

Deutsche Bank AG - India Branches
 (Incorporated in Germany with limited liability)

Management disclosures under Pillar 3 – Period ended September 30, 2025

1. Scope of application

The BASEL III - Pillar 3 disclosures contained herein relate to Deutsche Bank AG - India Branches (herein also referred to as the 'Bank') for the period ended September 30, 2025. These are compiled in accordance with the Reserve Bank of India (the 'RBI') Master Circular – Basel III Capital Regulation RBI/2025-26/08 DOR.CAP.REC.2/21.06.201/2025-26 dated April 1, 2025, and the amendments thereto issued from time to time.

As at September 30, 2025, the Bank is required to maintain minimum Total Capital Ratio of 9% (of which minimum Common Equity Tier1 (CET1) capital ratio of 5.50% and minimum Tier-1 capital ratio of 7% to be maintained) Capital conservation buffer (CCB) of 2.5%, Global Systemically Important Banks buffer (GSIB) of 2% and minimum total capital ratio including CCB and GSIB is 13.5%.

List of Group entities operating in India and considered for regulatory scope of consolidation is as under. The Bank does not hold any investment in these group entities.

(In Rs '000)				
Sr. No.	Name of entity	Principal activity of the entity	Total balance sheet equity *	Total balance sheet assets *
1	Deutsche India Holdings Private Limited (DIHPL)	NBFC & Holding company	9,310,110	9,445,180
2	Deutsche Investments India Private Limited (DIIPL)	NBFC Business / Non-discretionary Portfolio management Services	9,951,310	32,356,880

* Figures as per audited accounts as of March 31,2025

List of Group entities operating in India and not considered for consolidation both under accounting and regulatory scope of consolidation is as under. The Bank does not hold any investment in these group entities.

(In Rs '000)				
Sr. No.	Name of entity	Principal activity of the entity	Total balance sheet equity	Total balance sheet assets
1	Deutsche Asset Management (India) Private Limited	Not Applicable ^{\$}	958,490	1,073,550
2	Deutsche Securities (India) Private Limited	Not Applicable ^{#*}	42,952	45,000
3	Deutsche Equities India Private Limited	Stock broker / Merchant banking and advisory services	3,974,120	45,831,100
4	Deutsche Investor Services Private Limited	Fund accounting	402,260	664,050
5	RREEF India Advisors Private Limited	Not Applicable [^]	-	-
6	Deutsche Trustee Services (India) Private Limited	Not Applicable [^]	-	-
7	Deutsche India Private Limited	Global processing centre for back office / IT enabled services	30,321,930	58,457,020
8	DWS India Private Limited	Global processing centre for Back office processing / support services for business lines/ IT enabled services	15,11,737	41,64,884

Figures are as per audited accounts as of March 31,2025.

\$ The company does not carry on any operations.

The members have passed a resolution for voluntary winding up.

* While liquidation is under process on account of pending receipt of High Court order, distribution of first tranche of liquidation proceeds to the contributors (shareholders) have been completed and the retribution of the balance portion shall shortly be initiated by the liquidator.

[^] The entities stands dissolved with effect from July 04, 2025, pursuant to receipt of an Order in this regard from the High Court, Bombay.

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2. Capital Structure

a. Summary information on the terms and conditions of the main features of all capital instruments

CET1 and Tier I Capital primarily comprises of interest free capital received from the Head Office, balance in statutory reserves, capital reserves, remittable surplus retained for CRAR requirement, balances in the general/revenue reserve created due to the reversal of Investment Reserve Allowance (IRA) and AFS Reserves.

Tier II Capital primarily comprises of Investment Fluctuation Reserve, Provision on Standard Assets, Excess provision on sale of Non-Performing Assets (NPA) and Countercyclical provisioning buffer which are created in accordance with the extant RBI guidelines.

b. Details of Capital Funds of the Bank

(In Rs.'000)

Particulars	30 June 2025	31 March 2025
Capital - Head Office Account	135,559,838	135,559,839
Statutory Reserve	56,051,419	56,051,419
Capital Reserve	360,607	360,607
Remittable Surplus Retained for CRAR requirement	91,835,625	91,835,625
AFS Reserve	40,243	109,015
General reserve created due to the reversal of Investment Reserve Allowance (IRA)	5,019,439	5,019,439
Less: Earmark for Electronic Trading Platform (ETP)	(50,000)	(50,000)
Less: Illiquid Security Reserve	(17,972)	(21,146)
Less: Intangible assets	(1,789,232)	(1,446,878)
Less: Net unrealized gains on Level 3 investments	(43,921)	(162,413)
CET1 Capital / Tier I Capital	286,966,046	287,255,507
Investment Reserve	0	0
Investment fluctuation reserve	14,186,613	14,186,613
Provision on Standard Assets	6,543,054	6,091,372
Provision on Country Risk	53,081	33,335
Provision made on Sale of NPA	465,000	465,000
Countercyclical provisioning buffer	150,000	150,000
Tier II Capital	21,397,748	20,926,320
Total Capital	308,363,794	308,181,827

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3. Capital adequacy

a. Approach to assessing capital adequacy for current and future activities

The Bank is committed to maintaining sound capitalisation. Therefore, overall capital demand and supply are constantly monitored and adjusted as necessary in line with the strategic, business and capital plans drawn up annually by the Bank. It should be noted that Deutsche Bank operates as an integrated Group through its business divisions and infrastructure functions. The Local ALCO is the main platform for monitoring and steering local capital adequacy, providing strategic directions and making decisions on the legal entity's capital management

Stress testing and sensitivity analysis are used to assess the Bank's ability to sustain operations during periods of stress. They provide an insight into the potential impact of significant adverse events on the Bank's earnings, risk profile and capital position.

b. Capital requirements for credit risk, market risk, operational risk, and Capital ratios per New Capital Adequacy framework

The Bank is subject to the Basel III capital adequacy guidelines stipulated by RBI with effect from April 1, 2013.

Standalone capital ratio as per Basel III is 17.96%

Particulars	30 September 2025	31 March 2025 (In Rs.'000)
Capital requirement for credit risk[#] (Standardised Approach)		
- Portfolios subject to Standardised Approach	182,952,077	178,538,006
- Portfolios subject to securitisation exposures (The Bank invests in Pass Through Certificates (PTCs))	314,074	447,224
Capital requirement for market risk[#] (Standardised Duration Approach)		
- Interest rate risk	23,898,355	26,774,982
- Foreign exchange risk (including gold)	7,156,701	13,692,075
- Equity risk	59,461	55,320
Capital requirement for operational risk[#] (Basic Indicator approach)	17,440,573	15,692,243
Total	231,821,241	235,199,850
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CET1 Capital / Tier I Capital adequacy ratio	16.71%	16.49%
Total Capital adequacy ratio	17.96%	17.69%
Consolidated Bank*		
CET1 Capital / Tier I Capital adequacy ratio	17.01%	16.84%
Total Capital adequacy ratio	18.23%	18.02%

[#] Capital requirement is arrived at after multiplying the risk weighted assets by 13.5%

*Based on audited accounts

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4. Risk Exposure & Assessment

Risk Governance

Three Lines of Defence (3LoD)

The Bank follows DB Group's three lines of defence (LoD) organisation structure in order to protect the Bank, its customers and shareholders against risk losses and resulting reputational damages. This structure ensures that all risks are taken on, and managed, in the best and long-term interest of the Bank.

As per the three LoD structure, risks are fully owned by those creating or taking on the risks (1st LoD), while the setting of risk appetite, monitoring of Bank-wide risk levels against the Bank's risk appetite and provision of challenge to risk management decisions is performed by independent control functions (2nd LoD). Independent assurance over the design and operation of controls, in turn, is provided by the 3rd LoD. This set-up ensures that all risks are identified and managed, and that risk management accountabilities are clearly assigned.

A role's designation to a line of defence depends on its mandate and activities, not its organisational affiliation, e.g., an infrastructure function such as Risk or Finance may be seen as primarily a 2nd LoD control function, however, will also carry responsibility for managing its own risk portfolio, thereby also having 1st LoD accountability.

Risk accountability – 1st LoD

The 1st LoD refers to roles in the Bank whose activities generate risks, whether financial or non-financial. The 1st LoD, or risk owners are accountable for:

1. All financial and non-financial risks that are generated in their respective organisations.
2. Managing these risks within the defined risk appetite at the appropriate granularity. This includes the timely identification and escalation of risk appetite breaches.
3. Ensuring that the appropriate organisation, governance and structures are in place to identify, monitor, assess and accept or mitigate the risks they generate or are exposed to.

The 1st LoD cannot delegate its accountability for the management of its own risks and must adhere to the standards laid out in this policy as well as additional standards set by the 2nd LoD, and any applicable regulatory requirements. A Business / Infrastructure Function Head may delegate the execution of risk management activities into his / her organisation; however, he / she retains the accountability for the execution of the risk owner mandate. Performing activities outside the risk owner's own organisation requires a formal documented agreement between the Heads of the affected units.

Independent risk control and challenge – 2nd LoD

The 2nd LoD refers to Risk type controller (RTC) roles in the Bank who, as experts for a particular risk type, define the risk appetite and risk management and control standards for that risk type, and facilitate the implementation of these standards in the 1st LoD. RTCs independently oversee and challenge the risk taking and management activities of the 1st LoD. RTCs' mandate includes:

As the 2nd LOD, as experts for their risk type –

1. Define and regularly update the risk management framework for their risk type. This includes the setting of minimum risk management and control standards, as well as facilitating, and independently reviewing and assessing the implementation of these standards. The framework must be compliant with all applicable rules and regulations.
2. Act as an advisor to the 1st LoD on how to identify, assess and manage risks.

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3. Regularly update and report their risk type's profile at Group and other aggregation levels. This includes the identification of emerging risks.

As the 2nd LoD control function for their risk type-

1. Define their risk type's risk appetite, both qualitatively and quantitatively.
2. Monitor the adherence to the defined risk appetite levels, veto decisions that would exceed the Bank's risk appetite, escalate confirmed breaches of risk appetite, and enable the application of adequate consequences where risk appetite is breached.
3. Independently assess and challenge the 1st LoD risk profiles and risk management activities to ensure the Bank adheres to the risk management standards set by the 2nd LoD.

Independent assurance – 3rd LoD

As the 3rd LoD, Group Audit provides independent and objective assurance on the effectiveness of 1st and 2nd LoD interaction, risk management, internal controls and governance processes.

The Supervisory Board exercises strategic control and supervision of DB Group. It monitors DB's risk and capital profile regularly via its designated subcommittee, the Risk Committee. The chair of the Risk Committee reports on items discussed during the Risk Committee's meetings to the Supervisory Board.

The Management Board (MB) provides overall risk & capital management supervision for the Group and is responsible for day to day management of the company with the objective of creating sustainable value in the interest of its shareholders, employees, regulators and other stakeholders. The MB is responsible for defining and implementing comprehensive and aligned business and risk strategies, as well as ensuring well-defined risk management functions and operating processes are in place to ensure that DB's overall performance is aligned to its business and risk strategy. The MB is collectively accountable for DB's risk exposure.

