	22.44%
Tier 2 capital ratio	0.86%	0.93%
Total capital ratio	**20.73%**	**23.37%**

Risk Exposure and Assessment

Risk management is a disciplined approach to identify, analyze, assess, and control unacceptable risk to minimize the volatility of financial results, drive sustainable earnings and protect the Bank's brand and reputation. The Bank takes a comprehensive approach to risk management, integrating it with strategic, capital, and financial operating plans. Risk management and capital utilization are integral parts of the strategic planning process and are considered throughout the process to align the Business strategies with capital considerations and risk appetite of the bank.
The Risk Appetite is in alignment with the Bank's business strategy and is also integrated with the annual MHBK India ICAAP which is a key document to review strategic plans.
This holistic approach promotes the risk versus reward analysis needed to make informed strategic and business decisions.

MHBK India's Risk Framework requires that strong risk management practices are integrated in key strategic, capital and financial planning processes and in day-to-day business processes, thereby ensuring risks are appropriately considered, evaluated and responded to in a timely manner. The front-line units have primary responsibility for managing risks inherent in their businesses.

Some of the risks that the Bank is exposed to are described below:

- Credit risk is the risk of loss arising from the inability or failure of a borrower or counterparty to meet its obligations. MHBK India manages credit risk to a borrower or counterparty based on its risk profile, which includes assessing repayment sources, underlying collateral, if any, and the expected effects of the current and forward-looking economic environment on the borrowers or counterparties. Underwriting, credit management and credit risk limits are proactively reassessed as a borrower's or counterparty's risk profile changes. Credit risk appetite metrics are included as part of the MHBK India risk appetite metrics.

- Market risk is the risk of loss due to changes in the market values of the Bank's assets and liabilities caused by changing interest rates, currency exchange rates, and security prices. Market risk is inherent in the Bank's operations and arises from both trading and non-trading positions. Trading exposures represent positions taken in a wide range of financial instruments and markets which expose the Bank to various risks, such as interest rate risk, foreign exchange risk, etc. The Bank manages these risks by using trading strategies and other hedging actions which encompass a variety of financial instruments in both the cash and derivatives markets. Key market risk exposures are assessed at both specific and aggregate levels. At the specific level, market risk sensitivities are assessed by evaluating the impact of individual risk factors such as interest rates and foreign exchange. At the aggregate level, market risk is assessed using two key measures, which are Value-at-Risk (“VaR”) and 10 Day Stressed Value at Risk ("SVaR"). Both these measures are monitored as a part of the MHBK India Risk Appetite Metrics.

- Operational risk is the risk of loss resulting from inadequate or failed internal processes, people, and systems or from external events. MHBK India manages the operational risks of its business activities using the enterprise-wide Operational Risk Framework. Enterprise Operational Risk policies, processes, tools, and standards are implemented by the Businesses/ECFs with Oversight from the Independent Business/ECF Risk Teams (Regional Function). Each have a quality assurance role and through direct action or Oversight, these stakeholders are collectively responsible for execution of the Operational Risk Program requirements, achievement of risk management objectives, and ensuring timely action is taken in response to concerns and issues. MHBK India Operational Risk tolerance threshold is also included as part of MHBK India Risk Appetite Metric.

- Strategic risk is the risk resulting from incorrect assumptions about external or internal factors, inappropriate business plans (e.g., too aggressive, wrong focus, ambiguous); ineffective business strategy execution; or failure to respond in a timely manner to changes in the regulatory, macroeconomic, or competitive environments in the geographic locations in which we operate (such as competitor actions, changing customer preferences, product obsolescence and technology developments).

- Liquidity risk is the inability to meet expected or unexpected cash flow and collateral needs while continuing to support our businesses and customers under a range of economic conditions. The primary objective of liquidity risk management is to ensure that MHBK India can meet expected or unexpected cash flow and collateral needs while continuing to support our businesses and customers with the appropriate funding sources, under a range of economic conditions. The Branch uses Liquidity Risk Limits and Risk Indicators such as Liquidity Coverage Ratio, Leverage Ratio, Statutory Liquidity Ratio, Cash Reserve Ratio, Net Stable Funding Ratio, Loans to Deposit Ratio etc. to manage liquidity risk within risk appetite, identify a potential change in the Branch's risk profile, and ensure the amount of liquidity maintained at the Branch remains prudently sized under baseline and stressed conditions.

- Reputational risk is the risk that negative perceptions regarding MHBK India’s conduct or business practices may adversely impact its profitability or operations. Reputational risk may result from many of the bank’s activities, including those related to the management of strategic, operational, compliance and credit risks. As a result, the potential impact to the bank’s reputation of all our activities and all risks we face is evaluated. Reputational risk may arise from negative perception on the part of key stakeholders (e.g., customers, counterparties, investors, regulators, rating agencies), scrutiny from external parties (e.g., politicians, consumer groups, media organizations) and the ongoing threat of litigation. These reputational risk events could adversely impact the bank’s financial standing through an inability to maintain or establish business relationships.

- Compliance risk is the risk of legal or regulatory sanctions, material financial loss or damage to the reputation of the Bank arising from the failure of the Bank to comply with the requirements of applicable laws, rules, regulations, related self-regulatory organizations’ standards and codes of conduct. Mizuho Bank, Ltd. India is committed to complying with applicable laws, rules and regulations governing the processes and activities of our front-line units and control functions in the jurisdictions in which we operate. Mizuho Bank, Ltd. India has no appetite for accepting compliance risk.

- Interest Rate Risk in Banking Book (IRRBB) refers to the potential adverse financial impact on the Bank’s net interest income from changes in interest rates. Due to the fundamental nature of its business, the Bank carries various interest sensitive assets and liabilities in its balance sheet. This exposes the Bank to risk on from changes in interest rates. These assets and liabilities essentially reside in the banking book. In other words, IRRBB refers to the risk associated with interest rate sensitive instruments that are not held in the trading book of the Bank. Interest rate risk in the trading book is covered in the market risk section.

- Credit concentration risk arises due to imperfect diversification of credit exposures in two ways. One, by having very large exposures to a small set of obligors due to which, default by a big customer could result in a huge loss. This is known as name (single/group) concentration risk. Second type of concentration is due to excessive exposure to a particular industry sector. It is observed that defaults in a particular industry sector are generally correlated. Hence, if an industry is under a severe recession, it could result in multiple defaults leading to huge losses.

- Other Risks

  - **Securitization Risk**
    It is not one of the primary business activities of MHBK India to enter transactions either to securitize and sell its loans or to buy securitized loans from any other bank. The Bank, as of September 30, 2024, does not have any such investments nor has it securitized any of its assets.

  - **Settlement Risk** arises out of exposures on counterparties during the settlement of a deal when the Bank has performed its obligation in the contract and the counterparty is yet to perform its part (either delivery or payment). It is of transient nature; and may arise from counterparty default, operational problems, market liquidity constraints and other factors.

  - **Pension obligation** risk is the risk of a shortfall of pension funds available in the future to meet pension obligations for its eligible employees. The Bank provides for its pension liability, which is a defined contribution scheme, for all its eligible employees.

  - **Model Risk** is the potential for adverse consequences from decisions based on incorrect or misused model output and reports. The Enterprise Model Risk Policy ("EMRP") provides comprehensive guidance for understanding monitoring and managing model risk at Mizuho Bank, Ltd. India. The EMRP is consistent with applicable rules and regulations and establishes a framework of corporate responsibilities and standards for effectively managing model risk across the enterprise.

  - **Risk of Under-estimation of Credit Risk under the Standardized Approach**
    The use of standardized approach for calculating the Pillar 1 capital requirement in respect of credit risk is a conservative approach given the portfolio primarily consists of corporate customers with strong credit profiles and the credit risk in the portfolio is well managed by the credit risk management processes in place.

    The Bank computes credit exposure for market related off balance sheet products using the Current Exposure Method (CEM) and it captures the risk contained in the transactions that give rise to Counterparty Credit Risk (CCR) appropriately and satisfactorily.

  - **People risk assessment:**

    Considering the business profile and activities of the bank, the risk that business objectives will not be met due to human resource deficiencies is considered low. The bank has a strong focus on talent acquisition and succession planning as also on ensuring effective backups, which mitigates the impact on business due to changes in key positions. The annualized turnover rate and the capacity utilization (# Open positions/Total headcount) indicates a good level of stability and very limited bandwidth constraints. The number of conduct risk violations have been low and there has not been any history of internal frauds within the bank. There is a thrust on training and development which also ensures staff awareness and understanding on key policies, laws and regulations related to information privacy and protection, anti-money laundering, the risk framework, emergency preparedness, among others.

- **Technology risk assessment:**

  The bank is reliant on global systems that are time tested and robust and the risk that arises from systems and/or tools that are deficient, unstable and/or overly complex is low. The client interface is automated and the processing capabilities with underneath reporting functionalities are well established. The bank's loss history is not material and there haven't been too many significant events over the last 3 years that are attributable to system failures.

Risk Governance

MHBK India has the following senior management level local committees or groups for risk governance.

Senior Management Committee ("SMC")

The SMC is chaired by the General Manager & Chief Executive Officer of the Bank. It is the primary body which provides strategic direction to the Bank and ensures compliance with regulatory requirements and the internal policies of the Bank. It is responsible for branch governance and oversight of branch operations. It is also responsible for reviewing and approving new business and products. It reviews the country performance with respect to strategic objectives. The SMC meets at least on a quarterly basis or more frequently if required. The SMC reviews and approves the ICAAP on an annual basis or upon any revision in the interim.

Asset Liability Committee ("ALCO")

The ALCO is chaired by the General Manager & Chief Executive Officer of the Bank. It provides management oversight of the branch's balance sheet, capital, liquidity management and stress testing activities, consistent with the Bank's overall risk appetite for balance sheet, capital, liquidity management and stress testing. It also provides review and, as appropriate, approval of the branch-specific policies, processes, and contingency funding plans, as requested by the Council or required by regulation. The ALCO holds meetings on monthly basis in a financial year.

