

PILLAR 3 DISCLOSURES (CONSOLIDATED) UNDER BASEL III CAPITAL FRAMEWORK

AS ON JUNE 30, 2025

Reserve Bank of India (RBI) issued Basel III Master Direction (Ref. No. RBI/DoR/2023-24/105 DoR.FIN.REC.40/01.02.000/2023-24 dated September 21, 2023) applicable for All India Financial Institutions (AIFIs) including Export-Import Bank of India (Exim Bank) with effect from April 1, 2024. The Basel III framework comprises three pillars:

Pillar 1: Minimum capital requirements for credit risk, market risk and operational risk

Pillar 2: Supervisory review of capital adequacy

Pillar 3: Market discipline

Market discipline (Pillar 3) comprises set of disclosures on the capital adequacy and risk management framework of the Bank. These disclosures are provided below in the following sections.

Table DF-2: Capital Adequacy

(i) Qualitative Disclosures

(a) Approach towards assessment of Capital Adequacy

Exim Bank (hereafter “the Bank”), maintains adequate capital to meet regulatory norms, current and future business needs considering the risks in its businesses. The Bank has a comprehensive process for assessing its capital adequacy in relation to its risk profile and monitoring the same on an ongoing basis. The process provides an assurance that the Bank has adequate capital to support all risks inherent to its business.

Regulatory capital is the mandatory capital that is required to be held in line with Basel III Master Direction. The Bank undertakes a comprehensive assessment of its risk profile through Internal Capital Adequacy Assessment Process (ICAAP) conducted annually, which determines the adequate level of capital required for the Bank to meet regulatory norms, current and future business needs.

The Bank has implemented a Board approved Stress Testing Policy, which forms an integral part of the Bank’s ICAAP. Stress testing involves the use of various techniques to assess the Bank’s potential vulnerability to severe but plausible stressed business conditions. The stress tests are used in conjunction with the Bank’s business plans for the purpose of capital planning in the ICAAP as per its medium-term business strategy (MTBS). The Bank also has in place a Board approved Risk Appetite Policy.

The Board of Directors of the Bank maintain an active oversight over the Bank’s capital adequacy levels. Further, ICAAP which is an annual process also serves as a mechanism for the Board to assess and monitor the Bank’s capital adequacy position. The Bank has carried out capital assessment up to FY 2028 as a part of ICAAP framework. The ICAAP details the capital planning process and carries out an assessment covering measurement, monitoring, internal controls, reporting, capital requirement and stress testing of the following material risks: (i) Credit Risk (ii) Market Risk (iii) Operational Risk (iv) Liquidity Risk (v) Interest Rate Risk in the Banking Book (vi) Residual Risk from Credit Risk Mitigants (vii) Credit Concentration Risk (viii) Country Risk (ix) Compliance Risk (x) Business and Strategic Risk (xi) Model Risk (xii) Reputation Risk (xiii) ESG Risk (xiv) Settlement risk and, (xv) Cyber Security/ IT Infrastructure risk.

The Bank has carried out risk assessment of all its material risks and has expressed it either quantitatively or qualitatively. The Bank has calculated the additional capital requirements as per the assessment methodologies in ICAAP for the risks identified.

(ii) Quantitative Disclosures

For Pillar 1 risk assessment, the Bank has adopted the following approaches for calculation of capital as per RBI Master Directions:

- 1) Standardized Approach for Credit Risk
- 2) Standardized Duration Method for Market Risk
- 3) Basic Indicator Approach for Operational Risk

The Bank's capital requirement for credit, market and operational risk is calculated as per the minimum capital requirement of 9% of the Risk Weighted Assets. A summary of the capital requirement for credit, market and operational risk and capital adequacy ratio as on June 30, 2025, is given as hereunder:

Sr. No.	Items	Amount in ₹ million
		June 30, 2025
(b)	Capital requirements for Credit Risk	70,169.29
	• Portfolios subject to Standardized Approach	70,169.29
	• Securitization Exposures	-
(c)	Capital requirements for Market Risk	5,776.31
	• Standardized Duration Approach	
	- Interest Rate Risk	3,393.98
	- Foreign Exchange Risk (including Gold)	151.88
	- Equity Risk	2,230.45
(d)	Capital requirements for Operational Risk	6,898.71
	• Basic Indicator Approach	6,898.71
(e)	Common Equity Tier 1, Tier 1 and Total Capital	
	• Group	
	- CET 1 Capital	247,957.09
	- Tier 1 Capital	247,957.09
	- Tier 2 Capital	13,351.70
	- Total Capital	261,308.79
	• Standalone	
	- CET 1 Capital	247,543.10
	- Tier 1 Capital	247,543.10
	- Tier 2 Capital	13,349.01
	- Total Capital	260,892.11
(f)	Common Equity Tier 1, Tier 1 and Total Capital ratios:	
	• Group CRAR	
	- CET 1 Ratio	26.94%
	- Tier 1 Ratio	26.94%
	- Tier 2 Ratio	1.45%
	- CRAR	28.39%
	• Standalone CRAR	
	- CET 1 Ratio	26.92%
	- Tier 1 Ratio	26.92%
	- Tier 2 Ratio	1.45%
	- CRAR	28.37%