The Group Risk Committee (GRC) established by the MB is the central forum for review and decision on all material risk topics. Sub-committees are established to cover the different risk types. The GRC is chaired by the Chief Risk Officer (CRO) and covers the following tasks and duties:

- Review inventory of risks and decide on materiality classification
- Review and recommend DB Group Risk Management Principles to the MB for approval
- Support the MB during group-wide Risk & Capital Planning process and recommend risk appetite parameters to the MB, review risk appetite per material risk type, set risk appetite targets and establish a sanctioning system for excesses
- Review Group-wide Stress Testing results and discuss/recommend actions as required
- Advise the MB on recovery measures in times of crisis and oversee their execution as decided by the MB and decide upon mitigating actions to be taken during periods of anticipated or actual stress. Recommend the Group Risk Appetite Statement to the MB
- Recommend the Group Recovery Plan and the Contingency Funding Plan to the MB for approval and support the authorities in executing the Group resolution plan and coordinate internally
- Review high-level risk portfolios & risk exposure developments as well as overall risk level vs. recovery triggers
- Monitor the development of Risk Culture across DB Group

Country Chief Risk Officer

The roles and responsibilities of DB India, CRO are as follows:-

- Overall responsibility of the risk functions (responsibilities for review and control of all credit, market and operational risks)
- CRO is responsible for supporting the India Branch Management Board (BMB) in its engagement with and oversight of the development of the Bank's risk appetite and for

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translating the risk appetite into a risk limits structure, extending risk principles into wider business strategy

- Monitoring performance relating to risk taking / risk limits adherence in RMC
- Monitoring and identifying emerging risks and alerting the Board on key risks /regularly engaging with the Board on key risk issues
- Highlight to senior management and the board risk management concerns, such as risk concentrations and violations of risk appetite limits.
- Identifying relationship between risks in separate business units, linkages across business and thus to manage them more effectively-integrated risk approach.
- CRO's responsibilities also include managing and participating in key decision making processes (e.g. strategic planning, capital & liquidity planning, etc.)
- Responsibility for compliance at a strategic level along with appropriate risk functions.
- CRO oversees the development and execution of local objectives, plans and policies, etc.
- Ensure compliance with local regulatory requirements in the capacity as CRO for DB India; Implement action plans agreed for compliance with findings in the annual inspection done by regulators.
- CRO is a key personnel in the Bank and will represent risk in the various management committees such as BMB, ALCO, Risk Management Committee (RMC), India Credit Risk Committee (ICRC), etc.

The Bank has aligned its management structure in line with the global management structure of Deutsche Bank AG. The Management of the overall affairs of the Bank is vested with the BMB. The Bank has various committees to monitor its functioning and provide necessary direction in view of external / internal developments, including changes in the regulatory environment. An overlap in membership between these committees facilitates a constant and comprehensive information flow.

The ICRC is established by the BMB (“Delegating Person”) in May 2024. Its mandate is to review and approve significant credit risk and underwriting proposals for booking in, Corporate & Investment Bank (CIB) transactions in line with local regulatory requirements. The Chief Country Officer (the Chairperson) is empowered by the Delegating Person to set up the structure of the Committee, including membership, taking into account its aim and its tasks.

Specific Banking Risks:

Credit risk

Credit risk arises from all transactions where actual, contingent or potential claims against any counterparty, borrower, obligor or issuer (which we refer to collectively as “counterparties”) exist, including those claims that we plan to distribute. It captures the risk of loss because of a deterioration of a counterparty's creditworthiness or the failure of a counterparty to meet the terms of any contract with the Bank or otherwise perform as agreed. Credit risk contains four material categories (Level 2) in DB Group's risk taxonomy:

- **Default / migration risk** is the risk that a counterparty defaults on its payment obligations or experiences material credit quality deterioration increasing the likelihood of a default.
- **Transactional/settlement risk (exposure risk)** is the risk that arises from any existing, contingent or potential future positive exposure
- **Mitigation risk** is the risk of higher losses due to risk mitigation measures not performing as anticipated.
- **Concentration risk** is the risk of an adverse development in a specific single counterparty, country, industry or product leading to a disproportionate deterioration in the risk profile of DB's credit exposures to that counterparty, country, industry or product.

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Market risk

Market risk arises from the uncertainty concerning changes in market prices and rates (including interest rates, equity prices, foreign exchange rates and commodity prices), the correlations among them and their levels of volatility.

Operational risk

DB Group applies the “European Banking Authority’s Single Rulebook” definition of Operational Risk (OR): “Operational Risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external Events, and includes legal risk. Operational Risk excludes business and Reputational Risk”

Liquidity risk

Liquidity risk is the risk arising from the potential inability to meet all payment obligations when they come due or only being able to meet these obligations at excessive costs.

Other risks

Other risks such as Reputational Risk, Business Risk including Strategic Risk etc. are also considered at Local/Group Level.

Risk Management Tools

The Bank uses a comprehensive range of quantitative and qualitative methodologies for assessing and managing risks. As a matter of policy, the Group continually assesses the appropriateness and the reliability of its quantitative tools and metrics in light of the Group’s changing risk environment. Some of these tools may be common to a number of risk categories, while others are tailored to the particular features of specific risk categories.

4.1 Credit risk

a. Credit Risk Management Organisation and structure

The Bank’s India BMB has established RMC which is mandated to oversee credit risk, market risk and operational risk, liquidity risk, conduct risk, compliance risk, KYC/AML risk, Pillar II risk and related matters and provide a platform to discuss and review the integrated risk management in line with local regulatory requirements as laid down by The Reserve Bank of India. The committee comprise of Country Chief Operating Officer, Chief Risk Officer, Head- Credit Risk Management (CRM) Corporate & Investment Bank (CIB) & Private Bank (PB), Head-Compliance, Chief Financial Officer (CFO), Treasurer, Head-Legal and Head-Non Financial Risk (NFRM), Head of CISO & IT Risk, Market Risk Management (MRM) Representative and Credit Risk Management(CRM) Wealth Management (WM) representative.

b. CRM CIB

(i) Credit Risk policies and procedures

All business requests that involve credit risk need to be presented to CRM for its approval. Loan policy is updated annually and is also approved by the RMC. CRM uses its global ratings model for all risks and

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every counterpart is internally rated. CRM CIB has a policy of annual reviews of all risk limits. This policy is strictly followed and any overdue reviews are regularly monitored and explained. The annual review is a comprehensive exercise which covers the Industry scenario, key business drivers, key risk factors, business and financial risk (including forex risk), management quality and transparency and a peer analysis along with downside scenarios in projections.

CRM CIB in India has significant delegation of approval authority, to enable timely credit decisions, based on an understanding of local market conditions. In line with the global policy, CRM takes decisions in India on the 4 eyes principle.

In the event the credit authority of the local CRM team is not equipped to take a decision on complex / structured products, large ticket transactions, etc, the local CRM team forwards its recommendation on the request to senior CRM officers in Asia Pacific (APAC) or globally, for the final decision, depending on the defined delegated authority.

DB India has established an ICRC to approve significant credit risk and underwriting proposal in line with the regulatory requirements. ICRC has a Terms of Reference (ToR) approved by the BMB highlighting roles and responsibilities, membership, etc.

CRM globally operates on the “Batch Strategy” concept, where each Industry / sector is reviewed globally in detail for risk drivers, along with an analysis of DB’s exposures in that sector globally – exposure amounts, counterparty ratings, products, risk profile, etc. This system enables DB to quantitatively focus on its global exposures in different Industries / sectors, as well as the credit ratings / facility ratings of the exposures within those sectors.

The Bank globally subjects all risk types covered under its Economic Capital (EC) concept and liquidity risk to regular stress tests. The Bank’s stress tests consider macroeconomic, business related and quantitative aspects to derive implications for its risk profile.

India Risk limits and exposures on lower rated counterparties are intensively monitored. Early warning alerts of counterparties were monitored on continuous basis by CRM officers through Early Warning Signal Process. There is a quarterly CRM exercise to discuss all watch-list names. Deutsche Bank in India follows all the exposure norms and provisioning requirements as laid down by the RBI in its master circulars.

Within the CRM CIB portfolio, concentration risk monitoring and mitigation plays an important role. CRM has guidelines in terms of maximum exposures on counterparties at different rating levels, with different levels of market access and in different categories of country risk.

The credit risk assessment of exposures that are off-balance sheet are subject to the same vigorous scrutiny and approval process, as is followed for the balance sheet exposures. There is no differentiation between balance sheet and off-balance sheet exposures in the Bank’s risk assessment and monitoring standards.

CRM is globally organized and carries out risk identification, assessments, management, monitoring and reporting of credit risks. The CRM department is independent from the business. Accordingly, the credit policies of DB Group are adopted and the Head of CRM is responsible for establishing local policies and procedures to ensure compliance with DB Group principles.

All new credit risks incurred within the DB Group (including DB India) have to be approved by individuals with appropriate credit authority (sufficient to cover the entire DB Group exposure according to a “one obligor” principle). All credit risk decisions relevant to DB India are subject to the approval of Deutsche Bank’s CRM.

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Credit Risk is managed for DB Group on the basis of a “one obligor principle”; new credit exposures as well as reviews of credit exposures require approval by the appropriate authority holder covering the entire DB Group exposure. All credit risk decisions relevant to DB India are subject to the approval of DB Group’s CRM.

The management of credit risk follows a clearly defined credit process. Key processes are:

- deriving a credit rating for the counterparties
- approving credit limits with the required Credit Authority
- setting credit limits for a certain counterparty or portfolio
- deciding on the requirement for credit risk mitigants and risk transfers
- monitoring of the credit exposures on a counterparty as well as on a portfolio level. This includes stress testing.
- managing higher risk counterparties via watchlist process and transfer to workout unit.
- proactively managing concentration risks and identifying quality trends.

Adequate documentation and storage for future reference are ensured along the complete credit process.

(ii) Credit risk on trading instruments

CRM CIB has global systems in place to monitor the Mark to Market risk on all foreign currency and rates derivative transactions undertaken by the clients. DB uses the Potential Future Exposure at 95% confidence levels as the basis to determine the limit requirements for such products in accordance with Global policy.

Internally, the Bank manages credit risk on all trading instruments by reference to three measures:

- Current Credit Exposure (“CCE”), which is the current value of any contract, at current market rates, as shown in the Bank’s records. CCE will be reported net of enforceable collateral, and may be aggregated to reflect enforceable netting arrangements
- Potential Future Exposure (“PFE”), which is an estimate of the Current Credit Exposure that trading instruments could potentially assume in the future
- Stress Testing, which reflects the short term sensitivity of the portfolio CCE to market parameters.

To reduce derivatives-related credit risk, the Bank regularly seeks the execution of master agreements (such as the “International Swap and Derivatives Association” - ISDA contract) with clients. A master agreement allows the offsetting of the obligations arising under all the derivatives contracts that the agreement covers upon the counterparty’s default, resulting in one single net claim against the counterparty (called “close-out netting”).

The Bank also enters credit support annexes (CSA) to master agreements to further reduce the derivatives related credit risk. These annexes generally provide risk mitigation through periodic, usually daily, margining of the covered exposure. The CSAs also provide for the right to terminate the related derivative transactions upon the counterparty’s failure to honour a margin call. As with netting, when the Bank believes the annex is enforceable, it reflects this in the exposure measurement.

Certain CSAs to master agreements provide for rating dependent triggers, where additional collateral must be pledged if a party’s rating is downgraded. The bank also enters into master agreements that provide for an additional termination event upon a party’s rating downgrade. These downgrading provisions in CSAs and master agreements usually apply to both parties but may also apply to us only. The Bank analyses and monitors its potential contingent payment obligations resulting from a rating downgrade in its stress testing approach for liquidity risk on an ongoing basis.