Risk Management Committee ("RMC")

RMC is independently chaired by the Chief Risk Officer. RMC serves as an oversight body to provide strategic direction for a progressive risk management system and policies & strategy to be followed to mitigate the risks associated with the business. RMC comprises senior management of the Bank and representatives from front line units and relevant control & support functions. RMC meets at least on a quarterly basis.

Apex Committee on Customer Service ("CSC")

Apex Committee on Customer Service ("CSC") is responsible for activities relating to customer service and client services issues. CSC meets four times in a year.

Information Technology Strategy Committee ("ITSC")

The ITSC is chaired by the Chief Information Officer ("CIO"). The Information Technology Strategy Committee (ITSC) oversees projects in partnership with the Regional / Global Technology and other Functional teams across the Bank including common infrastructure or other projects cutting across businesses or support groups. The TSC conducts meetings at least once every quarter or more frequently if required.

The ITSC is mainly responsible for:

- To assist the Executive Management in implementing Information technology ("IT") Strategy that has been approved by the by global/regional and local management forums,
- Setting project priorities, assessing strategic fit for Information Technology ('IT') proposals and reviewing critical project status and milestones,
- Monitoring IT Governance, project risk, technology operational risks and control processes,
- Providing regular updates to the India SMC on significant Technology matter.

Compliance Committee ("CC")

It aims to create awareness of key regulatory changes & promote compliance in India operations. The detailed terms of references of CC are captured in Bank's Compliance Risk Policy.

New Product Committee ("NPC")

It aims to discuss new products and business being introduced and also ensures risk and concern areas, system related controls and compliance to local laws and Head Office procedures are adhered to and responsibility allocations are being conducted.

Business Continuity Planning Committee ("BCP")

BCP is mainly responsible to discuss and ensure implementation of Business Continuity Plan to ensure continuity of operations in critical disruptive scenarios.

Table DF-3: Credit Risk: General Disclosures

I. Qualitative disclosures

Overview of policies and procedures

The key objectives of Bank's Credit Policy are as follows:

- Establish an appropriate credit risk environment and control system for credit risk management.
- Adhere to the Reserve Bank of India (RBI) prudential requirements with respect to lending norms and ensure correcting any breaches to such prudential guidelines.
- De-risk the Corporate Banking and Trade Finance business by mobilizing self-securing, self-liquidating credit products.
- The bank will deploy credit across various sectors with the twin objectives of increased profitability and less exposure to unforeseen risks.
- The bank will identify and regularly review loan target segment, thrust areas, low priority loans and priority sector lending keeping the overall objectives of Bank and RBI guidelines.
- The bank will establish and strictly follow prudential limits for various aspects of credit i.e. Borrower-wise lending limits, Industry and activity wise exposure limits, Sensitive sectors, substantial exposure limits etc.
- Credit facilities are reviewed / renewed at least on an annual basis as defined by policy framework.
- The bank is guided by its Head Office Policies and will continue to follow the same in addition to guidelines given by RBI.

Credit Risk Management Framework

- The bank believes that Risk Identification is a continuous and pro-active process. It covers all the current activities of the Bank as well as new products and initiatives.
- The Senior Management Committee (SMC) approved policy documents for Credit Risk, framed in line with the policy of Head Office, comprehensively addresses various aspects of risk management and monitoring. Bank has a Loan Policy as well as Credit Risk Mitigation Policy for credit Risk.
- The Bank continually monitors and validates risk parameters affecting the course of normal business, and ensures a thorough compliance with RBI regulatory requirements.
- The Bank has a HO stipulated control environment to monitor and enforce approved policies and procedures and various operational aspects with regard to implementation of the same.
- The Bank applies methodical and well-organized risk reporting structure at all levels of the organization, which culminates in HO approval.

Unhedged Foreign Currency Exposure ("UFCE") of the borrower is an area of risk for the individual entity as well as for the entire financial system; as entities who do not hedge their exposure may incur significant losses due to exchange rate movements, which in turn can reduce their capability to service the loans taken from the banks. In line with the extant RBI guidelines on UFCE, MHBK India has put in place a process to ascertain the amount of UFCE, estimate the extent of likely loss and riskiness due to UFCE, and provide for incremental capital & make incremental provision, as warranted.

In order to address concentration risk in banking industry the RBI has issued 'Guidelines of Enhancing Credit Supply' requiring banks to create additional provision and also apply additional risk weights on specified borrowers effective April 01, 2018. MHBK India has put in place a process to ensure compliance with requirements of the said guidelines/directions.

Norms for determining when to classify various types of assets as non-performing

- Term loans are treated as non-performing if the interest and/or installments of principal remain overdue for a period of more than 90 days.
- Cash credits & overdrafts are treated as non-performing if the accounts remain out of order for a period of more than 90 days.
- An account will be treated "out of order" if the outstanding balance remains continuously in excess of the sanctioned limit/drawing power for 90 days. In case where the outstanding balance is less than the sanctioned limit/drawing power, but there are no credits continuously for previous 90 days period or credits are not enough to cover the interest debited during the same period, these

accounts will be treated as out of order.

- Bills purchased/discounted are treated as non-performing if the bill remains overdue and unpaid for a period of more than 90 days.
- Any overdue receivables representing positive mark-to-market value of a foreign exchange and interest rate derivative contracts will be treated as non- performing asset if these remain unpaid for 90 days or more, upon becoming due.
- Any other facility will be treated as non-performing if any amount to be received remains overdue for a period of more than 90 days during the financial year.

Note: Overdue: Any amount due to Bank under any credit facility is 'overdue' if it is not paid by the due date.

Past Due and Impaired Loans

Bank considers an asset as non-performing when it ceases to generate income for the bank based on 90-days delinquency norms.

Non-Performing Loans are tracked by various methods like:

- Rating Analysis.
- Industry wise Analysis.
- Reviews.
- Time Schedule for renewal of limits.

Provisioning norms:

- Provisioning for "sub-standard assets' & "doubtful" as per regulatory guidelines.
- 100% provisioning for "Loss Assets".

II. Quantitative disclosures

a. Total Gross credit exposures

INR million	September 30, 2024	March 31, 2024
Fund Based	496,639	417,575
Non-Fund Based [1]	203,782	168,933

b. Geographic distribution

INR million	September 30, 2024		March 31, 2024	
	Domestic	Overseas [2]	Domestic	Overseas [2]
Fund Based	496,639	-	417,575	-
Non-Fund Based [1]	203,782	-	168,933	-

[1] *Includes market as well as non-market related exposures*

[2] *As per the clarification given in the guidelines for Pillar 3 disclosures, definition of Overseas and Domestic should be as adopted for segment reporting in compliance with Accounting Standard- 17 issued by ICAI. As the Bank does not have any overseas operations, all exposures are reported under domestic exposures.*

c. Distribution of Exposures by sector / industry

As on September 30, 2024

INR million

Sr.No.	Particulars (RAQ Parent Industry)	Funded Exposure	%	Non Funded Exposure*	%	Investment Exposure	%	Total Exposure	%
I	**Agriculture & Allied Activities**								
	Agri – Direct	-	-	-	-	-	-	-	-
	Agri – Indirect	-	-	-	-	-	-	-	-
	I. Total	-	-	-	-	-	-	-	-
II	**Industry (Micro & Small, Medium and Large)**								
	Vehicle Parts and Transport Equipment	64,994	13%	9,728	5%	-	-	74,722	10.49 %
	All Engineering	43,064	9%	26,188	13%	-	-	69,252	9.73%
	Chemicals and Chemical Products	42,693	9%	5,898	3%	-	-	48,591	6.82%
	Basic Metal and Metal Products	18,251	4%	9,643	5%	-	-	27,894	3.92%
	Infrastructure-Electricity Generation	12,200	2%	11,653	6%	-	-	23,853	3.35%
	Construction	4,656	1%	11,086	5%	-	-	15,742	2.21%
	Food Processing	11,606	2%	3,823	2%	-	-	15,429	2.17%
	Rubber, Plastic and their Products	11,334	2%	3,250	2%	-	-	14,584	2.05%
	Other Industries	2,843	1%	525	0%	-	-	3,368	0.47%
	Petroleum Coal Products and Nuclear Fuels	10,245	2%	6,664	3%	-	-	16,909	2.37%
	Textile	4,300	1%	45	0%	-	-	4,345	0.61%
	Paper and Paper Products	1,598	0%	200	0%	-	-	1,798	0.25%
	Cement & Cement Products	2,900	1%	425	0%	-	-	3,325	0.47%
	Infrastructure-Electricity Transmission	1,896	0%	104	0%	-	-	2,000	0.28%
	Glass & Glass Products	451	0%	12	0%	-	-	463	0.07%
	Trade - Wholesale Trade Manufacturing	5,712	1%	46	0%	-	-	5,758	0.81%
	Mining and Quarrying	200	0%	0	0%	-	-	200	0.03%
	Gems & Jewellery	63	0%	0	0%	-	-	63	0.01%
	Infrastructure - Transport - Ports	3,700	1%	0	0%	-	-	3,700	0.52%
	Infrastructure - Energy - Electricity Distribution	9,450	2%	3,161	2%	-	-	12,611	1.77%
	Infrastructure - Energy - Oil/Gas/Liquefied	988	0%	1,947	1%	-	-	2,935	0.41%