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For credit exposure measurement purposes, as the replacement values of the portfolios fluctuate with movements in market rates and with changes in the transactions in the portfolios, the Bank also estimates the potential future replacement costs of the portfolios over their lifetimes. This is based on the Current Exposure method as per RBI master circular on Exposure norms.

(iii) Credit rating policy

DB Group's risk assessment procedures consider both the creditworthiness of the counterparty and the risks related to the specific type of credit facility or exposure. This risk assessment not only affects the structuring of the transaction and the outcome of the credit decision, but also influences the level of decision-making authority required to extend or materially change the credit and the monitoring procedures DB Group applies to the ongoing exposure.

DB Group has its own in-house assessment methodologies, scorecards and rating scale for evaluating the creditworthiness of its counterparties. Its granular 21-grade rating scale, which is in compliance with the Internal Ratings Based approach in Basel III and is calibrated on a probability of default measure based upon a statistical analysis of historical defaults in its portfolio, enables the comparison of its internal ratings with common market practice and ensures comparability between different sub-portfolios of its institution. Several default ratings therein enable the incorporation of the potential recovery rate of defaulted exposure. DB Group generally rates all its credit exposures individually. When DB Group assigns its internal risk ratings, DB Group compares them with external risk ratings assigned to counterparties by the major international rating agencies, where possible.

The credit ratings are the core element of the Bank's risk management framework and determine the –

- Level of authority required for approval
- Reflect the asset classification, i.e. Performing or Non-Performing.

The accuracy and consistency of ratings are ensured through Front End Management, Portfolio Reviews including independent Asset Quality Reviews and validation by Risk Analytics and Instruments.

Each facility in the banking book is rated based on the internal rating model of DB. For each counterparty, the Credit Risk management assigns a Counterparty Probability of Default ('CPD') and for each facility, a Facility Probability of Default ('FPD') is assigned, along with the Loss Given Default ('LGD') and Country of Risk.

(iv) Definition and classification of past due and impaired

Loans and Advances are classified into performing and non-performing loans in accordance with the extant RBI guidelines.

Past due advances understood to mean Non-Performing Advances are identified by periodic appraisals of the portfolio by the management and appropriate provisions are made which meets the prudential accounting norms prescribed by the RBI for asset classification, income recognition and provisioning after considering subsequent recoveries.

c. CRM PB (ex-wealth) - Credit risk policies and procedures

CRM PB (ex-wealth) India manages the credit risk of Retail Banking portfolio in India. All lending products launched within PB (ex-wealth) are approved by CRM PB before the launch. Credit Risk policies are clearly documented through Product Program for each product.

The scope of India Credit Policy covers the credit process for the IPB unit in India and details the following.

- Credit principles

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- Generic credit process
- Credit authority guidelines
- Loan Loss Allowance / Write off guidelines

The nature of the credit assessment, decision and monitoring process depends primarily on the type of product, exposure and the existence and quality of collateral.

The credit decision on a loan request involves rule-based risk assessment which takes into account the following:

- Customer information given in the application form (general customer data / financial information)
- Information on the borrower's behavior (external data/account movements, where available)
- Specific information of the application itself (credit volume / collateral)

When deciding on a loan request, all required information and documents are considered. The credit officer assesses the profile of the applicant, financials, bank statements, etc and its ability to repay the loan based on various reports available, viz. verification, bureau and policy results etc. as part of the loan file. The portfolio is reviewed at periodic intervals and analysis is made to understand the behaviour of the portfolio in terms of repayment, delinquency, transactions etc.

d. CRM WM

Credit in WM is governed by the Risk Management (RM) WM – Credit Policy and Process Guide. Other related policies governing the credit linked business in WM are the Principles for Managing Credit Risk–DB Group, the India Credit policy and local regulations.

The above credit policy framework details the following:

- Credit principles
- Credit Risk Management process (including initial due diligence, credit reports, rating models used, annual rating review process, credit approval process, credit review process)
- Credit Rating and Credit Limit guidelines (including the relevant rating model to be applied, one-obligor principle)
- Credit Authority guidelines (including delegation of credit authority, approvals under '4-eye')
- Credit Risk Mitigation and Monitoring of risk positions (including collateral monitoring and credit limit excess monitoring)
- Management of distressed exposures (covering watch-list and workout accounts)
- Risk Tools (including credit systems, stress testing)

e. Total Gross Credit exposures

(In Rs.'000)

Category	30 September 2025	31 March 2025
Bills purchased and discounted	75,637,441	81,235,876
Cash credits, overdrafts and loans repayable on demand	323,361,201	313,737,097
Term loans	291,019,292	283,773,814
Inter Bank	23,709,140	15,530,721
Total Fund-based Exposures	713,727,074	694,277,508
Guarantees given on behalf of customers	301,321,612	255,031,879
Acceptances, endorsements and other obligations	12,998,678	9,929,514
Derivative exposures	392,965,800	340,937,048
Undrawn Commitment	75,039,545	71,096,420
Total Non-fund based Exposures	782,325,635	676,994,861

Exposure for the purposes of tables in this section reflect actual notional, except for derivative exposures which is based on the current exposure method prescribed by RBI.

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The Bank renders its services within one geographical segment and has no offices outside India

f. Industry Type distribution of exposures (period ended 30 September 2025) (In Rs.'000)

	Sector Name	Funded	Non Funded	Total	Percentage of Total
1	Mining & Quarrying	369,693	1,143,272	1,512,965	0.10%
2	Food Processing	11,345,668	2,986,773	14,332,441	0.96%
3	Beverages	11,643,992	3,110,704	14,754,696	0.99%
4	Textile	15,935,902	295,084	16,230,986	1.08%
5	Leather & Leather Products	1,172,231	5,000	1,177,231	0.08%
6	Wood and Wood products	1,462,796	36,985	1,499,781	0.10%
7	Paper and paper Products	5,244,120	230,516	5,474,636	0.37%
8	Petroleum, Coal Products and Nuclear Fuels	12,164,075	3,448,337	15,612,412	1.04%
9	Chemical and chemical products	12,022,090	18,038,649	30,060,739	2.01%
10	Rubber Plastic and their products	10,088,314	207,315	10,295,629	0.69%
11	Glass & Glassware	873,965	761,719	1,635,684	0.11%
12	Cement and Cement Products	4,246,684	-	4,246,684	0.28%
13	Basic Metal and Metal Products	15,580,520	11,171,358	26,751,878	1.79%
14	All Engineering	41,282,928	134,188,807	175,471,735	11.73%
15	Vehicles, Vehicle Parts and Transport Equipments	13,907,119	11,882,105	25,789,224	1.72%
16	Gems and Jewellery	1,771,277	-	1,771,277	0.12%
17	Construction	-	3,436,170	3,436,170	0.23%
18	Infrastructure	28,285,337	51,920,550	80,205,887	5.36%
19	Other Industries	32,238,273	3,858,780	36,097,053	2.41%
20	Residuary Other	494,092,090	535,603,508	1,029,695,598	68.83%
Total		713,727,074	782,325,632	1,496,052,706	100.00%

Industry Type distribution of exposures (period ended 31 March 2025)

(In Rs.'000)

Sl.No	Sector Name	Funded	Non Funded	Total	Percentage of Total
1	Mining & Quarrying	410,813	748,766	1,159,579	0.08%
2	Food Processing	14,526,975	4,693,125	19,220,100	1.40%
3	Beverages	9,498,268	3,784,555	13,282,823	0.97%
4	Textile	14,885,446	124,707	15,010,153	1.09%
5	Leather & Leather Products	1,035,767	13,500	1,049,267	0.08%
6	Wood and Wood products	1,590,615	11,000	1,601,615	0.12%
7	Paper and paper Products	3,909,792	126,368	4,036,160	0.29%
8	Petroleum, Coal Products and Nuclear Fuels	13,071,500	3,304,554	16,376,054	1.19%
9	Chemical and chemical products	13,706,831	16,048,896	29,755,727	2.17%
10	Rubber Plastic and their products	10,033,698	169,299	10,202,997	0.74%
11	Glass & Glassware	877,480	598,833	1,476,313	0.11%
12	Cement and Cement Products	7,165,549	-	7,165,549	0.52%
13	Basic Metal and Metal Products	14,312,082	10,402,355	24,714,437	1.80%
14	All Engineering	40,211,413	125,411,000	165,622,413	12.08%
15	Vehicles, Vehicle Parts and Transport Equipments	16,198,547	10,577,354	26,775,901	1.95%
16	Gems and Jewellery	2,840,702	45,000	2,885,702	0.21%
17	Construction	63,306	2,544,437	2,607,743	0.19%
18	Infrastructure	51,643,502	64,030,428	115,673,930	8.44%
19	Other Industries	25,318,954	4,371,054	29,690,008	2.17%
20	Residuary Other Advances	452,976,268	429,989,630	882,965,898	64.40%
Total		694,277,508	676,994,861	1,371,272,369	100.00%

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g. Residual contractual maturity break down of Total Assets*

(In Rs'000)

Maturity buckets	30 September 2025
Day – 1	60,90,28,655
2-7 Days	10,97,74,589
8-14 Days	2,18,74,717
15-30 Days	3,71,27,134
31 Days to 2 months	2,71,96,985
Over 2 Months to 3 months	2,10,38,347
Over 3 Months to 6 months	3,15,63,813
Over 6 Months to 12 months	7,00,59,942
Over 1 Year to 3 years	39,71,22,329
Over 3 Years to 5 years	4,68,34,925
Over 5 years	37,67,58,880
Total	1,748,380,316

(In Rs'000)

Maturity buckets	31 March 2025
Day – 1	49,84,02,997
2-7 Days	17,85,12,436
8-14 Days	6,25,50,869
15-30 Days	19,14,33,508
31 Days to 2 months	2,50,25,242
Over 2 Months to 3 months	3,87,46,138
Over 3 Months to 6 months	2,35,68,485
Over 6 Months to 12 months	2,91,42,095
Over 1 Year to 3 years	24,00,99,586
Over 3 Years to 5 years	4,77,24,311
Over 5 years	33,77,16,241
Total	1,672,921,908

*The above has been prepared on similar guidelines as used for statement of structured liquidity

h. Amount of NPA

(In Rs'000)

NPA Classification (30 September 2025)	Gross NPAs	Net NPAs
Substandard	3,802,255	1,423,255
Doubtful		
- Doubtful 1	1,768,290	416,081
- Doubtful 2	808,312	84,905
- Doubtful 3	627,167	-
Loss	-	-
Total	7,006,023	1,924,241
NPA Ratio	1.02%	0.28%

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NPA Classification (31 March 2025)	Gross NPAs	Net NPAs
Substandard	4,253,982	1,622,161
Doubtful		
- Doubtful 1	705,411	251,535
- Doubtful 2	924,154	159,628
- Doubtful 3	540,344	91,907
Loss	0	0
Total	6,423,891	1,873,696
NPA Ratio	0.95%	0.28%

i. **Movement in NPAs[^]**
 (In Rs'000)

	30 September 2025	31 March 2025
Movement in NPAs (funded)		
(i) Net NPAs to Net Advance (%)	0.28%	0.28%
(ii) Movement of Gross NPAs		
a) Opening balance	6,423,891	7,617,697
b) Additions during the year	2,786,404	11,174,695
c) Reductions during the year	(2,204,272)	(12,368,501)
d) Closing Balance	7,006,023	6,423,891
(iii) Movement of Net NPAs		
a) Opening balance	1,873,697	1,905,002
b) Additions during the year	749,506	4,970,233
c) Reductions during the year	(698,962)	(5,001,538)
d) Closing Balance	1,924,241	1,873,697
(iv) Movement of Provisions for NPAs		
a) Opening balance	4,550,194	5,712,695
b) Provisions made during the year	2,036,897	6,204,462
c) Write off/write back of excess provisions during the year	(1,505,310)	(7,366,963)
d) Closing Balance	5,081,781	4,550,194
(v) Movement of General Provisions (provisions on Standard Assets)*		
a) Opening balance	6,091,372	8,163,952
b) Provisions made during the year	451,682	-
c) Write off/write back of excess provisions during the year	-	(2,072,580)
d) Closing Balance	6,543,054	6,091,372

* The above includes provision on account of Unhedged Foreign Currency Exposure (UFCE), Large exposure and provision on stressed and restructured assets

[^]Recoveries from written-off accounts aggregating INR 1,234,355 thousands have been recognised in the statement of profit and loss.

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j. Amount of ‘Non-Performing Investment’(NPIs)

(In Rs'000)

Particulars	30 September 2025	31 March 2025
Closing balance for the period	426,034	443,309
Total provisions held	426,034	443,309
Net book Value	-	-

k. Movement of Provision for Depreciation on Investments

(In Rs'000)

Provisions for depreciation on investments*	30 September 2025	31 March 2025
Opening balance	443,309	1,572,724
Add: Provisions made during the period / year	0	-
Less: Write-off/write back of excess provisions during the period*	(17,274)	-
Less: Any other adjustment^	0	(1,129,416)
Closing balance	426,035	443,308

*Includes provision on NPIs.

^Includes amount transferred to general reserve on transition to the revised investment norms as on April 1, 2024

l. Industry wise classification of NPA, Provision held and Write off(period ended 30 September 2025)

(In Rs.'000)

Sl. No.	Sector Name	Gross NPA	Provision for NPA	Write off during the period
1	Mining & Quarrying	78,096	42,357	0
2	Food Processing	2,50,226	1,87,932	3,538
3	Beverages	0	0	0
4	Textile	4,81,235	3,05,892	35,148
5	Leather & Leather Products	45,445	30,773	0
6	Wood and Wood products	15,495	10,567	1,366
7	Paper and paper Products	3,92,912	3,66,826	3,245
8	Chemical and chemical products	90,733	85,828	24,132
9	Rubber Plastic and their products	81,713	47,242	14,662
10	Glass & Glassware	75,702	64,973	0
11	Cement and Cement Products	0	0	0
12	Basic Metal and Metal Products	1,98,017	1,49,480	19,665
13	All Engineering	4,88,757	3,44,078	17,250
14	Vehicles, Vehicle Parts and Transport Equipments	51,529	29,838	6,992
15	Gems and Jewellery	1,06,893	82,898	0
16	Other Industries	5,70,754	4,31,792	9,168
17	Residuary Other Advances	40,78,516	29,01,305	1,82,170
Total		7,006,023	5,081,781	317,336

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Industry wise classification of NPA, Provision held and Write off (period ended 31 March 2025)

(In Rs.'000)

Sl.No.	Sector Name	Gross NPA	Provision for NPA	Write off during the period
1	Mining & Quarrying	663	663	-
2	Food Processing	206,204	129,385	10,206
3	Beverages	-	-	1,978
4	Textile	384,402	251,352	260,797
5	Leather & Leather Products	36,377	21,706	6,080
6	Wood and Wood products	3,323	2,837	12,354
7	Paper and paper Products	297,887	296,961	22,362
8	Chemical and chemical products	102,482	89,446	79,173
9	Rubber Plastic and their products	151,600	105,349	80,268
10	Glass & Glassware	76,589	65,727	1,775
11	Cement and Cement Products	-	-	4,928
12	Basic Metal and Metal Products	141,914	104,107	111,690
13	All Engineering	461,104	337,620	42,169
14	Vehicles, Vehicle Parts and Transport Equipments	41,324	28,452	10,330
15	Gems and Jewellery	110,508	70,516	157,663
16	Other Industries	592,124	427,392	96,558
17	Residuary Other Advances	3,817,390	2,618,681	1,707,674
	Total	6,423,891	4,550,194	2,606,005

4.2 Credit risk – Portfolios subject to Local Standardised Approach

a. Credit rating agencies

The Bank uses short-term and long-term instrument/bank facilities ratings from CARE, CRISIL, ICRA, India Ratings and Research Private Limited (India ratings), Infomerics and Acuite Ratings & Research Limited to assign risk weights in terms of RBI guidelines.

In respect of claims on non-resident corporate and foreign banks, ratings assigned by international rating agencies such as Standard & Poor's, Moody's and Fitch are used. The Bank uses credit ratings that are publicly available for assigning risk weights.

In accordance with the guidelines of RBI, the Bank classifies all cash credit exposures and assets which have a contractual maturity of more than one year as long term exposures and accordingly the solicited long term ratings accorded by the chosen credit rating agencies are assigned.

The Bank uses issuer and issue ratings for both fund as well as non fund based exposures. The Bank has used the solicited ratings assigned by the above approved credit rating agencies for all eligible exposures, both on balance sheet and off balance sheet, whether short term or long term, in the manner permitted in the RBI guidelines. The Bank does not have an assigned ratings agency for a given type of claim.

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b. Outstanding amounts

Bucket wise break up of exposure amounts subject to the standardised approach after considering credit risk mitigation (including NPA provision) is as under:

(In Rs'000)

Exposure Category	30 September 2025	31 March 2025
Under 100% risk weight	295,920,048	245,777,874
100% risk weight	256,624,305	244,283,005
Above 100% risk weight	144,648,156	188,856,295
Total Fund-based Exposures	697,192,509	678,917,174
Under 100% risk weight	355,835,220	301,117,389
100% risk weight	37,443,629	32,460,426
Above 100% risk weight	254,947,016	233,057,398
Total Non Fund-based Exposures	648,225,865	566,635,213

4.3 Credit risk mitigation policy

Credit risk is generally mitigated at DB Group level. The Bank employs the different techniques available for the management of credit risk in line with the strategy established at DB Group level. The Bank takes into account the local laws / local market practice for the use of credit risk mitigants. The Bank may also apply guarantees or other instruments to transfer credit risk to DB AG or other legal entities within DB Group.

Mitigation of credit risk on counterparty level

In addition to determining counterparty credit quality and the risk appetite, the Bank actively uses various credit risk mitigation techniques to optimize the Bank's credit exposure and reduce potential credit losses. While those techniques might ensure or can be an alternative source of repayment, they do not substitute for high quality underwriting standards and thorough due diligence. Key credit risk mitigation techniques comprise:

- Comprehensive and enforceable credit documentation with adequate terms and conditions (including covenants where deemed adequate)
- Collateral in its various forms. Key principles for collateral management include assigning realistic collateral valuations, risk and regulatory capital reduction effectiveness and cost efficiency.
- Risk transfers shifting the probability of default risk of an obligor to a third-party including hedging executed by the Credit Portfolio Strategies Group (CPSG). Other de-risking tools such as securitizations etc. may also be employed.
- Netting and collateral arrangements which reduce the credit exposure from derivatives as well as repo- and repo-style transactions.

Collateral

The Bank regularly agrees on collateral to be received from or to be provided to customers in contracts that are subject to credit risk. Collateral is security in the form of an asset or third-party obligation that serves to mitigate the inherent risk of credit loss in an exposure, by either substituting the borrower default risk or improving recoveries in the event of a default. While collateral can be an alternative source of repayment, it generally does not replace the necessity of high-quality underwriting standards and a thorough assessment of the debt service ability of the counterparty.

The Bank segregates collateral received into the following two types:

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- Financial and other collateral, which enables us to recover all or part of the outstanding exposure by liquidating the collateral asset provided, in cases where the borrower is unable or unwilling to fulfil its primary obligations. Cash collateral, securities (equity, bonds, mutual funds), collateral assignments of other claims or inventory, equipment (i.e., plant, machinery and aircraft) and real estate typically fall into this category.
- Guarantee collateral, which complements the borrower's ability to fulfil its obligation under the legal contract and as such is provided by third parties. Letters of credit, insurance contracts, export credit insurance, guarantees, credit derivatives and risk participations typically fall into this category.

The Bank's processes seek to ensure that the collateral we accept for risk mitigation purposes is of high quality. This includes seeking to have in place legally effective and enforceable documentation for realizable and measureable collateral assets which are evaluated regularly by dedicated teams. The assessment of the suitability of collateral for a specific transaction is part of the credit decision and must be undertaken in a conservative way, including collateral haircuts that are applied. We have collateral type specific haircuts in place which are regularly reviewed and approved. In this regard, we strive to avoid "wrong-way" risk characteristics where the borrower's counterparty risk is positively correlated with the risk of deterioration in the collateral value. For guarantee collateral, the process for the analysis of the guarantor's creditworthiness is aligned to the credit assessment process for counterparties.

Netting and collateral arrangements for derivatives and securities financing transactions (SFT)

Netting is applicable to both exchange traded derivatives and over the counter (OTC) derivatives. Netting is also applied to SFT as far as documentation, structure and nature of the risk mitigation allow netting with the underlying Credit Risk.

All OTC derivatives which are cleared through central counterparties (CCP), which interpose themselves between the trading entities by becoming the counterparty to each of the entities. The rules and regulations of CCPs usually provide for the bilateral set off of all amounts payable on the same day and in the same currency ("payment netting") and thereby reducing the settlement risk. Depending on the business model applied by the CCP, this payment netting applies either to all of Bank's derivatives cleared by the CCP or at least to those that form part of the same class of derivatives. Many CCP rules and regulations also provide for the termination, close-out and netting of all cleared transactions upon the CCP's default ("close-out netting"), which reduces the bank's Credit Risk. In its risk measurement and risk assessment processes the Bank applies close-out netting only to the extent that the Bank has satisfied itself of the legal validity and enforceability of the relevant CCP's close-out netting provisions.

To reduce the Credit Risk resulting from OTC derivative transactions, where CCP clearing is not available, the Bank regularly seeks the execution of standard master agreements (such as master agreements for derivatives published by the International Swaps and Derivatives Association, Inc. (ISDA) or the German Master Agreement for Financial Derivative Transactions) with its counterparts. A master agreement allows for the close-out netting of rights and obligations arising under derivative transactions that have been entered into under such a master agreement upon the counterparty's default, resulting in a single net claim owed by or to the counterparty. For parts of the derivatives business (i.e., foreign exchange transactions) the Bank also enters into master agreements under which payment netting applies in respect to transactions covered by such master agreements, reducing the settlement risk. In its risk measurement and risk assessment processes the Bank applies close-out netting only to the extent it has satisfied itself of the legal validity and enforceability of the master agreement in all relevant jurisdictions. Bank has implemented bilateral netting for counterparty derivatives MTM in line with extant RBI guidelines.

Also, the Bank enters into CSAs to master agreements to further reduce its derivatives related Credit Risk. These annexes generally provide risk mitigation through periodic, usually daily margining of the covered exposure. The CSAs also provide for the right to terminate the related derivative transactions

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upon the counterparty's failure to honour a margin call. As with netting, when the Bank believes the annex is enforceable, it gets reflected in its exposure measurement.