Sr.No.	Particulars (RAQ Parent Industry)	Funded Exposure	%	Non Funded Exposure*	%	Investment Exposure	%	Total Exposure	%
	Natural Gas - Private Sector								
	II. Total	**253,144**		**94,398**				**347,542**	
III	**Services**								
	NBFCs	117,978	24%	12,058	6%	11,650	100%	141,686	19.90 %
	Computer and Related Activities	21,651	4%	5,458	3%	-	-	27,109	3.81%
	Other Services	15,878	3%	5,660	3%	-	-	21,538	3.02%
	Professional Services	6,585	1%	3,450	2%	-	-	10,035	1.41%
	Transport Operators	4,327	1%	145	0%	-	-	4,472	0.63%
	Banks	5,720	1%	32,919	16%	-	-	38,639	5.43%
	Real Estate-Commercial	1,011	0%	-	-	-	-	1,011	0.14%
	Trade - Wholesale	59,883	12%	4,180	2%	-	-	64,063	9.00%
	Infrastructure-Electricity Generation (Service)	2,700	1%	1,600	1%	-	-	4,300	0.60%
	Telecommunication and Telecom Services	7,700	2%	2,053	1%	-	-	9,753	1.37%
	III. Total	**243,433**		**67,523**		**11,650**		**322,606**	
IV	**Staff Loan**								
	Personal	58	0%	-	-	-	-	58	0.01%
	Housing	4	0%	-	-	-	-	4	0.00%
V	**Head Office Counter Guarantee**	-	-	41,861	21%	-	-	41,861	5.88%
	Grand Total	**496,639**		**203,782**		**11,650**		**712,071**	

**Includes market as well as non-market related exposures.*

As on March 31, 2024

INR million

Sr.No.	Particulars (RAQ Parent Industry)	Funded Exposure	%	Non Funded Exposure*	%	Investment Exposure	%	Total Exposure	%
I	**Agriculture & Allied Activities**								
	Agri – Direct	-	-	-	-	-	-	-	-
	Agri – Indirect	-	-	-	-	-	-	-	-
	I. Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
II	**Industry (Micro & Small, Medium and Large)**								
	Vehicle Parts and Transport Equipment	61,053	15%	9,540	6%	-	-	70,593	11.85 %
	All Engineering	28,737	7%	22,036	13%	-	-	50,773	8.53%
	Chemicals and Chemical Products	39,333	9%	5,341	3%	-	-	44,674	7.50%

Sr.No.	Particulars (RAQ Parent Industry)	Funded Exposure	%	Non Funded Exposure*	%	Investment Exposure	%	Total Exposure	%
	Basic Metal and Metal Products	15,138	4%	12,921	8%	-	-	28,059	4.71%
	Infrastructure-Electricity Generation	6,042	1%	23,886	14%	-	-	29,928	5.03%
	Construction	2,920	1%	12,306	7%	-	-	15,226	2.56%
	Food Processing	10,490	3%	3,701	2%	-	-	14,191	2.38%
	Rubber, Plastic and their Products	10,193	2%	2,687	2%	-	-	12,880	2.16%
	Other Industries	8,101	2%	1,431	1%	-	-	9,532	1.60%
	Petroleum Coal Products and Nuclear Fuels	2,235	1%	7,535	4%	-	-	9,770	1.64%
	Textile	1,300	0%	-	-	-	-	1,300	0.22%
	Paper and Paper Products	1,843	0%	53	0%	-	-	1,896	0.32%
	Cement & Cement Products	2,950	1%	-	-	-	-	2,950	0.50%
	Infrastructure-Electricity Transmission	1,944	0%	56	0%	-	-	2,000	0.34%
	Glass & Glass Products	408	0%	55	0%	-	-	463	0.08%
	Trade - Wholesale Trade Manufacturing	283	0%	16	0%	-	-	299	0.05%
	Mining and Quarrying	200	0%	-	-	-	-	200	0.03%
	Gems & Jewellery	63	0%	-	-	-	-	63	0.01%
	Infrastructure - Transport - Ports	3,700	1%	-	-	-	-	3,700	0.62%
	Infrastructure - Energy - Electricity Distribution	780	0%	2,700	2%	-	-	3,480	0.58%
	Infrastructure - Energy - Oil/Gas/Liquefied Natural Gas - Private Sector	992	0%	1,147	1%	-	-	2,139	0.36%
	II. Total	**198,705**	**48%**	**105,411**				**304,116**	
III	**Services**								
	NBFCs	98,385	24%	-	-	9,000	100%	107,385	18.03 %
	Computer and Related Activities	17,132	4%	6,619	4%	-	-	23,751	3.99%
	Other Services	13,027	3%	3,802	2%	-	-	16,829	2.83%
	Professional Services	8,921	2%	4,771	3%	-	-	13,692	2.30%
	Transport Operators	4,493	1%	205	0%	-	-	4,698	0.79%
	Banks	6,263	1%	32	0%	-	-	6,295	1.06%
	Real Estate-Commercial	38	0%	-	-	-	-	38	0.01%
	Trade - Wholesale	62,514	15%	3,677	2%	-	-	66,191	11.12 %

Sr.No.	Particulars (RAQ Parent Industry)	Funded Exposure	%	Non Funded Exposure*	%	Investment Exposure	%	Total Exposure	%
	Infrastructure-Electricity Generation (Service)	2,700	1%	1,600	1%	-	-	4,300	0.72%
	Telecommunication and Telecom Services	5,340	1%	-	-	-	-	5,340	0.90%
	III. Total	**218,813**		**20,706**		**9,000**		**248,519**	
IV	**Staff Loan**								
	Personal	53	0%	-	-	-	-	53	0.01%
	Housing	4	0%	-	-	-	-	4	0.00%
V	**Head Office Counter Guarantee**	-	-	42,816	25%	-	-	42,816	7.19%
	Grand Total	**417,575**		**168,933**		**9,000**		**595,508**	

**Includes market as well as non-market related exposures.*

d. Residual contractual maturity pattern for assets

As of September 30, 2024

INR million

Particulars	Cash	Advances	Balance with RBI	Balances with other Banks / FI	Fixed Assets	Investments	Other Assets
Next Day	3	4,928	8,713	3,220	-	113,591	44
2 - 7 days	-	15,817	2,340	-	-	8,718	2
8-14 days	-	17,549	1,854	-	-	7,402	83
15-30 days	-	32,173	3,330	-	-	13,420	1,514
31 days to 2 month	-	17,378	2,582	-	-	10,285	-
2-3 months	-	16,881	1,612	-	-	7,702	-
3-6 months	-	18,639	565	-	-	2,257	-
6 months to 1 year	-	24,942	835	-	-	3,454	6,977
1-3 years	-	46,196	1,177	-	-	4,754	-
3-5 years	-	20,280	-	-	-	-	-
5-7 years	-	5,208	-	-	-	-	-
7-10 years	-	1,444	-	-	-	-	-
10-15 years	-	603	-	-	-	-	-
Over 15 years	-	3	856	-	469	9,672	14,300
TOTAL	**3**	**222,041**	**23,864**	**3,220**	**469**	**181,255**	**22,920**

As of March 31, 2024

INR million

Particulars	Cash	Advances	Balance with RBI	Balances with other Banks / FI	Fixed Assets	Investments	Other Assets
Next Day	3	15	21,297	1,440	-	71,828	37
2 - 7 days	-	20,935	2,165	3,651	-	8,659	30
8-14 days	-	15,058	1,384	-	-	5,536	73
15-30 days	-	23,562	2,478	-	-	9,915	1,292
31 days to 2 month	-	17,002	1,366	-	-	5,467	-

Particulars	Cash	Advances	Balance with RBI	Balances with other Banks / FI	Fixed Assets	Investments	Other Assets
2-3 months	-	10,274	665	-	-	2,660	95
3-6 months	-	14,176	337	-	-	1,347	-
6 months to 1 year	-	19,926	241	-	-	963	6,759
1-3 years	-	42,495	1,293	-	-	5,171	973
3-5 years	-	14,022	-	-	-	-	-
5-7 years	-	1,826	-	-	-	-	-
7-10 years	-	1,643	-	-	-	-	-
10-15 years	-	765	-	-	-	-	-
Over 15 years	-	3	339	-	498	6,715	18,076
TOTAL	**3**	**181,702**	**31,565**	**5,091**	**498**	**118,261**	**27,335**

Note: Previous year figures have been regrouped and reclassified wherever necessary to confirm to current year's presentation

e. Amount of NPAs (Gross) – INR 63 million (March 31, 2024 – INR 63 million)

NPAs (Gross) As on September 30, 2024	
Category	**Amount**
Sub-Standard	-
Doubtful 1	-
Doubtful 2	-
Doubtful 3	-
Loss	63
Total	63

f. Net NPAs – Nil (March 31, 2024 – Nil)

g. NPA Ratios

i. Gross NPA to Gross Advances – 0.03% (March 31, 2024 – 0.03%)
ii. Net NPA to Net Advances – 0.00% (March 31, 2024 – 0.00%)

h. Movement in NPAs (Gross)

INR million	YTD September 30, 2024	YTD March 31, 2024
Opening balance	63	63
Additions	-	-
Reductions	-	-
Closing balance	63	63

i. Movement in provision for NPAs

INR million	YTD September 30, 2024	YTD March 31, 2024
Opening balance	63	63
Provisions made	-	-
Write-off	-	-
Write-back of excess provisions	-	-
Closing balance	63	63

j. Non-Performing Investments: Nil (March 31, 2024 Nil)

k. Provisions for Non-Performing Investments: Nil (March 31, 2024 Nil)

l. Movement in provision for diminution in value of investments (other than non-performing investments):

INR million	YTD September 30, 2024	YTD March 31, 2024
Opening balance	8	67
Provisions made for the period	-	-
Write-off		
Write-back of provisions ^	8^	59
Closing balance as on September 30, 2024	NIL	8

^ Reversal of balance in provision for diminution in value of investments as at March 31, 2024 into Revenue Reserves recorded on April 1, 2024 in terms of the transition & repeal provisions (Chapter – XIV) of RBI circular on Master Direction - Classification, Valuation and Operation of Investment Portfolio of Commercial Banks (Directions), 2023' dated September 12, 2023 applicable to the Bank.

m. Movement in AFS-Reserves:

INR million	YTD September 30, 2024
Opening balance*	132.19
Net valuation gains / (losses) across all performing AFS investments for the period	267.25
Reclassification of accumulated (gains) / losses to Profit and Loss Account upon maturity / sale of AFS investments	(11.18)
Closing balance as on September 30, 2024	388.26

** Represents opening accounting adjustments recorded on securities classified as available for sale (AFS) as at April 1, 2024 in terms of the transition & repeal provisions (Chapter – XIV) of RBI circular on Master Direction - Classification, Valuation and Operation of Investment Portfolio of Commercial Banks (Directions), 2023' dated September 12, 2023, applicable to the Bank.*

The investments mainly comprises of Treasury Bills of Government of India and investments in Government Securities. The investments in Treasury Bills of Government of India are held for SLR purpose and these are valued at carrying cost as per Reserve Bank of India guidelines.