Certain CSAs to master agreements provide for rating dependent triggers, where additional collateral must be pledged if a party's rating is downgraded. The Bank also enters into master agreements that provide for an additional termination event upon a party's rating downgrade. These downgrading provisions in CSAs and master agreements usually apply to both parties but may also apply to us only. The Bank analyses and monitors the potential contingent payment obligations resulting from a rating downgrade in its stress testing approach for liquidity risk on an ongoing basis.

Concentrations within credit risk (CR) mitigation

Concentrations within Credit Risk mitigations taken may occur if several guarantors and credit derivative providers with similar economic characteristics are engaged in comparable activities with changes in economic or industry conditions affecting their ability to meet contractual obligations. The Bank uses a range of quantitative tools and metrics to monitor its Credit Risk mitigating activities. These also include monitoring of potential concentrations within collateral types supported by dedicated stress tests.

a. Collateral valuation and management

As stipulated by the RBI guidelines, the Bank uses the Comprehensive Approach for collateral valuation. Under this approach, the Bank reduces its credit exposure to counterparty when calculating its capital requirements to the extent of risk mitigation provided by the eligible financial collateral.

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b. Types of collaterals taken by the Bank and main types of guarantor counterparties and Credit risk concentration within mitigation

As per DB group Global Policy, Collateral Risk Management is undertaken through the mechanism of the Facility Probability of Default (FPD) assignment.

If there is no liquid collateral and no guarantor mitigating the credit risk, then the FPD will be the same as the Counterparty Probability of Default (CPD).

If the facility risk can be shifted to the guarantor, the guarantor CPD becomes the FPD. In cases of received guarantees from un-correlated third parties, covering a Separate primary DB exposure, where for the Bank to incur a loss there needs to be a default by both the primary obligor as well as the guarantor, the Joint Default Probability ('JDP') applies. The Bank has in place a matrix indicating this JDP for the entire scale of primary obligor and guarantor CPDs.

The Bank accepts security in the form of charge on receivables / inventories for working capital facilities, charge on fixed assets in certain cases, besides guarantees for various obligations by the primary obligor and real estate collateral for loans to retail banking clients. The guarantees could be received from the local holding company of the obligor, or a stronger company within the same group or from the MNC parent of the local subsidiary. In certain cases, facilities to obligors may be supported by partial / full insurance protection purchased. Hence, since there are varied sources of credit protection acquired through different guarantors, there is no concentration of guarantor risk.

The Bank records the Joint Obligor Risk Limit on the various guarantors, which ensures that the amounts of guarantees received from various sources are monitored for risk management purposes, e.g. the amount of insurance protection acquired from different insurance companies. The facility ratings for Joint Obligor Risk Limits are determined in accordance with the matrix in the Credit Ratings Policy of the Bank. This matrix captures the counterparty Probability of Default of the obligor as well as that of the guarantor, in determining the JPD.

c. Exposure covered by eligible financial collateral:

(In Rs'000)

Exposures covered by financial collateral	30 September 2025	31 March 2025
Exposures before Credit Risk Mitigation Technique	249,999,759	249,933,816
Exposures after Credit Risk Mitigation Technique (after application of haircut on collateral)	141,488,120	130,240,826

d. Securitisation Exposure

Primary recourse for securitization exposures lies with the underlying assets. The related risk is mitigated by credit enhancement typically in the form of overcollateralization, subordination, excess interest, cash collateral in form of first loss and second loss credit enhancement. The initial due diligence usually includes any or all of the following, depending on the specifics of the transaction: (a) the review of the relevant documents including term sheets, servicer reports or other historical performance data, third-party assessment reports such as rating agency analysis (if externally rated), etc., (b) modeling of base and downside scenarios through asset-class specific cash-flow models, (c) servicer reviews to assess the robustness of the servicer's processes and financial strength. The result of this due diligence is summarized in a credit and rating review which requires approval by an appropriate level of credit authority, depending on the size of exposure and internal rating assigned. Compliance with the regulatory requirements for risk retention, due diligence and monitoring according to the applicable regulatory requirements is part

of our credit review process and the relevant data is gathered for reporting purposes. Ongoing regular performance reviews include checks of the periodic servicer reports as well as the overall performance trend in the context of economic, geographic, sector and servicer developments. For lending-related commitments an internal rating review is required at least annually. Significant negative or positive changes in asset performance can trigger an earlier review date. Full credit reviews are also required

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annually, or, for highly rated exposures, every other year. Furthermore, there is a separate, usually quarterly, watch list process for exposures identified to be at a higher risk of loss, which requires a separate assessment of asset and servicer performance. It includes a review of the exposure strategy and identifies next steps to be taken to mitigate loss potential. Evaluation of structural integrity is another important component of risk management for securitization, focusing on the structural protection of a securitization as defined in the legal documentation (i.e., perfection of security interest, segregation of payment flows, and rights to audit). These securitization positions are managed by a dedicated team that uses a combination of market standard systems and to monitor performance and manage market and credit risks. Market Risk Management aims to accurately measure all types of market risks by a comprehensive set of risk metrics reflecting economic and regulatory requirements.

The Bank invests in Pass Through Certificates (PTCs). We have exposure to third-party securitizations which are reported as investments.

The investments of the Bank in PTCs have been marked to market on the basis of the Base Yield Curve and the applicable spreads as per the spread matrix notified by Fixed Income Money Market and Derivative Association of India (FIMMDA) based on the Weighted Average Maturity of the paper.

The Bank has made investments in Pass Through Certificates (PTCs) of Rs. 11,632,387 thousand as at 30 September 2025. The risk weights applied under the Standardized approach are prescribed by the RBI and are based on the asset class to which the exposure is assigned.

4.4 Market risk in trading book

a. Market risk management framework

The Bank uses a combination of risk sensitivities, Value-at-Risk and stress testing metrics to manage market risks and establish limits. Value-at-Risk is a common metric used in the management of trading market risks.

The MB and Group Risk Committee, supported by Group Market Risk Management, which is part of the independent risk management function, set a Group-wide Value-at-Risk limit for the market risks in the trading book. Group Market Risk Management sub-allocates this overall limit to the Group Divisions. Below that, limits are allocated to specific business lines and trading portfolio groups and geographical regions. In addition to the Bank's main market risk Value-at-Risk limits, also stress testing and sensitivity limits are also operated.

The Bank's Value-at-Risk for the trading businesses is based on internal model. In October 1998, the German Banking Supervisory Authority (now the BaFin) approved the internal Value-at-Risk model for calculating market risk capital for the Group for both general and specific market risks. Since then the model has been periodically refined and approval has been maintained.

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b. Types of market risk

Substantially all of the Bank's businesses are subject to the risk that market prices and rates will move and result in profits or losses. The Bank distinguishes among four types of market risk:

- Interest rate risk including credit spread
- Equity price risk (where applicable)
- Foreign exchange risk
- Commodity price risk (where applicable)

The interest rate and equity price risks consist of two components each. The general risk describes value changes due to general market movements, while the specific risk has issuer-related causes.

c. Risk Management Tools

The following are the most important quantitative tools and metrics currently used to measure, manage and report market risk:

- **Value-at-Risk.** The Bank uses the Value-at-Risk approach to derive quantitative measures for trading book market risks under normal market conditions. The Value-at-Risk figures play a role in both internal and external (regulatory) reporting. For a given portfolio, Value-at-Risk measures the potential future loss (in terms of market value) that, under normal market conditions, will not be exceeded with a defined confidence level in a defined period. The Value-at-Risk for a total portfolio represents a measure of diversified market risk (aggregated using pre-determined correlations) in that portfolio.
- **Stress Testing.** While Value-at-Risk, calculated on a daily basis, supplies forecasts for potential large losses under normal market conditions, it is not adequate to measure the tail risks of the portfolios. The Bank therefore also performs regular stress tests in which it values the trading portfolios under severe market scenarios not covered by the confidence interval of the Value-at-Risk model.

d. Value-at-Risk Analysis

Var is a key component of Deutsche Bank's Risk Measurement Framework, which is the overall framework used for measuring and managing risk. It provides the foundation for Deutsche Bank's calculations of Regulatory and Economic Capital, with Var and Stressed Var ("SVaR") inputs into Regulatory Capital as well as important internal risk measures.

- VaR is reported both internally and externally for regulatory and reporting purposes, based on an industry standard 99% confidence level.
- The VaR framework simulation are based on a 261 trading day history (corresponding to one calendar year) with equal weighting being given to each observation.
- Calculation of VaR in the Hist Sim framework requires revaluation of current trading portfolio positions based on market data from the historical time series, using one of two approaches
 - Where possible, revaluation is performed by using the pricing model that is used for Front Office pricing and risk management of the position. This approach is called Full revaluation and is used for positions that have been on boarded to the Full revaluation framework.
 - Where Full revaluation is not available, a Sensitivity based approach is used. This approach approximates the result that would have been obtained by using Full revaluation based on the sensitivities ("Greeks") of the position combined with the historical risk data. Typically first order ("delta") and second order ("gamma") sensitivities are used.

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The main limitations of the VaR framework are as follows:

- Not all risks can be incorporated into the main VaR model. This limitation is remediated by the RNIV framework.
- Where idiosyncratic and general market risk components of risk factors are modelled separately, the revaluation for the idiosyncratic component is always Sensitivity – based, but the general component may be either Sensitivity or Full reval - based
- Aggregation of general and (modelled) specific risk is based on VaR aggregation.
- Risk-P&Ls are based on sensitivities for some books and Full revaluation for others depending on Full revaluation onboarding status.
- Hist sim VaR is based on 1 year of daily P&L estimates. The VaR 99% quantile does not correspond directly to a P&L observation but has to be interpolated.
- In case historical data does not exist, proxies may be used.

SVaR

In addition to VaR, Deutsche Bank also calculates Stressed VaR (SVaR). Rather than calculating VaR using market scenarios taken from the recent past (i.e. most recent 261 day period as for VaR), SVaR uses scenarios generated from a 261 day period where the relevant market factors were subject to severe financial stress. SVaR is intended to replicate the VaR calculation that would be generated on the institution's current portfolio but with scenarios where risk factor movements are significantly more severe than in the standard window.

Regulatory VaR

VaR and SVaR are used as inputs to the determination of the overall regulatory capital requirement for market risk, as well as local regulatory requirements in certain jurisdictions. The calculated Value-at-Risk numbers for India are used for internal control purposes only; the calculation of regulatory capital being based on the Standardised Approach specified by the RBI. At the Group level, however, Value-at-Risk numbers are used for both internal control and Regulatory Capital calculation for market risk.

e. Back-Testing

The Bank uses back-testing in the trading units to verify the predictive power of the Value-at-Risk calculations. In back-testing, the hypothetical daily profits and losses are compared under the buy-and-hold assumption with the estimates from the Value-at-Risk model. The Bank analyzes performance fluctuations and assesses the predictive power of the Value-at-Risk model, which in turn allows improvement of the risk estimation process.

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f. Hedging

The Bank manages its risk from derivatives activity on a portfolio basis. Specific hedges undertaken, if any are ring fenced from the transactions undertaken for trading/market making purposes and held in separate designated portfolio for easy identification and control.

g. Capital requirements for market risk

(In Rs'000)

Particulars	30 September 2025	31 March 2025
Capital requirement for market risk [#]		
- Interest rate risk	23,898,355	26,774,982
- Foreign exchange risk (including gold)	7,156,701	13,692,075
- Equity risk	59,461	55,320
Total	31,114,517	40,522,377

Capital requirement is arrived at after multiplying the risk weighted assets by 13.5%

4.5 Operational risk

a. Definition of Operational Risk

DB Group applies the “European Banking Authority’s Single Rulebook” definition of Operational Risk (OR): “Operational Risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external Events, and includes legal risk. Operational Risk excludes business and Reputational Risk”

b. Operational Risk Management Framework:

The Bank has established the Operational Risk Management Framework (ORMF) to identify and manage its operational risks.

The ORMF is the overarching framework that applies to the identification and management of all Operational Risks DB Group is exposed to, irrespective of the specific Operational Risk Type Taxonomy (ORTT) Risk Type level and enables DB Group to aggregate and monitor its Operational Risk Profile. It defines and provides requirements, processes and tools for the 1LoDs and the 2LoD Risk Type Heads.

The ORMF is designed to support three key objectives:

- Regulatory adherence
- Proactive risk management (identification, assessment, mitigation and monitoring of Operational Risks)
- Ensure standardised risk management and optimum decision making

The governance of Operational Risk follows the bank’s three lines of defence model, as defined in the Risk Management Principles and sets Operational Risk specific minimum risk management and control standards for the 1LoD and 2LoD

It comprises of several interconnected components, following the cycle of risk identification, assessment, mitigation, and monitoring.

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Organisational and Governance structure for India:

o The Country Head of is responsible for overseeing the adequate implementation of the local governance process in India.

- o The Country Head of is a permanent member of the RMC of DB AG India and updates the Committee/Councils about the Operational Risk profile of the country through the Country Risk Report (CRR) that includes, but is not limited to:
 - The aggregated operational OR loss reporting and the outline of material events
 - Specific insights on divisional relevant risks
 - Operational Risk capital developments
 - Overview of the management of issues and findings

c. Operational Risk identification:

As part of the Events Management process, The Bank uses a regulatory and industry-wide OR Event (Event) definition which comprises both, Events with an impact on the Group's P&L, and those with no P&L impact. Capture of Events according to defined thresholds allows management to learn from and prevent the re-occurrence of Events, thereby enabling more effective management and a reduction of Operational Risk losses. Events are used to monitor Risk Appetite (e.g. via OR Quantitative Metrics) and as input to the Risk and Control Self-Assessment (RCSA) as Contextual Data into the Inherent and Residual Risk assessment.

To facilitate more detailed analysis of material Events, additional data is captured. Lessons Learned and Read Across identify the root causes and document mitigation decisions. New remediation Actions that are identified in the Lessons Learned or Read Across analysis are captured as Self Identified Issues (SII) in Global Findings Management System (GFMS) and managed in accordance with the issue management process.

DB Group identifies Emerging Risk by reviewing a selection of external Events and other relevant inputs for further analysis via Scenarios Analysis. Scenario Analysis is a risk identification process that enables 1LoD and 2LoD to explore potential exposure to risks. The process involves creating hypothetical Events with a focus on specific risk concentrations or growing areas of concern, whereby the bank considers it plausible that unfavourable Events may be realised over a future time horizon. A Scenario Analysis is conducted considering, Causes, consequences, Control Assessments, risk impacts as per OR Risk Rating Grid, a potential loss estimation and appropriate risk mitigation measures.

Different types of Scenarios can be performed and include Required and Focused Scenario Analysis which refer to Deep Dive analysis and Dynamic Scenarios Analysis which refer to a light touch analysis. Accordingly, the 1LoD and 2LoD set up Scenario Analysis Plans to plan for the execution of the Scenarios. The outcomes of Scenario Analyses are further used for Contextual Data and dynamic RCSA updates.

DB AG India, the OR monetary loss or gain events are captured according to defined thresholds as mentioned below:

- Private Bank: Private and Commercial Clients Business and Operations: All losses (i.e., zero threshold)

Rest of the Division / Function would follow the minimum reporting thresholds as defined in the Group Event Management Procedure

d. Operational Risk assessment:

The Risk and Control Self-Assessment (RCSA) process enables the effective profiling, monitoring, and management of Operational Risk from a 1LoD perspective. By reviewing triggers, the RCSA assesses its Inherent Risks, Control Environment and Residual Risk. These assessments are performed by the 1LoD

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and then challenged and utilised by the independent 2LoD, to gain a holistic view of the Operational Risk Profile.

The Control Framework enables the identification and design of Controls, as well as the monitoring and assessment of Controls. Furthermore, the Control Framework enables insights into Key Controls that are effective in mitigating risk and those that are ineffective and where there are Control Gaps. Control Monitoring & Testing provides Senior Management with evidence that Key Controls are adequately designed and operating effectively and allows management to respond where Key Controls are not managing the risk sufficiently. Results of Key Control Monitoring & Testing inform Control Environment assessment in the RCSA.

To appropriately identify and manage risks from material change initiatives including Joint Ventures and Strategic Investments within the Bank, a Transformation Risk Assessment (TRA) process is in place to assess the impact of Transformation on the DB Group's Risk Profile. This process is applicable to all Key Deliverables (KDs) including regulatory initiatives, technology migrations, risk mitigation projects, strategy changes, organisational changes and real estate moves within DB Group, and the Bank's Joint Ventures and Strategic Investments, as defined in the Joint Venture & Strategic Investment Policy.

The Cross-Risk Activities (New Product Approval and Third Party Risk Management) capture and aggregate the assessments of various 2LoDs.

Further Risk Type specific assessments are performed by the 2LoDs e.g., Compliance and Anti Financial Crime (AFC).

e. Operational Risk mitigation:

The Findings Management process is DB Group's approach to mitigate risks identified through various external and internal stakeholders. It is designed to support the 1LoD and 2LoD in managing the risks associated with known Control weaknesses and Control Deficiencies, whilst enabling management to make risk-based decisions considering the need for risk mitigation or acceptance.

When Findings / Issues are mitigated, Finding Owners together with Action Owners design Action Plans to mitigate the risks. For those Findings where risks have been deemed eligible (meeting certain conditions) to be risk accepted, review and approval from the relevant stakeholders are mandatory. The 2LoD considers the impact of Risk Acceptance on Risk Appetite as part of their Risk Acceptance approval decision. Outputs from the Findings Management process need to be able to demonstrate that DB Group is actively identifying its Control weaknesses and taking steps to manage associated risks within acceptable levels of Risk Appetite.

Furthermore, identified and assessed Operational Risks can be further reduced by performing mitigation activities, e.g., by improving Controls and the Control Environment, by transferring risks (i.e., Insurance), or by reducing / ceasing the business activity. The transferring of risks using insurance activities is managed and governed by Corporate Insurance Deukona.

f. Operational Risk monitoring

Risk Appetite defines the level of risk that DB Group is willing to assume to achieve its strategic objectives (as defined in Risk Appetite Policy). Operational Risk Appetite is a subset of DB Group's overall Risk Appetite and defined via Qualitative Statements, Residual Risk (RR) Zones, Operating Conditions and OR Quantitative Metrics.

The Operational Risk Appetite Framework is divided into three main steps:

- Operational Risk Appetite setting: 2LoD set Operational Risk Appetite for their respective Risk Types. In addition, ORM defines Qualitative Statements at an aggregated level (L1 OR). The annual review and any ad-hoc change to the setting requires 2LoD Risk Type Head approval as well as an Operational Risk Committee (ORC) endorsement. The 1LoD can choose to supplement the 2LoD set

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Operational Risk Appetite in line with their strategy and in agreement with the respective 2LoD Risk Type Head.

- Operational Risk in Risk Appetite Statements: Relevant strategy and Risk Appetite related information are documented within the Risk Appetite Statements including a dedicated section on Operational Risk
- Operational Risk Appetite Monitoring Lifecycle:
 - o The status of Operational Risk Appetite (incl. new breaches and relevant updates to existing breaches) is reported to Senior Management at respective organisational levels within monthly Operational Risk Appetite Monitoring
 - o Where 1LoD and 2LoD views on Residual Risk (as identified within the Risk and Control Self-Assessment) are different and lie in different Residual Risk Zones, the arbitration process is used to resolve these misalignments within given timeframe
 - o Breach & consequence management outlines the required Actions and escalations for breaches of RR Zones, Operating Conditions and OR Quantitative Metrics and align to the nature of the breach (e.g., Appetite Breach, Tolerance Breach)

4.6 Liquidity Risk

Treasury plays a key role in the management of capital and liquidity to deliver high value balance sheet steering and risk management decisions and support the strategic goals of the businesses. Treasury aims to protect and commercially steer the firm's financial resources to enable the execution of the bank's strategy in all environments. Key responsibilities for Treasury are to make sure that there is enough liquidity at any given point in time; to ensure that there is capital available when needed and that funds can be raised as and when necessary through appropriate levels of debt issuance: all at a reasonable cost whilst balancing the needs of business growth and regulatory demands.

Liquidity Risk Management (LRM) forms the 2nd Line of Defence which provides independent oversight of liquidity risk management undertaken within Treasury and the Lines of Business.

Treasury manages the Bank's liquidity and funding in accordance with the approved risks via developing liquidity models and implementing tools to measure and monitor liquidity risks and ensure compliance.

Treasury manages capital, funding, liquidity, FTP and Asset & Liability Management ("ALM") of the Bank. Under the stewardship of local Treasury, DB AG India ALCO provides the forum for managing capital, funding and liquidity risk of DB AG India. The main objectives of the local ALCO are to :

- Align local demand for capital, liquidity and funding with its local availability
- Review the usage of capital, liquidity and funding to ensure it is employed in the most efficient way
- Ensure compliance with DB Group policies and procedures, as well as external rules and regulations
- Establish a link between the local, regional and Group perspective on capital, liquidity and funding.

Ongoing liquidity management is discussed as a regular item at the local ALCO meeting. At each ALCO meeting, the liquidity position, the limit utilization, changes in exposure and liquidity policy compliance are presented to the committee. Other topics of discussion may include changes to the asset/liability profile if warranted by stress testing results, review and estimation of additional funding capabilities and other possible sources of liquidity.

5. Interest rate risk in the banking book

The vast majority of the interest rate risk and foreign exchange risk arising from the non-trading assets and liability positions in the Banking book are transferred through internal hedges to the trading desks in Global Emerging Markets. The treatment of interest rate risk in the Group's trading portfolios and the application of the Value-at-Risk model is discussed above. The Bank considers this risk to be a part of the overall market risk framework.

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The impact on market value of equity for a 200 basis point upward move is INR 29,321,960 thousands as at Sep 30,2025 (Sep 30,2024 : INR 24,660,959 thousands).

6. Counterparty Credit Risk

Credit Limits and Collaterals

Counterparty credit risk (CCR) is the risk that a Bank's counterparty defaults in a FX, interest rate, commodity or credit derivative contract prior to or at the maturity date of the contract and that the Bank at the time has a claim on the counterparty.