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

I. Qualitative disclosures

Rating Agency Used:

As per the RBI guidelines, the bank has identified CARE, CRISIL, ICRA and Fitch India, Acuite, INFORMATICS (Domestic Credit Rating Agencies) and Fitch, Moody's and S & P (International Rating Agencies) as approved rating agencies, for the purpose of rating the domestic and overseas exposures respectively, whose ratings are to be used for the purpose of capital calculation. However, currently for customers whose ratings are available from external rating agencies, for these customers, ratings are used computation of capital and for all other credit exposures of the bank are treated as unrated.

Types of exposures for which each agency will be used

- For exposures with a contractual maturity of less than or equal to one year (except cash credit, overdraft and other revolving credits), short-term ratings given by approved rating agencies to be used.
- For domestic cash credit, overdraft and other revolving credits (irrespective of the period) and for Term Loan exposures of over one year, long term ratings to be used.
- For overseas exposures, irrespective of the contractual maturity, long term ratings given by approved rating agencies to be used.

Process used to transfer public issue ratings onto comparable assets in the Banking Book:

The above is not applicable to our bank.

II. Quantitative disclosures

a. Total Gross credit exposures

INR million`	September 30, 2024	March 31, 2024
Fund Based		
Below 100% risk weight	270,881	204,338
100% risk weight	25,022	28,891
More than 100% risk weight	157,870	131,234
Deducted	-	-
Total	**453,773**	**364,463**

INR million	September 30, 2024	March 31, 2024
Non-Fund Based [5]		
Below 100% risk weight	45,999	60,835
100% risk weight	11,398	4,855
More than 100% risk weight	69,307	62,625
Deducted	-	-
Total	**126,704**	**128,315**

[5] *Includes market as well as non-market related exposures.*

Table DF-5: Credit Risk Mitigation: Disclosures for Standardized Approaches

I. Qualitative disclosures

Types of Credit Risk Mitigation

MHBK uses an assortment of financial and non-financial collaterals and guarantees to mitigate the underlying credit risk in its regular lending operations. The following collaterals have been accepted at the bank as at September 30, 2024.

- **Financial Collateral**
  - Lien/Pledge of Fixed Deposits, Term Deposits
- **Non-financial collateral**
  - Hypothecation of Stocks / Book Debts / Accounts Receivables.
  - Equitable mortgage over real estate / property / factory land & building etc.
- **Guarantees**
  - Bank Guarantees
  - Corporate Guarantees
- **Others**
  - Assignment of employment lien, retirement benefits and mortgage in case of loans to staff.

Key highlights of the Bank's risk mitigation strategies and procedures for acceptance and monitoring of effectiveness of mitigation are as follows:

- Acceptance criteria for collateral are preceded by a thorough analysis on a case to case basis prior to granting a facility.
- Comprehensive analysis of collaterals is performed for assessing the liquidity and the legal aspects.
- Creation of minimum stipulations and conditions for acceptance and valuation of collaterals.
- Appropriate analysis of guarantees received, in terms of its coverage of exposure amount and associated legal documentation.
- Regular monitoring and valuation of collaterals.

Valuation

Bank has a detailed Loan Policy, under which Chapter # 8 covers bank's policy on valuation of collateral security, title search report and forms of charge. The Loan Policy was last reviewed on May 15, 2024 and has been approved by Local Board (Senior Management Committee). If immovable fixed assets such as land and building are taken as collateral, the bank undertakes market valuation of the immovable fixed assets through independent valuation before creation of security in our favour. While empaneling valuers for carrying out valuation of properties / securities charged to Bank, the bank empanels registered and government approved valuers. Credit facilities that are secured by hypothecation of stock, the stock audit is conducted once in a year by external agencies.

II. Quantitative disclosures

Bank has not considered any eligible financial collateral for netting for calculation of risk weighted asset for capital adequacy purpose.

Table DF-6: Securitization Exposures: Disclosure for Standardized Approach

I. Qualitative disclosures

The Bank currently does not have any exposures by way of securitization.

II. Quantitative disclosures

A. Banking Book

Total amount of exposures securitized by the Bank: Nil (March 31, 2024: Nil)

Amount of assets intended to be securitized within a year: Nil (March 31, 2024: Nil)

Total amount of assets securitized and unrecognized gain or losses on sale: Nil (March 31, 2024: Nil)

Aggregate amount of on-balance sheet and off-balance sheet securitization exposures purchased and break-up by exposure type

INR million	September 30, 2024		March 31, 2024	
	Exposure Type	Exposure Amount	Exposure Type	Exposure Amount
On Balance Sheet	Nil	Nil	Nil	Nil
Off Balance Sheet	Nil	Nil	Nil	Nil
Total	Nil	Nil	Nil	Nil

Securitization exposures purchased and the associated capital charge by different risk weight bands

	As at September 30, 2024			As at March 31, 2024		
INR million	Exposure	Risk Weighted Assets	Capital Requirement	Exposure	Risk Weighted Assets	Capital Requirement
Below 100% risk weight	Nil	Nil	Nil	Nil	Nil	Nil
100% risk weight	Nil	Nil	Nil	Nil	Nil	Nil
More than 100% risk weight	Nil	Nil	Nil	Nil	Nil	Nil
Total	Nil	Nil	Nil	Nil	Nil	Nil

Securitization Exposures deducted entirely from Tier 1 capital, credit enhancing Interest Only Strips (I/Os) deducted from total capital, and other exposures deducted from total capital: Nil (March 31, 2024: Nil).

B. Trading book

- Aggregate amount of exposures securitised by Bank for which bank has retained some exposures and which is subject to market risk approach: Nil (March 31, 2024: Nil)
- Aggregate amount of on-balance sheet securitisation exposures retained or purchased: Nil (March 31, 2024: Nil)
- Aggregate amount of off-balance sheet securitisation exposures: Nil (March 31, 2024: Nil)
- Aggregate amount of securitization exposures retained or purchased subject to Comprehensive Risk Measure for specific risk : Nil (March 31, 2024: Nil)
- Aggregate amount of securitization exposures retained or purchased subject to securitization framework for specific risk broken into different risk weight bands: Nil (March 31, 2024: Nil)
- Aggregate amount of capital requirements for the securitisation exposures subject to securitisation framework: Nil (March 31, 2024: Nil)
- Securitisation Exposures deducted entirely from Tier 1 capital, credit enhancing Interest Only Strips (I/Os) deducted from total capital, and other exposures deducted from total capital: Nil (March 31, 2024: Nil)

Table DF-7: Market Risk in Trading Book

I. Qualitative disclosures

Overview of Policies and Procedures

MHBK has a Board approved Investment Policy and it lays down the broad investment objectives; prudential and internal exposures limit norms, set up for considering investments, methods of follow up, accounting / auditing / review / reporting systems and authority structure to put through the deal transaction. The Bank has put in place an Asset Liability Management Policy, Risk Management Policy, Derivative Policy and Stress Test Policy with defined roles, authorizations, limits, etc. governing the bank's market activities.

The Bank has Risk Management Committee (RMC) as well as Asset Liability Committee (ALCO), which are responsible for giving guidelines on market risk management. The Bank has set up a Market risk Monitoring Department, to supervise the day to day monitoring requirements of various Market Related Risk parameters.

MHBK has established a very comprehensive delegation of authority across various functionaries. Policy prescribes monitoring counterparty Derivative exposure on daily basis by capturing daily exposure details and reporting of any breaches to Senior Management for taking necessary steps. MHBK policy covers regular internal audit, periodic review and reporting as per RBI guidelines and

Policy guidelines.

Interest rate risk

The investments in AFS book are mostly Treasury-bills and coupon bearing Government Securities which have only general market risk. As the bank runs a matched position in derivative instruments (except INR OIS/IRS), the market risk from OTC derivative positions is very low. Therefore, the interest rate risk comprises only general market risk on account of long position in T-bills and coupon bearing Government securities and Non-Convertible Debentures. As of September 30, 2024, Bank had an exposure to Non-SLR securities having face value outstanding INR 11,650 million investments in Non-Convertible Debenture. The interest rate risk calculations and mark to market workings including related capital computations are carried out by Market Risk Monitoring department.

Equity & commodity risk

As per the present Policy of the Bank, Bank cannot invest in these segments.

Foreign Exchange Risk

MHBK has an aggregate net open position limit of INR 707 million in all currencies. The daily open positions are monitored by Market Risk Monitoring department as per the Regulatory guidelines.

The Capital assessment required for market risk is computed using the Standardized Duration Method. Forex VaR on gaps is calculated and maintained on a daily basis as per FEDAI declared rates. Bank has prescribed Forex VaR limit of USD 7 million (INR 58.10 million). The Aggregate gap limit for all Forex positions has been fixed at USD 1,200 million as approved by Senior Management Committee and intimated to RBI. This limit is also monitored by Market Risk Department on a daily basis.