The credit risk arising from all financial derivatives is managed as part of the overall credit limits to both financial institutions and other clients and customers. Exposure values for regulatory capital purposes on over the counter traded products are calculated according to the Current Exposure Method as defined by RBI. This is calculated as the sum of the current replacement cost and the PFE. The current replacement cost is the amount owed by the counterparty to the Bank for various financial derivative transactions. The PFE is an add-on based on a percentage of the notional principal of each transaction. These percentages are

prescribed by the RBI in the guidelines and vary according to the underlying asset class and tenor of each trade.

The Bank seeks to negotiate Credit Support Annexes (CSA) to International Swaps and Derivatives Association master agreements with counterparties on a case-by-case basis, where collateral is deemed a necessary or desirable mitigant to the exposure. The credit terms of the CSA are specific to each legal document and determined by the credit risk approval unit responsible for the counterparty. The nature of the collateral will be specified in the legal document and will typically be cash or highly liquid securities. A daily operational process takes place to calculate the MTM on all trades captured under the CSA. Additional collateral will be called from the counterparty if total uncollateralised MTM exposure exceeds the threshold and minimum transfer amount specified in the CSA. Additional collateral may be required from the counterparty to provide an extra buffer to the daily variation margin process.

The Bank further reduces its credit exposures to counterparties by entering into contractual netting agreements which result in a single amount owed by or to the counterparty through netting the sum of the positive (amounts owed by the counterparty) and negative (amounts owed by the Bank) MTM values of these transactions.

In India, the Bank follows the Standardised Approach (SA) for credit risk and hence no credit reserve is set aside. However, provisioning for the exposures on derivative contracts is made as per extant RBI guidelines.

Wrong Way Risk

Wrong way risk occurs when an exposure increase is coupled with a decrease in the credit quality of the obligor. The Group/Bank employs various policies and procedures to ensure that risk exposures are monitored. For example, as the MTM on a derivative contract increases in favour of the Bank, the counterparty may increasingly be unable to meet its payment, margin call or collateral posting requirements.

Impact of Credit Rating Downgrade

Credit ratings are formally reviewed at least annually and additionally reviewed whenever there is any major credit event / releases of regular earning statements of companies. CRM monitors credit ratings of all counterparties on an on-going basis and initiates rating actions throughout the year based on changes in business conditions / specific credit events /changes in sector outlooks / views of external rating agencies.

In case of a rating downgrade, CRM reviews the credit strategy and gets it approved by the respective authority holder. CRM follows the Global Credit Approval Authority Scheme which defines the

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authority delegation level per type of counterpart (corporate / bank / financial institution etc), size of facility, credit rating of counterpart and type of approval- limit approval / temporary excess approval.

Also in line with market convention, the Bank negotiates CSA terms for certain counterparties where the thresholds related to each party are dependent on their External Credit Assessment Institution (ECAI) long term rating. Such clauses are typically mutual in nature. It is therefore recognised that a downgrade in the Group's rating could result in counterparties seeking additional collateral calls to cover negative MTM portfolios where thresholds are lowered.

Quantitative Disclosures

(In Rs '000)

Particulars*	30 September 2025	31 March 2025
Gross positive fair value of contracts	154,510,005	113,003,216
Netting benefits	(97,283,171)	(79,277,246)
Netted current credit exposure	57,226,834	33,725,970
Collateral held (Cash held under Credit Support Annex)	(25,218,160)	(12,969,364)
Net derivatives credit exposure	32,008,674	20,756,606
Potential future exposure	335,738,966	307,211,078
Measures for exposure at default or exposure amount under CEM	367,747,640	327,967,684
The notional value of credit derivative hedges	-	-
Distribution of current credit exposure by types of credit exposure:	-	-
- Interest Rates	38,802,918	32,775,568
- Fx	328,944,723	295,192,116

* Based on current exposure method

7. Leverage Ratio

The leverage ratio act as a credible supplementary measure to the risk based capital requirement. w.e.f October 1, 2019 The Bank is required to maintain a minimum Leverage Ratio 3.5% as per notification dated June 28, 2019.

The Bank's leverage ratio, calculated in accordance with the RBI guidelines under solo and consolidated framework is as follows:

Comparison of accounting assets and leverage ratio exposure as of September 30, 2025

(In Rs '000)

S. No.	Leverage ratio framework	Solo*	Regulatory scope of consolidation*
1	Total consolidated assets	1,74,83,80,316	1,79,49,38,636
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 recognised on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure	-	-
4	Adjustments for derivative financial instruments	23,79,93,602	23,79,93,602
5	Adjustment for securities financing transactions (i.e. repos and similar secured lending)	16,24,552	16,24,557
6	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off- balance sheet exposures)	43,32,72,039	43,53,43,054
7	Other adjustments	(17,89,232)	(85,60,959)
8	Leverage ratio exposure	2,41,94,81,277	2,46,13,38,890

* Based on audited accounts

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Leverage ratio common disclosure

(In Rs '000)

S. No.	Leverage ratio framework	Solo*	Regulatory scope of consolidation*
On-balance sheet exposures			
1	On-balance sheet items (excluding derivatives and SFTs, but including collateral)	1,57,16,88,464	1,61,82,46,784
2	(Asset amounts deducted in determining Basel III Tier 1 capital)	(17,89,232)	(85,60,959)
3	Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 2)	1,56,98,99,232	1,60,96,85,825
Derivative exposures			
4	Replacement cost associated with all derivatives transactions (i.e. net of eligible cash variation margin)	5,72,26,834	5,72,26,834
5	Add-on amounts for PFE associated with all derivatives transactions	33,57,38,966	33,57,38,966
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)	39,29,65,800	39,29,65,800
Securities financing transaction exposures			
12	Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	2,17,19,654	2,17,19,654
13	(Netted amounts of cash payables and cash receivables of gross SFT ASSETS)	-	-
14	CCR exposure for SFT assets	16,24,552	16,24,557
15	Agent transaction exposures	-	-
16	Total securities financing transaction exposures (sum of lines 12 to 15)	2,33,44,206	2,33,44,211
Other off-balance sheet exposures			
17	Off-balance sheet exposure at gross notional amount	1,50,96,59,498	1,53,03,69,648
18	(Adjustments for conversion to credit equivalent amounts)	(1,07,63,87,459)	(1,09,50,26,594)
19	Off-balance sheet items (sum of lines 17 and 18)	43,32,72,039	43,53,43,054
Capital and total exposures			
20	Tier 1 capital	28,69,66,046	29,73,56,100
21	Total exposures (sum of lines 3, 11, 16 and 19)	2,41,94,81,277	2,46,13,38,890
Leverage ratio			
22	Basel III leverage ratio	11.86%	12.08%

* Based on audited accounts.

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Reconciliation of total published balance sheet size and on balance sheet exposure under common disclosure

(In Rs '000)

S. No.	Leverage ratio framework	Solo*	Regulatory scope of consolidation*
c1	Total consolidated assets	1,74,83,80,316	1,79,49,38,636
2	Replacement cost associated with all derivatives transactions, i.e., net of eligible cash variation margin	(15,49,72,198)	(15,49,72,198)
3	Adjustment for securities financing transactions (i.e., repos and similar secured lending)	(2,17,19,654)	(2,17,19,654)
4	Adjustment for entities outside the scope of regulatory consolidation	-	-
5	On-balance sheet exposure under leverage ratio (excluding derivatives and SFTs)	1,57,16,88,464	1,61,82,46,784

* Based on audited accounts.

Previous period Leverage Ratios for DBAG India

(In Rs '000)	September 30, 2025	June 30, 2025	March 31, 2025	December 31, 2024	September 30, 2024	June 30, 2024
Tier 1 Capital	286,966,046	286,966,860	287,255,507	279,818,914	234,940,580	223,187,851
Exposure Measure	2,419,481,277	2,211,535,210	2,227,953,682	2,016,847,380	1,977,435,476	1,842,630,492
Leverage Ratio %	11.86%	12.98%	12.89%	13.87%	11.88%	12.11%

8. Composition of Capital Disclosure Template

(In Rs.'000)

Sr. No.	Basel III common disclosure template to be used during the transition of regulatory adjustments	Solo*	Regulatory scope of consolidation*	Ref No.
Common Equity Tier 1 capital: instruments and reserves				
1	Directly issued qualifying common share capital plus related stock surplus (share premium)	136,081,451	137,110,301	A+A.1
2	Retained earnings	148,247,651	165,404,631	B+C+D+E+G
3	Accumulated other comprehensive income (and other reserves)	5,059,682	5,332,453	F
4	Directly issued capital subject to phase out from CET1 (only applicable to non joint stock companies)	-	-	
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	-	-	
6	Common Equity Tier 1 capital before regulatory adjustments	289,388,784	307,847,385	
Common Equity Tier 1 capital : regulatory adjustments				
7	Prudential valuation adjustments			
8	Goodwill (net of related tax liability)			
9	Intangibles other than mortgage-servicing rights(net of related tax liability)	1,789,232	1,796,803	H.1+H.2
10	Deferred tax assets	4,825,692	4,921,136	I
11	Cash-flow hedge reserve			
12	Shortfall of provisions to expected losses			
13	Securitisation gain on sale			
14	Gains and losses due to changes in own credit risk on fair valued liabilities			
15	Defined-benefit pension fund net assets			
16	Investments in own shares (if not already netted off paid-up capital on reported balance sheet)			
17	Reciprocal cross-holdings in common equity			
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)			

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20	Mortgage servicing rights ⁴ (amount above 10% threshold)			
21	Deferred tax assets arising from temporary differences ⁵ (amount above 10% threshold, net of related tax liability)			
22	Amount exceeding the 15% threshold			
23	of which : significant investments in the common stock of financial entities			
24	of which : mortgage servicing rights			
25	of which : deferred tax assets arising from temporary differences			
26	National specific regulatory adjustments ⁷ (26a+26b+26c+26d)			
26a	of which : Investments in the equity capital of unconsolidated insurance Subsidiaries			
26b	Of which: Investments in the equity capital of consolidated non- financial subsidiaries			
26c	of which : Shortfall in the equity capital of majority owned financial entities which have not been consolidated with the bank			
26d	of which : Unrealised profits arising because of transfer of loans			
26e	of which : deductions applicable on account of SRs guaranteed by the Government of India			
26f	of which : Intra-group exposures beyond permissible limits			
26g	of which : Net unrealised gains arising on fair valuation of Level 3 financial instruments recognised in the Profit and Loss Account or in the AFS-Reserve	43,921	43,921	
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	6,658,845	6,761,860	
Add :	Deferred Tax Asset which relate to timing difference, up to 10% of CET 1 Capital	4,825,692	4,825,692	
Less :	Investment in group entities in excess of 10% of owned fund	-	6,668,668	
Less :	Other Deduction: Unrealised gains on equity investment	-	1,296,821	
Less :	Other Deduction: Deferred Revenue expenditure	-	44	J.3
Less :	Other Deduction: Capital reckoned as CRM for the calculation of LEF limit	521,613	521,613	
Less :	Other Deduction: Earmark for Electronic Trading Platform(ETP)	50,000	50,000	J.1
Less :	Other Deduction: Adjustment for Illiquid Assets	17,972	17,972	J.2
29	Common Equity Tier 1 capital (CET1)	286,966,046	297,356,099	

(In Rs.'000)

Sr. No.	Basel III common disclosure template to be used during the transition of regulatory adjustments	Solo*	Regulatory scope of consolidation*	Ref No.
Additional Tier 1 capital : instruments				
30	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus (share premium) (31+32)			
31	of which : classified as equity under applicable accounting standards (Perpetual Non-Cumulative Preference Shares)			
32	of which : classified as liabilities under applicable accounting standards (Perpetual debt Instruments)			
33	Directly issued capital instruments subject to phase out from Additional Tier 1			
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	-		
Additional Tier 1 capital : regulatory adjustments				
37	Investments in own Additional Tier 1 instruments			
38	Reciprocal cross-holdings in Additional Tier 1 instruments			
39	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold)			
40	Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)			
41	National specific regulatory adjustments (41a+41b)			
41a	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			

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42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions			
43	Total regulatory adjustments to Additional Tier 1 capital	-		
44	Additional Tier 1 capital (AT1)	-		
44a	Additional Tier 1 capital reckoned for capital adequacy	-		
45	Tier 1 capital (T1 = CET1 + Admissible AT1) (29 + 44a)	286,966,046	297,356,099	
	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	21,397,748	21,407,614	
51	Tier 2 capital before regulatory adjustments	21,397,748	21,407,614	
	Tier 2 capital: regulatory adjustments			
52	Investments in own Tier 2 instruments			
53	Reciprocal cross-holdings in Tier 2 instruments			
54	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above the 10% threshold)			
55	Significant investments in the capital banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)			
56	National specific regulatory adjustments (56a+56b)			
56a	of which : Investments in the Tier 2 capital of unconsolidated insurance subsidiaries			
56b	of which : Shortfall in the Tier 2 capital of majority owned financial entities which have not been consolidated with the bank			
57	Total regulatory adjustments to Tier 2 capital	-		
58	Tier 2 capital (T2)	21,397,748	21,407,614	
58a	Tier 2 capital reckoned for capital adequacy	21,397,748	21,407,614	
58b	Excess Additional Tier 1 capital reckoned as Tier 2 capital	-		
58c	Total Tier 2 capital admissible for capital adequacy (58a + 58b)	21,397,748	21,407,614	
59	Total capital (TC = T1 + Admissible T2) (45 + 58c)	308,363,794	318,763,713	
60	Total risk weighted assets (60a + 60b + 60c)	1,717,194,375	1,748,466,881	
60a	of which : total credit risk weighted assets	1,357,527,045	1,388,799,551	
60b	of which : total market risk weighted assets	230,477,901	230,477,901	
60c	of which : total operational risk weighted assets	129,189,429	129,189,429	
	Capital ratios			
61	Common Equity Tier 1 (as a percentage of risk weighted assets)	16.71%	17.01%	
62	Tier 1 (as a percentage of risk weighted assets)	16.71%	17.01%	
63	Total capital (as a percentage of risk weighted assets)	17.96%	18.23%	
64	Institution specific buffer requirement (minimum CET1 requirement plus capital conservation plus countercyclical buffer requirements plus G-SIB buffer requirement, expressed as a percentage of risk weighted assets)	10.000%	10.000%	
65	of which : capital conservation buffer requirement	2.500%	2.500%	
66	of which : bank specific countercyclical buffer requirement	-	-	
67	of which : G-SIB buffer requirement	2.000%	2.000%	
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk weighted assets)	11.21%	11.51%	
	National minima (if different from Basel III)			
69	National Common Equity Tier 1 minimum ratio (if different from Basel III minimum)	5.50%	5.50%	
70	National Tier 1 minimum ratio (if different from Basel III minimum)	7.00%	7.00%	
71	National total capital minimum ratio (if different from Basel III minimum)	9.00%	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)	7,211,135	7,221,001	
77	Cap on inclusion of provisions in Tier 2 under standardised approach	16,969,088	17,359,994	
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)	-		
79	Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	-		

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Capital instruments subject to phase-out arrangements			
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)	-	

* Based on unaudited accounts.

Step 1

Particulars		(In Rs. 000)	
		Balance sheet as in financial statements*	Balance sheet under regulatory scope of consolidation*
A	Capital & Liabilities	As on reporting date	As on reporting date
A	Capital & Liabilities		
i.	Paid-up Capital	136,081,451	137,110,301
	Reserves & Surplus	214,675,812	232,339,804
	Minority Interest	-	-
	Total Capital	350,757,263	369,450,105
ii.	Deposits	994,847,911	994,847,911
	of which : Deposits from banks	37,253,002	37,253,002
	of which : Customer deposits	957,594,909	957,594,909
	of which : Other deposits (pl. specify)	-	-
iii.	Borrowings	79,177,284	106,515,492
	of which : From RBI	-	-
	of which : From banks	14,167,225	14,167,225
	of which : From other institutions & agencies	65,010,059	70,195,059
	of which : Others (Commercial Papers)	-	22,153,208
iv.	Other liabilities & provisions	323,597,858	324,125,241
	Total	1,748,380,316	1,794,938,749
B	Assets		
i.	Cash and balances with Reserve Bank of India	108,057,945	108,057,945
ii.	Balance with banks and money at call and short notice	45,428,794	45,982,604
iii.	Investments (Net)	681,401,362	696,386,438
	of which : Government securities	637,333,751	644,074,114
	of which : Foreign Currency Treasury Bills	17,677,968	17,677,968
	of which : Other approved securities	-	-
	of which : Shares	12,371,529	15,266,242
	of which : Debentures & Bonds	2,385,727	2,385,727
	of which : Subsidiaries / Joint Ventures / Associates	-	-
	of which: Others (Commercial Papers, Mutual Funds etc.)	11,632,387	16,982,387
iv.	Loans and advances (Net)	684,936,153	715,026,003
	of which : Loans and advances to banks	-	-
	of which : Loans and advances to customers	684,936,153	715,026,003
v.	Fixed assets	2,219,891	2,220,232
vi.	Other assets	226,336,171	227,265,527
	of which : Goodwill and intangible assets	-	7,571
	of which : Deferred tax assets	4,825,692	4,921,136

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vii.	Goodwill on consolidation	-	-
viii.	Debit balance in Profit & Loss account	-	-
Total Assets	1,748,380,316	1,794,938,749	

* Based on unaudited accounts.

Step 2:

				(Rs. in 000)
Particulars		Balance sheet as in financial statements* As on reporting date	Balance sheet As in financial statements sheet under regulatory scope of consolidation* As on reporting date	Ref
A	Capital & Liabilities			
i.	Paid-up Capital	136,081,451	137,110,301	
	of which : Amount eligible for CET1	135,559,838	136,588,688	A
	of which : Amount reckoned as CRM	521,613	521,613	A.1
	of which : Amount eligible for AT1	-	-	
	Reserves & Surplus	214,675,812	232,339,804	
	Of which: Capital Reserve	360,607	360,707	B
	Of which: Statutory Reserve / Reserves under Sec 45-IC of RBI Act 1934	56,051,419	62,070,259	C
	Of which: Remittable Surplus retained for CRAR requirements	91,835,625	91,835,625	D
	Of which: Securities Premium	-	8,936,170	E
	of which: General reserve & Other reserve - eligible for CET1	5,059,682	5,332,453	F
	of which: Balance in Profit and Loss Account - eligible for CET1	-	2,201,870	G
	of which: Investment Fluctuation Reserve	14,186,613	14,186,613	J
	Of which: Earmark for Electronic Trading Platform (ETP)	50,000	50,000	J.1
	Of which: Adjustment for Illiquid Assets	58,567	58,567	J.2
	Of which: Net unrealised gains on Level 3 investments	(43,921)	(43,921)	
	Minority Interest	-	-	
	Total Capital	350,757,263	369,450,105	
ii.	Deposits	998,847,911	998,847,911	
	of which : Deposits from banks	37,253,002	37,253,002	
	of which : Customer deposits	957,594,909	957,594,909	
	of which : Other deposits (pl. specify)	-	-	
iii.	Borrowings	79,177,284	106,515,492	
	of which : From RBI	-	-	
	of which : From banks	14,167,225	14,167,225	
	of which : From other institutions & agencies	65,010,059	70,195,059	
	of which : Others (Commercial Papers)	-	22,153,208	
	of which : Capital instruments	-	-	
iv.	Other liabilities & provisions	323,597,858	324,125,241	
	of which : DTLs related to goodwill	-	-	
	of which : DTLs related to intangible assets	-	-	
	of which : Investments Reserve	-	-	
	of which: Provision on Standard Assets & Country Risk	6,596,135	6,606,001	K
	of which: General Loan Loss Provision	-	-	L
	of which: NPA Provision reversal on sale of NPA	465,000	465,000	M
	of which: Countercyclical provisioning buffer	150,000	150,000	N
	Total	1,748,380,316	1,794,938,749	
B	Assets			
i.	Cash and balances with Reserve Bank of India	108,057,945	108,057,945	
ii.	Balance with banks and money at call and short notice	45,428,794	45,982,604	
iii.	Investments (Net)	681,401,362	696,386,438	
	of which : Government securities	637,333,751	644,074,114	
	of which : Foreign Currency Treasury Bills	17,677,968	17,677,968	
	of which : Other approved securities	-	-	
	of which : Shares	12,371,529	15,266,242	
	of which : Debentures & Bonds	2,385,727	2,385,727	
	of which : Subsidiaries / Joint Ventures / Associates (net)	-	-	
	of which: Others (Commercial Papers, Mutual Funds etc.)	11,632,387	16,982,387	
iv.	Loans and advances (Net)	684,936,153	715,026,003	
	of which : Loans and advances to banks	-	-	
	of which : Loans and advances to customers	684,936,153	715,026,003	
v.	Fixed assets	2,219,891	2,220,232	
	of which : intangible assets	1,789,232	1,789,232	H.1
vi.	Other assets	226,336,171	227,265,527	
	of which : Goodwill and intangible assets	-	7,571	H.2

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	of which : Deferred tax assets	4,825,692	4,921,136	I
vii.	Goodwill on consolidation	-	-	
viii.	Debit balance in Profit & Loss account	-	-	
Total Assets		1,748,380,316	1,794,938,749	

* Based on unaudited accounts.

9. Equities – Disclosure for Banking Book Positions

In accordance with the RBI guidelines on investment classification and valuation, Investments are classified on the date of purchase into:

- 1.Held to Maturity (HTM)
- 2.Available for Sale (AFS)
- 3.Fair Value through Profit & Loss (FVTPL)
 - Held for Trading (HFT) as a separate investment sub-category within FVTPL
- 4.Subsidiaries, Associates and Joint Ventures

In accordance with the RBI guidelines, equity or equity linked investments held under the FVTPL (Non HFT) category are classified as banking book for capital adequacy purpose. Bank has no equity or equity linked investments in HTM and AFS category.

The carrying value of Bank's equity investment in banking book portfolio is Rs 1,197,250 thousands as of December 31, 2024.

10. Regulatory Capital Instruments

The Bank has not issued any Regulatory Capital Instruments during the period. Regulatory capital increases for the Bank generally take place via capital infusion from the Head Office, increase in statutory/ regulatory reserves and/or retention of Remittable Surplus for CRAR requirements.

11. Disclosure Requirements for Remuneration

In accordance with the requirements of the RBI Circular No. DOR.Appt.BC.No.23/29.67.001/2019-20 dated November 4, 2019, (for foreign banks operating in India under branch mode) the Bank has submitted a declaration to RBI annually from its Head Offices to the effect that their compensation structures in India, including that of CEO's, is in conformity with the Financial Stability Board (FSB) Principles and Standards.

12. Comparative figures

Certain comparative figures have been reclassified to conform to the current period's preparation.