II. Quantitative disclosures

INR million	September 30,2024	March 31, 2024
Capital requirements for:		
I. Interest rate risk (A+B)	477	1,355
A. Capital charge for market risk for securities held under HFT	477	516
a. General market risk	477	516
i) Net position (parallel shift)	350	484
ii) Horizontal disallowance (curvature)	53	20
iii) Vertical disallowance (basis)	74	12
iv) Options	-	-
b. Specific risk	-	-
B. Capital charge for market risk for securities held under AFS	-	840
a. General market risk	-	701
i) Net position (parallel shift)	-	699
ii) Horizontal disallowance (curvature)	-	-
iii) Vertical disallowance (basis)	-	2
iv) Options	-	-

INR million	September 30,2024	March 31, 2024
b. Specific risk	-	139
C. Alternative total capital charge for securities held under AFS	-	162
II. Equity position risk	-	-
- general market risk	-	-
- specific risk	-	-
III. Foreign exchange risk	891	270
Total Capital Charge for Market Risk (I+II+III)	**1,368**	**1,625**

Table DF-8: Operational Risk

Qualitative Disclosures

Overview of Policies and Procedures

- MHBK India has put in place separate Operational Risk Management Policy and also follows Head Office policies for Operational Risk Management. Issues Relating to Operational Risk Management (ORM) for India operations are dealt with by the Operations Planning department and Risk Management Committee.
- The Bank follows the Basic Indicator Approach for calculating Operational Risk capital charge as per Basel III / RBI guidelines.
- The operational risk management practice is governed by well-defined IT/Operations polices and Compliance manual.
- MHBK India follows HO issued policy/procedures for Operational Risk management. HO also issues periodic circulars to cover specific areas like self-assessment etc. which is comprehensively developed according to the parent bank's Advanced Measurement requirements.
- MHBK India exhibits sufficient responsiveness to account for underlying risks and has a defined process for tackling the same.
- The Bank has a robust IT security framework and a comprehensive Disaster Recovery Plan, which incorporates elements of Business Continuity Planning. Bank systems are well equipped to account for system failure, internet fraud, hacking attacks, etc.

Mizuho India has adopted the Basic Indicator Approach for Operational Risk. As on September 30, 2024, the operational risk capital charge for the Bank is INR 1,491 million based on previous 3 years' average gross income.

Table DF-9: Interest Rate Risk in the Banking Book (IRRBB)

I. Qualitative disclosures

Overview of Policies and Procedures

The Bank has prescribed limits for Interest Rate Risk as per the ALM policy. The Gap limits were fixed for INR as well as all currencies combined. Suitable limits are also in place for the impact on Net Worth for interest Rate shock based on Modified Duration method. The Standardized duration gap methodology as prescribed by RBI has been adopted for computing interest rate risk in the banking book. Based on interest rate sensitivity, Interest rate risk in banking book is assessed on monthly basis as per RBI guidelines. Both on balance sheet and off balance sheet items are slotted to respective maturity buckets for assessing the interest rate sensitivity. On-balance sheet items are taken at book value.

Interest Rate Risk in Banking Book is derived under following two approaches

- Traditional Gap Analysis – Earnings perspective
- Duration Gap Analysis – Economic value perspective

Earning at risk is computed based on Gap analysis.
Liquidity Ratios as per RBI guidelines are monitored periodically and reported to ALCO.

Derivatives are converted into positions in the relevant underlying. The amounts considered are the principal amount of the underlying or of the notional underlying. Swaps are treated as two notional positions with relevant maturities.

II. Quantitative disclosures

The increase / (decline) in earnings and economic value (on a pre-tax basis) for an upward/downward rate shock broken down by currency is as below:

a. Impact on net interest income over the next 12 months (earnings perspective)

	September 30, 2024		March 31, 2024	
INR million	If interest rate were to go up by 100 basis points	If interest rate were to go down by 100 basis points	If interest rate were to go up by 100 basis points	If interest rate were to go down by 100 basis points
Currency				
INR (Consolidated for all currency)	83	(83)	398	(398)

b. Impact on market value of equity (economic value perspective):

INR million	September 30, 2024		March 31, 2024	
	If interest rate were to go up by 200 basis points	If interest rate were to go down by 200 basis points	If interest rate were to go up by 200 basis points	If interest rate were to go down by 200 basis points
Currency				
INR (Consolidated for all currency)	(2,688)	2,688	(1,799)	1,799

III. Other Reporting

In reference to RBI circular no. RBI/2022-23/180, DOR.MRG.REC.102/00-00-009/2022-23 dated 17th February 2023, the Reserve Bank of India has issued final guidelines on Interest Rate Risk in Banking Book (IRRBB), whereby banks must measure, monitor, and disclose their exposure to IRRBB in terms of potential change in the economic value of equity and net interest income based on a set of prescribed interest rate shock scenarios. The date for implementation of the guidelines for Domestic Systemically Important Banks is March 31, 2023 and for Other Banks is June 30, 2023.

Interest Rate Risk in Banking Book refers to the current or prospective risk to banks' capital and earnings arising from adverse movements in interest rates that affect its banking book positions. Excessive IRRBB can pose a significant risk to banks' current capital base and/or future earnings. IRRBB require banks to measure, monitor, and disclose their exposure to IRRBB in terms of potential change in Economic Value of Equity (ΔEVE) and Net Interest Income (ΔNII), computed based on a set of prescribed interest rate shock scenarios.

Mizuho bank calculated EVE and NII for the quarter ended September 30, 2024, the results were within the below 15% of Tier 1 Capital of the bank.

INR million	Δ EVE		Δ NII	
	September 30, 2024	June 30, 2024	September 30, 2024	June 30, 2024
Parallel up	3,645.22	3,460.20	-145.94	-461.14
Parallel down	60.76		145.94	461.14
Steepener	56.04			
Flattener	1,462.47	1,307.49		
Short rate up	2,697.29	2,474.32		
Short rate down	88.33			
Maximum	3,645.22	3,460.20	145.94	461.14
Tier 1 capital	98,479.12	98,479.12	98,479.12	98,479.12
Maximum as % of Tier 1 Capital	3.70	3.51	0.15	0.47

The maximum impact on EVE on the prescribed 6 scenarios was in parallel up with EVE utilisation of 3.70% of Tier 1 capital for September 30, 2024 and in parallel up with EVE utilisation 3.51% of Tier 1 capital for June 30, 2024. For NII the maximum impact was in Parallel up where NII utilisation was at 0.15% and 0.47% of Tier 1 capital for September 30, 2024 and June 30, 2024 respectively. The Tier 1 capital is as of March 31, 2024.

Table DF-10: General Disclosure for Exposures Related to Counterparty Credit Risk

I. Qualitative disclosures

The Bank process for managing and monitoring derivative and counterparty credit risk is based on its assessment of the potential future credit risk as per HO/RBI guidelines.

Counterparty limits are monitored and reported on periodical basis and internal triggers have been put in place to guard against breach in limits. Credit exposures to investments, advances, etc. are monitored separately under the large exposure framework norms for exposure to a single borrower and group borrower and as per Bank's Loan policy or Investment policy as applicable.

II. Quantitative disclosures

As at September 30, 2024

INR million	Forward Exchange Contracts	Interest Rates Derivative Contracts	Cross Currency Swaps	Forward Rate Agreement	Options	Total
Gross positive fair value of contracts	2,656	1,768	1,669	16	8,034	14,143
Netting benefits*	-	-	-	-	-	-
Netted current credit exposure (positive mark-to-market)	2,656	1,768	1,669	16	8,034	14,143
Collateral held						
Net derivatives credit exposure	2,656	1,768	1,669	16	8,034	14,143
Gross potential future exposure	10,448	1,772	16,761	262	11,998	41,241
Netting benefits*	-	-	-	-	-	-
Net potential future exposure	10,448	1,772	16,761	262	11,998	41,241
Exposure at default under Current* Exposure Method	13,104	3,540	18,430	278	20,032	55,384
**Credit exposure for Interest Rate Derivatives exclude hedging deals* *INR million*						
Notional value of credit	Nil	Nil	Nil	Nil	Nil	Nil

INR million	Forward Exchange Contracts	Interest Rates Derivative Contracts	Cross Currency Swaps	Forward Rate Agreement	Options	Total
derivative hedges						
Institution's own credit portfolio	Nil	Nil	Nil	Nil	Nil	Nil
• Protection bought	Nil	Nil	Nil	Nil	Nil	Nil
• Protection sold	Nil	Nil	Nil	Nil	Nil	Nil
Institution's Intermediation activity credit portfolio	Nil	Nil	Nil	Nil	Nil	Nil
• Protection bought	Nil	Nil	Nil	Nil	Nil	Nil
• Protection sold						

As at March 31, 2024

INR million	Forward Exchange Contracts	Interest Rates Derivative Contracts	Cross Currency Swaps	Forward Rate Agreement	Options	Total
Gross positive fair value of contracts	5,476	3,316	1,372	0.21	7,755	17,919
Netting benefits*	-	-	-	-	-	-
Netted current credit exposure (positive mark-to-market)	5,476	3,316	1,372	0.21	7,755	17,919
Collateral held						
Net derivatives credit exposure	5,476	3,316	1,372	0.21	7,755	17,919
Gross potential future exposure	9,955	1,514	15,062	2.50	22,274	48,808
Netting benefits*	-	-	-	-	-	-
Net potential future exposure	9,955	1,514	15,062	2.50	22,274	48,808
Exposure at default under Current* Exposure Method	15,431	4,830	16,434	2.71	30,029	66,727
**Credit exposure for Interest Rate Derivatives exclude hedging deals*						

INR million	Forward Exchange Contracts	Interest Rates Derivative Contracts	Cross Currency Swaps	Forward Rate Agreement	Options	Total
INR million						
Notional value of credit derivative hedges	Nil	Nil	Nil	Nil	Nil	Nil
Institution's own credit portfolio	Nil	Nil	Nil	Nil	Nil	Nil
• Protection bought	Nil	Nil	Nil	Nil	Nil	Nil
• Protection sold	Nil	Nil	Nil	Nil	Nil	Nil
Institution's Intermediation activity credit portfolio						
• Protection bought	Nil	Nil	Nil	Nil	Nil	Nil
• Protection sold	Nil	Nil	Nil	Nil	Nil	Nil

Note: Previous year figures have been regrouped and reclassified wherever necessary to confirm to current year's presentation.

** This represents netting benefits with respect to Qualified Central Clearing Counterparties and Bilateral Netting*

Table DF-11: Composition of Capital

Sr. no	Particulars	Amt in INR million	Amounts Subject to Pre-Basel III treatment	Reference No.
	Common Equity Tier 1 capital: instruments and reserves			
1.	Directly issued qualifying common share capital plus related stock surplus (share premium)*	71,443		
2.	Retained earnings	30,604		A2+A3
3.	Accumulated other comprehensive income (and other reserves)			
4.	Directly issued capital subject to phase out from CET1 (only applicable to non-joint stock companies1)			
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**	**102,047**		
	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)	275		
10.	Deferred tax assets	1,228		
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-in capital on reported balance sheet)			
17.	Reciprocal cross-holdings in common equity			
18.	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)			
19.	Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions (amount above 10% threshold)			
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			

Sr. no	Particulars	Amt in INR million	Amounts Subject to Pre-Basel III treatment	Reference No.
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)			
26a	of which: Investments in the equity capital of the 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: Unamortised pension funds expenditures			
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**	**1,503**		
29.	**Common Equity Tier 1 capital (CET1)**	**100,544**		
30.	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus (31+32)			
31.	of which: classified as equity under applicable accounting standards (Perpetual Non-Cumulative Preference Shares)			
32.	of which: classified as liabilities under applicable accounting standards (Perpetual debt Instruments)			
33.	Directly issued capital instruments subject to phase out from Additional Tier 1			
34.	Additional Tier 1 instruments (and CET1 instruments not included in row 5) issued by subsidiaries and held by third parties (amount allowed in group AT1)			
35.	of which: instruments issued by subsidiaries subject to phase out			
36.	Additional Tier 1 capital before regulatory adjustments			
	Common Equity Tier 1 capital: instruments and reserves			
	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)			

Sr. no	Particulars	Amt in INR million	Amounts Subject to Pre-Basel III treatment	Reference No.
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	of which: Investments in the Additional Tier 1 capital of unconsolidated insurance subsidiaries			
41b	Of which: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)**	**-**		
45.	**Tier 1 capital (T1 = CET1 + AT1) (29 + 44)**	**100,544**		
	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	4,366		B1+B2+B3+B4
51.	**Tier 2 capital before regulatory adjustments**	**4,366**		
52.	Investments in own Tier 2 instruments			
53.	Reciprocal cross-holdings in Tier 2 instruments			
54.	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above the 10% threshold)			
55.	Significant investments in the capital banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)			
56.	National specific regulatory adjustments (56a+56b)			
56a	of which: Investments in the Tier 2 capital of unconsolidated 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)**	**4,366**		
59.	**Total capital (TC = T1 + T2) (45 + 58)**	**104,910**		

Sr. no	Particulars	Amt in INR million	Amounts Subject to Pre-Basel III treatment	Reference No.
60.	**Total risk weighted assets (60a + 60b + 60c)**	**505,993**		
60a	**of which: total credit risk weighted assets**	**470,262**		
60b	**of which: total market risk weighted assets**	**17,098**		
60c	**of which: total operational risk weighted assets**	**18,633**		
	Capital ratios and buffers			
61.	**Common Equity Tier 1 (as a percentage of risk weighted assets)**	**19.87%**		
62.	**Tier 1 (as a percentage of risk weighted assets)**	**19.87%**		
63.	**Total capital (as a percentage of risk weighted assets)**	**20.73%**		
64.	Institution specific buffer requirement (minimum CET1 requirement plus capital conservation and countercyclical buffer requirements plus G-SIB buffer requirement, expressed as a percentage of risk weighted assets)			
65.	of which: capital conservation buffer requirement			
66.	of which: bank specific countercyclical buffer requirement			
67.	of which: G-SIB buffer requirement			
68.	Common Equity Tier 1 available to meet buffers (as a percentage of risk weighted assets) – (Point 61 – Point 71)			
	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)	9.00%		
	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)	2,001		B1+B3+B4
77.	Cap on inclusion of provisions in Tier 2 under standardised approach			
78.	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)			

Sr. no	Particulars	Amt in INR million	Amounts Subject to Pre-Basel III treatment	Reference No.
79.	Cap for inclusion of provisions in Tier 2 under internal ratings-based approach			
Capital instruments subject to phase-out arrangements (only applicable between March 31, 2017 and March 31, 2022)				
80.	Current cap on CET1 instruments subject to phase out arrangements			
81.	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)			
82.	Current cap on AT1 instruments subject to phase out arrangements			
83.	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)			
84.	Current cap on T2 instruments subject to phase out arrangements			
85.	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)			

Note to the template			
Row No. of the template	**Particulars**		**Amt in INR million**
10	Deferred tax assets associated with accumulated losses		
	Deferred tax assets (excluding those associated with accumulated losses) net of Deferred tax liability		1,228
	Total as indicated in row 10		1,228
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	
44a	Excess Additional Tier 1 capital not reckoned for capital adequacy (difference between Additional Tier 1 capital as reported in row 44 and admissible Additional Tier 1 capital as reported in 44a)		
	of which : Excess Additional Tier 1 capital which is considered as Tier 2 capital under row 58b		
50	Eligible Provisions included in Tier 2 capital		4,366
	Eligible Revaluation Reserves included in Tier 2 capital		
	Total of row 50		4,366
58a	Excess Tier 2 capital not reckoned for capital adequacy (difference between Tier 2 capital as reported in row 58 and T2 as reported in 58a)		

Table DF-12: Composition of Capital- Reconciliation Requirement

	INR million	Balance sheet as in financial statements	Balance Sheet under regulatory scope of Consolidation
A	**Capital & Liabilities**	As on September 30, 2024	As on September 30, 2024
i	Paid-up Capital	71,443	71,443
	Reserves & Surplus	37,337	37,337
	Minority Interest	-	-
	Total Capital	108,780	108,780
ii	Deposits	273,722	273,722
	of which: Deposits from banks	-	-
	of which: Customer deposits	235,191	235,191
	of which: Other deposits (CASA Deposits)	38,531	38,531
iii	Borrowings	49,220	49,220
	of which: From RBI	-	-
	of which: From banks	36,772	36,772
	of which: From other institutions & agencies	2,450	2,450
	of which: Others (TREPS Borrowings)	9,998	9,998
	of which: Capital instruments	-	-
iv	Other liabilities & provisions	22,050	22,050
	Total Capital & Liabilities	**453,772**	**453,772**
B	**Assets**		
i	Cash and balances with Reserve Bank of India	23,867	23,867
	Balance with banks and money at call and short notice	3,220	3,220
ii	Investments:	181,255	181,255
	of which: Government securities	169,274	169,274
	of which: Shares	-	-
	of which: Debentures & Bonds	11,981	11,981
	of which: Subsidiaries / Joint Ventures / Associates	-	-
	of which: Others (US T bills , Certificate of Deposits etc.)	-	-
iii	Loans and advances	222,041	222,041
	of which: Loans and advances to banks	-	-
	of which: Loans and advances to customers	222,041	222,041
iv	Fixed assets	469	469
v	Other assets	22,920	22,920
	of which: Goodwill and intangible assets	-	-
	of which: Deferred tax assets	1,228	1,228
vi	Goodwill on consolidation	-	-
vii	Debit balance in Profit & Loss account	-	-
	Total Assets	**453,772**	**453,772**

INR million		Balance sheet as in financial statements	Balance Sheet under regulatory scope of consolidation	Reference No.
A	**Capital & Liabilities**			
	Paid-up Capital	**71,443**	**71,443**	**A1**
	of which: Amount eligible for CET1	71,443	71,443	
	of which: Amount eligible for AT1	-	-	
	Reserves & Surplus	**37,337**	**37,337**	
	Statutory Reserves	8,283	8,283	A2
	Capital Reserves	-	-	
	Investment Reserve Account	-	-	B1
	Investment Fluctuation Reserve	2,365	2,365	B2
	AFS Reserve	388	388	
	Balance in Profit & Loss A/c	26,301	26,301	
	of which:			
	Unallocated Surplus	-	-	
	Current period profits not reckoned for Capital Adequacy	3,980	3,980	
	Profit Retained in India for Capital to Risk Weighted Assets Ratio (CRAR) purpose	22,321	22,321	A3
	Minority Interest	-	-	
i	**Total Capital**	**108,780**	**108,780**	
ii	**Deposits**	**273,722**	**273,722**	
	of which: Deposits from banks	-	-	
	of which: Customer deposits	235,191	235,191	
	of which: Other deposits (pl. specify CASA Deposits)	38,531	38,531	
iii	**Borrowings**	**49,220**	**49,220**	
	of which: From RBI	-	-	
	of which: From banks	36,772	36,772	
	of which: From other institutions & Agencies	2,450	2,450	
	of which: Others (TREPS Borrowings)	9,998	9,998	
	of which: Capital instruments	-	-	
iv	**Other liabilities & provisions**	**22,050**	**22,050**	
	of which: Provision for Standard Assets	949	949	B3
	of which: Provision for Country risk	-	-	
	of which: Provision for Bonus	164	164	
	of which: Provision for Unhedged Transaction	1,052	1,052	B4
	of which: Provision for Retirement PL	64	64	
	of which: Provision for Retirement SL	60	60	
	of which: Provision for Straight Line Of Rent (AS19)	4	4	
	of which: Provision for Large Exposure through Market Mechanism	245	245	
	of which: Provision for RBI Direction (NPA Automation)	190	190	
	of which: General Provision	-	-	
	of which: Provision for Enhancing Credit	-	-	

INR million		Balance sheet as in financial statements	Balance Sheet under regulatory scope of consolidation	Reference No.
	Supply			
	of which: DTLs related to goodwill	-	-	
	of which: DTLs related to intangible assets	-	-	
	Total Capital and Liabilities	**453,772**	**453,772**	
B	**Assets**			
i	**Cash and balances with Reserve Bank of India**	**23,867**	**23,867**	
ia	**Balance with banks and money at call and short notice**	**3,220**	**3,220**	
ii	**Investments**	**181,255**	**181,255**	
	of which: Government securities	169,274	169,274	
	of which: Other approved securities	-	-	
	of which: Shares	-	-	
	of which: Debentures & Bonds	11,981	11,981	
	of which: Subsidiaries / Joint Ventures / Associates	-	-	
	of which: Others (US T bills, Certificate of Deposits etc.)	-	-	
iii	**Loans and advances**	**222,041**	**222,041**	
	of which: Loans and advances to banks	-	-	
	of which: Loans and advances to customers	222,041	222,041	
iv	**Fixed assets**	**469**	**469**	
v	**Other assets**	**22,920**	**22,920**	
	of which:			
	Goodwill	-	-	
	Other intangibles (excluding MSRs)	-	-	
	Deferred tax assets	1,228	1,228	
	Goodwill on consolidation	-	-	
	Debit balance in Profit & Loss account	-	-	
	Total Assets	**453,772**	**453,772**	

Table DF-13: Main Features of Regulatory Capital Instruments

The Bank has not issued any Regulatory Capital instruments

Disclosure template for main features of regulatory capital instruments		
1	Issuer	Not Applicable
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	
3	Governing law(s) of the instrument	
	Regulatory treatment	
4	Transitional Basel III rules	
5	Post-transitional Basel III rules	
6	Eligible at solo/group/ group & solo	
7	Instrument type	
8	Amount recognised in regulatory capital (Rs. in million, as of most recent reporting date)	
9	Par value of instrument	
10	Accounting classification	
11	Original date of issuance	
12	Perpetual or dated	
13	Original maturity date	
14	Issuer call subject to prior supervisory approval	
15	Optional call date, contingent call dates and redemption amount	
16	Subsequent call dates, if applicable	
	Coupons / dividends	
17	Fixed or floating dividend/coupon	
18	Coupon rate and any related index	
19	Existence of a dividend stopper	
20	Fully discretionary, partially discretionary or mandatory	
21	Existence of step up or other incentive to redeem	
22	Noncumulative or cumulative	
23	Convertible or non-convertible	
24	If convertible, conversion trigger(s)	
25	If convertible, fully or partially	
26	If convertible, conversion rate	
27	If convertible, mandatory or optional conversion	
28	If convertible, specify instrument type convertible into	
29	If convertible, specify issuer of instrument it converts into	
30	Write-down feature	
31	If write-down, write-down trigger(s)	
32	If write-down, full or partial	
33	If write-down, permanent or temporary	
34	If temporary write-down, description of write-up mechanism	
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	
36	Non-compliant transitioned features	
37	If yes, specify non-compliant features	

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

Instruments	Full Terms and Conditions
The Bank has not issued any Regulatory Capital instruments	

Table DF-15: Disclosure Requirements for Remuneration

The Bank's compensation policies including that of CEO's, is in conformity with the Financial Stability Board principles and standards. In accordance with the requirements of the RBI Circular RBI/2019-20/89 DOR.Appt.BC.No.23/29.67.001/2019-20 dated November 4, 2019, the Bank has submitted a declaration to RBI confirming the aforesaid matter and hence this disclosure is not applicable.

Table DF-16: Equities – Disclosure for Banking Book Position – Not Applicable

Table DF-17: Summary Comparison of Accounting Assets vs Leverage Ratio Exposure Measure

	Item	**INR million**
1	Total consolidated assets as per published financial statements	453,773
2	Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory Consolidation	
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	52,706
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)	71,152
7	Other adjustments (Asset amounts deducted in determining Basel III Tier 1 capital)	-958
8	**Leverage ratio exposure**	**576,673**

Table DF-18: Leverage Ratio Common Disclosure Template

	Item	INR million
	On-balance sheet exposures	
1	On-balance sheet items (excluding derivatives and SFTs, but including collateral)	454,318
2	(Asset amounts deducted in determining Basel III Tier 1 capital)	(1,503)
3	**Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 2)**	**452,815**
	Derivative exposures	
4	Replacement cost associated with all derivatives transactions (i.e., net of eligible cash variation margin)	13,975
5	Add-on amounts for PFE associated with all derivatives transactions	38,731
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 derivatives 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)**	**52,706**
	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)**	
	Other off-balance sheet exposures	
17	Off-balance sheet exposure at gross notional amount	147,708
18	(Adjustments for conversion to credit equivalent amounts)	(76,556)
19	**Off-balance sheet items (sum of lines 17 and 18)**	**71,152**
20	**Capital and total exposures Tier 1 capital***	**100,544**
21	**Total exposures (sum of lines 3, 11, 16 and 19)**	**576,673**
22	**Basel III leverage ratio (per cent)**	**17.44%**

Quantitative disclosures

INR million	September 30, 2024	June 30, 2024	March 31, 2024	December 31, 2023
Tier 1 Capital	100,544	98,367	98,479	97,445
Exposure Measure	576,673	530,663	489,426	419,673
Leverage Ratio (%)	17.44%	18.54%	20.12%	23.22%

Net Stable Funding Disclosure as at September 30, 2024

The Basel Committee on Banking Supervision (BCBS) had introduced the Net Stable Funding Ratio (NSFR) in order to ensure resilience over a longer- term time horizon by requiring banks to fund their activities with more stable sources of funding. NSFR is defined as the amount of available stable funding relative to the amount of required stable funding. “Available stable funding” (ASF) is defined as the portion of capital and liabilities expected to be reliable over the time horizon considered by the NSFR, which extends to one year. The amount of stable funding required ("Required stable funding") (RSF) of a specific institution is a function of the liquidity characteristics and residual maturities of the various assets held by that institution as well as those of its off - balance sheet (OBS) exposures.
The NSFR guidelines became effective Oct 1, 2021, and the bank has been monitoring the ratio at daily frequency starting Oct 1 and reporting to RBI on a quarterly basis. The minimum regulatory requirement as set out in the extant RBI guidelines is 100%.

The following tables sets out the un-weighted and weighted value of NSFR components as of September 30, 2024, June 30, 2024, March 31, 2024, December 31, 2023 and September 30, 2023.

As of September 30, 2024

NSFR Disclosure Template (as of September 30, 2024)					
Particulars	**Unweighted value by residual maturity**				**Weighted value**
	No maturity*	**< 6 months**	**6 months to < 1yr**	**≥ 1yr**	
ASF Item					
1 Capital: (2+3)	98,338	-	-	-	98,338
2 Regulatory Capital	98,338	-	-	-	98,338
3 Other Capital Instruments	-	-	-	-	-
4 Retail deposits and deposits from small business customers: (5+6)	13	-	-	-	12
5 Stable deposits	-	-	-	-	-
6 Less stable deposits	13	-	-	-	12
7 Wholesale funding: (8+9)	-	-	272,569	-	136,284
8 Operational deposits	-	-	-	-	-
9 Other wholesale funding	-	-	272,569	-	136,284
10 Other liabilities: (11+12)	123,854	-	-	-	-
11 NSFR derivative liabilities					

NSFR Disclosure Template (as of September 30, 2024)					
Particulars	**Unweighted value by residual maturity**				**Weighted value**
	No maturity*	**< 6 months**	**6 months to < 1yr**	**≥ 1yr**	
12 All other liabilities and equity not included in the above categories	123,854	-	-	-	-
13 Total ASF (1+4+7+10)					**234,634**
					RSF Item
14 Total NSFR high-quality liquid assets (HQLA)					
15 Deposits held at other financial institutions for operational purposes	3,220	-	-	-	1,610
16 Performing loans and securities: (17+18+19+20+21+22+23)	-	32,498	115,998	40,252	97,088
17 Performing loans to financial institutions secured by Level 1 HQLA	-	-	-	-	-
18 Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	-	32,498	20,084	-	14,917
19 Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks, and PSEs, of which:	-	-	95,914	28,578	72,248
20 With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	-	-	-	-
21 Performing residential mortgages, of which:	-	-	-	-	-
22 With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	-	-	-	-

NSFR Disclosure Template (as of September 30, 2024)					
Particulars	Unweighted value by residual maturity				Weighted value
	No maturity*	< 6 months	6 months to < 1yr	≥ 1yr	
23 Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	-	-	-	11,674	9,923
24 Other assets: (sum of rows 25 to 29)	257,500	-	-	-	76,882
25 Physical traded commodities, including gold	-	-	-	-	-
26 Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs	6,664	-	-	-	5,665
27 NSFR derivative assets	-	-	-	-	-
28 NSFR derivative liabilities before deduction of variation margin posted	747	-	-	-	747
29 All other assets not included in the above categories	250,089	-	-	-	70,470
30 Off-balance sheet items	143,276	-	-	-	5,094
31 Total RSF	**403,996**	**32,498**	**115,998**	**40,252**	**180,674**
32 Net Stable Funding Ratio (%)					**129.87%**

* Items to be reported in the 'no maturity' time bucket do not have a stated maturity. These may include, but are not limited to, items such as capital with perpetual maturity, non-maturity deposits, short positions, open maturity positions, non-HQLA equities, and physical traded commodities.

As of June 30, 2024

(INR million)

NSFR Disclosure Template (as of June 30, 2024)					
Particulars	Unweighted value by residual maturity				Weighted value
	No maturity*	< 6 months	6 months to < 1yr	≥ 1yr	
ASF Item					
1 Capital: (2+3)	98,338	-	-	-	98,338
2 Regulatory Capital	98,338	-	-	-	98,338
3 Other Capital Instruments	-	-	-	-	-

NSFR Disclosure Template (as of June 30, 2024)					
Particulars	**Unweighted value by residual maturity**				**Weighted value**
	No maturity*	**< 6 months**	**6 months to < 1yr**	**≥ 1yr**	
4 Retail deposits and deposits from small business customers: (5+6)	14	-	-	-	13
5 Stable deposits	-	-	-	-	-
6 Less stable deposits	14	-	-	-	13
7 Wholesale funding: (8+9)	-	-	265,130	-	132,565
8 Operational deposits	-	-	-	-	-
9 Other wholesale funding	-	-	265,130	-	132,565
10 Other liabilities: (11+12)	86,100	-	-	-	-
11 NSFR derivative liabilities		-	-	-	
12 All other liabilities and equity not included in the above categories	86,100	-	-	-	-
13 Total ASF (1+4+7+10)					**230,916**
					RSF Item
14 Total NSFR high-quality liquid assets (HQLA)					-
15 Deposits held at other financial institutions for operational purposes	4,289	-	-	-	2,145
16 Performing loans and securities: (17+18+19+20+21+22+23)	-	27,447	104,371	37,280	87,991
17 Performing loans to financial institutions secured by Level 1 HQLA	-	-	-	-	-
18 Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	-	27,447	12,735	-	10,484
19 Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks, and PSEs, of which:	-	-	91,636	25,632	67,606

NSFR Disclosure Template (as of June 30, 2024)					
Particulars	**Unweighted value by residual maturity**				**Weighted value**
	No maturity*	**< 6 months**	**6 months to < 1yr**	**≥ 1yr**	
20 With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	-	-	-	-
21 Performing residential mortgages, of which:	-	-	-	-	-
22 With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	-	-	-	-
23 Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	-	-	-	11,648	9,901
24 Other assets: (sum of rows 25 to 29)	231,220	-	-	-	80,414
25 Physical traded commodities, including gold	-	-	-	-	-
26 Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs	6,631	-	-	-	5,636
27 NSFR derivative assets	-	-	-	-	-
28 NSFR derivative liabilities before deduction of variation margin posted	372	-	-	-	372
29 All other assets not included in the above categories	224,217	-	-	-	74,406
30 Off-balance sheet items	140,013	-	-	-	4,888
31 Total RSF	**375,522**	**27,447**	**104,371**	**37,280**	**175,438**
32 Net Stable Funding Ratio (%)					**131.62%**

* Items to be reported in the 'no maturity' time bucket do not have a stated maturity. These may include, but are not limited to, items such as capital with perpetual maturity, non-maturity deposits, short positions, open maturity positions, non-HQLA equities, and physical traded commodities.

As of March 31, 2024

(INR million)

NSFR Disclosure Template (as of March 31, 2024)					
Particulars	Unweighted value by residual maturity				Weighted value
	No maturity*	< 6 months	6 months to < 1yr	≥ 1yr	
ASF Item					
1 Capital: (2+3)	98,338	-	-	-	98,338
2 Regulatory Capital	98,338	-	-	-	98,338
3 Other Capital Instruments	-	-	-	-	-
4 Retail deposits and deposits from small business customers: (5+6)	13	-	-	-	12
5 Stable deposits	-	-	-	-	-
6 Less stable deposits	13	-	-	-	12
7 Wholesale funding: (8+9)		-	215,230	-	107,615
8 Operational deposits	-	-	-	-	-
9 Other wholesale funding	-	-	215,230	-	107,615
10 Other liabilities: (11+12)	91,874	-	-	-	-
11 NSFR derivative liabilities		-	-	-	
12 All other liabilities and equity not included in the above categories	91,874	-	-	-	-
13 Total ASF (1+4+7+10)					**205,965**
RSF Item					
14 Total NSFR high-quality liquid assets (HQLA)					-
15 Deposits held at other financial institutions for operational purposes	3,191	-	-	-	1,596
16 Performing loans and securities: (17+18+19+20+21+22+23)	-	32,833	91,287	29,977	76,049
17 Performing loans to financial institutions secured by Level 1 HQLA	-	-	-	-	-
18 Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	-	32,833	8,373	-	9,111

NSFR Disclosure Template (as of March 31, 2024)					
Particulars	Unweighted value by residual maturity				Weighted value
	No maturity*	< 6 months	6 months to < 1yr	≥ 1yr	
19 Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks, and PSEs, of which:	-	-	82,914	20,985	59,295
20 With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	-	-	-	-
21 Performing residential mortgages, of which:	-	-	-	-	-
22 With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	-	-	-	-
23 Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	-	-	-	8,992	7,643
24 Other assets: (sum of rows 25 to 29)	198,867	-	-	-	70,647
25 Physical traded commodities, including gold	-	-	-	-	-
26 Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs	6,275	-	-	-	5,334
27 NSFR derivative assets	-	-	-	-	-
28 NSFR derivative liabilities before deduction of variation margin posted	520	-	-	-	520
29 All other assets not included in the above categories	192,071	-	-	-	64,793
30 Off-balance sheet items	141,816	-	-	-	4,860
31 Total RSF	**343,874**	**32,833**	**91,287**	**29,977**	**153,152**
32 Net Stable Funding Ratio (%)					**134.48%**

* Items to be reported in the 'no maturity' time bucket do not have a stated maturity. These may include, but are not limited to, items such as capital with perpetual maturity, non-maturity deposits, short positions, open maturity positions, non-HQLA equities, and physical traded commodities.

As of December 31, 2023

(INR million)

NSFR Disclosure Template (as of December 31, 2023)					
Particulars	Unweighted value by residual maturity				Weighted value
	No maturity*	< 6 months	6 months to < 1yr	≥ 1yr	
ASF Item					
1 Capital: (2+3)	98,338	-	-	-	98,338
2 Regulatory Capital	98,338	-	-	-	98,338
3 Other Capital Instruments	-	-	-	-	-
4 Retail deposits and deposits from small business customers: (5+6)	16	-	-	-	14
5 Stable deposits	-	-	-	-	-
6 Less stable deposits	16	-	-	-	14
7 Wholesale funding: (8+9)	-	-	187,057		93,528
8 Operational deposits	-	-	-	-	-
9 Other wholesale funding	-	-	187,057	-	93,528
10 Other liabilities: (11+12)	82,491	-	-	-	-
11 NSFR derivative liabilities		-	-	-	
12 All other liabilities and equity not included in the above categories	82,491	-	-	-	-
13 Total ASF (1+4+7+10)					**191,880**
RSF Item					
14 Total NSFR high-quality liquid assets (HQLA)					-
15 Deposits held at other financial institutions for operational purposes	2,766	-	-	-	1,383
16 Performing loans and securities: (17+18+19+20+21+22+23)	-	24,755	91,013	27,747	72,804
17 Performing loans to financial institutions secured by Level 1 HQLA	-	-	-	-	-
18 Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	-	24,755	10,718	-	9,072

NSFR Disclosure Template (as of December 31, 2023)					
Particulars	Unweighted value by residual maturity				Weighted value
	No maturity*	< 6 months	6 months to < 1yr	≥ 1yr	
19 Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks, and PSEs, of which:	-	-	80,295	18,764	56,097
20 With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	-	-	-	-
21 Performing residential mortgages, of which:	-	-	-	-	-
22 With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	-	-	-	-
23 Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	-	-	-	8,983	7,635
24 Other assets: (sum of rows 25 to 29)	171,844	-	-	-	38,328
25 Physical traded commodities, including gold	-	-	-	-	-
26 Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs	6,234	-	-	-	5,299
27 NSFR derivative assets	-	-	-	-	-
28 NSFR derivative liabilities before deduction of variation margin posted	450	-	-	-	449
29 All other assets not included in the above categories	165,161	-	-	-	32,580
30 Off-balance sheet items	128,721	-	-	-	4,442
31 Total RSF	**303,332**	**24,755**	**91,013**	**27,747**	**116,957**
32 Net Stable Funding Ratio (%)					**164.06%**

* Items to be reported in the 'no maturity' time bucket do not have a stated maturity. These may include, but are not limited to, items such as capital with perpetual maturity, non-maturity deposits, short positions, open maturity positions, non-HQLA equities, and physical traded commodities.

As of September 30, 2023

(INR million)

NSFR Disclosure Template (as of September 30, 2023)					
Particulars	Unweighted value by residual maturity				Weighted value
	No maturity*	< 6 months	6 months to < 1yr	≥ 1yr	
ASF Item					
1 Capital: (2+3)	57,338	-	-	-	57,338
2 Regulatory Capital	57,338	-	-	-	57,338
3 Other Capital Instruments	-	-	-	-	-
4 Retail deposits and deposits from small business customers: (5+6)	17	-	-	-	15
5 Stable deposits	-	-	-	-	-
6 Less stable deposits	17	-	-	-	15
7 Wholesale funding: (8+9)	-	184,210	-	-	92,105
8 Operational deposits	-	-	-	-	-
9 Other wholesale funding	-	184,210	-	-	92,105
10 Other liabilities: (11+12)	68,267	-	-	-	-
11 NSFR derivative liabilities		-	-	-	
12 All other liabilities and equity not included in the above categories	68,267	-	-	-	-
13 Total ASF (1+4+7+10)					**149,458**
RSF Item					
14 Total NSFR high-quality liquid assets (HQLA)					-
15 Deposits held at other financial institutions for operational purposes	3,640	-	-	-	1,820
16 Performing loans and securities: (17+18+19+20+21+22+23)	-	44,633	96,513	24,860	72,033
17 Performing loans to financial institutions secured by Level 1 HQLA	-	27,000	-	-	-
18 Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	-	17,633	10,218	-	7,754

NSFR Disclosure Template (as of September 30, 2023)					
Particulars	**Unweighted value by residual maturity**				**Weighted value**
	No maturity*	**< 6 months**	**6 months to < 1yr**	**≥ 1yr**	
19 Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks, and PSEs, of which:	-	-	86,295	15,860	56,628
20 With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	-	-	-	-
21 Performing residential mortgages, of which:	-	-	-	-	-
22 With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	-	-	-	-
23 Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	-	-	-	9,000	7,650
24 Other assets: (sum of rows 25 to 29)	128,624	-	-	-	35,668
25 Physical traded commodities, including gold	-	-	-	-	-
26 Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs	6,269	-	-	-	5,329
27 NSFR derivative assets	-	-	-	-	-
28 NSFR derivative liabilities before deduction of variation margin posted	586	-	-	-	586
29 All other assets not included in the above categories	121,769	-	-	-	29,753
30 Off-balance sheet items	122,994	-	-	-	4,241
31 Total RSF	**255,258**	**44,633**	**96,513**	**24,860**	**113,762**
32 Net Stable Funding Ratio (%)					**131.38%**

* Items to be reported in the 'no maturity' time bucket do not have a stated maturity. These may include, but are not limited to, items such as capital with perpetual maturity, non-maturity deposits, short positions, open maturity positions, non-HQLA equities, and physical traded commodities.