Risk Exposure and Assessment

Organization structure

The responsibility for monitoring and managing Bank-wide risks and overseeing the policy and strategy for integrated risk management relating to credit risk, market risk and operational risk, including the operations of the Asset Liability Management Committee (ALCO), the Credit Risk Management Committee (CRMC) and the Operational Risk Management Committee (ORMC) is vested with the Risk Management Committee of the Board (RMC). The Bank has a comprehensive risk management system, and it has a dedicated Risk Management Group, which is headed by the Chief Risk Officer, who reports to the RMC.

ALCO addresses asset-liability management, liquidity risk and market risks such as interest rate risk, exchange rate risk among others. CRMC is tasked with management and control of credit risks on a Bank-wide basis. The ORMC reviews the occurrence of operational risk events in the Bank and recommends corrective action(s) to prevent recurrence as also includes identification, assessment and / or measurement, monitoring and control/ mitigation of operational risks related to/ emanating from IT-assets of the Bank. The Bank also undertakes an annual review of the Business Continuity and Disaster Recovery plans of its offices. Within RMG, there is a separate Information Security Unit, which is headed by Chief Information Security Officer (CISO), who oversees and manages the overall security and control of the Bank's information systems. In the Information Security domain, the Information Security Committee (ISC), manages cyber / information security functions of the Bank.

Table DF-3: Credit Risk: General Disclosures

(i) Qualitative disclosures

(a) Definition and Classification of Non-performing Assets

An asset becomes non-performing when it ceases to generate income for the Bank. Advances are classified into performing and non-performing assets (NPAs) as per RBI Master Circular- Prudential norms on Income Recognition, Asset Classification & Provisioning norms pertaining to advances dated April 01, 2025. A non-performing asset (NPA) is a loan or an advance where:

- Interest and/or instalment of principal remains overdue for a period of more than 90 days in respect of a loan.
- In respect of derivative transactions, the overdue receivables representing positive mark-to market value of a derivative contract, if these remain unpaid for a period of 90 days from the specified due date for payment.
- The bill remains 'overdue' for a period of more than 90 days in case of bills purchased and discounted.

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

Early identification and reporting of stress

Identification of incipient stress in loan accounts, immediately on default*, by classifying stressed assets as special mention accounts (SMA) as per the following categories:

SMA Sub-categories	Basis for classification – Principal or interest payment or any other amount wholly or partly overdue between
SMA-0	1-30 days
SMA-1	31-60 days
SMA-2	61-90 days

* Default' means non-payment of debt when whole or any part or instalment of the amount of debt has become due and payable and is not repaid by the debtor or the corporate debtor.

Discussion of the Bank's Credit Risk Management Policy

The Bank has appropriate loan policies related to Credit Risk Management and Credit Risk Mitigation in place, which are reviewed annually. The above policies cover eligibility and financial norms for various lending programs, prudential requirements (including exposure ceilings for industry, individual/group borrowers, unsecured loans, countries, off-balance sheet exposures), risk identification, risk grading, internal reporting and mitigation policies, credit administration, early warning system, detection & management of problem loans and credit review.

The Bank has a centralised credit risk evaluation process, which requires detailed risk analysis, mitigation strategies, analysis of debt servicing ability, evaluation of collateral, lending terms and conditions as appropriate to the risk profile of the borrower and transactions.

The Bank follows two stage assessment / sanction process for its commercial business. At the first stage, proposals generated through the marketing efforts of regional offices are screened by a Preliminary Screening Committee (PSC) at Head Office, which comprises executives / officers drawn from different groups. Proposals cleared by PSC are admitted for detailed appraisal. An independent Rating Committee validates the internal loan ratings. Post credit appraisal by the credit group, the appraisal note is shared with Credit Risk and Monitoring team (CRMT) under the Risk Management Group, which scrutinizes the proposal and provides comments on various credit risk and security related aspects of the proposal including risk mitigation measures where possible. The appraisal note along with a note addressing the CRMT comments are submitted to the sanctioning authority as per Delegation of Powers (DOP) approved by the Board.

The Bank uses various credit risk rating models, which cover assessment of corporates and projects (both greenfield and brownfield). The model assesses risks across 4 silos: industry, business, financial and management risk. A brief review of migration of ratings is submitted to the Risk Management Committee of the Board.

For credit monitoring, the Bank has implemented an automated early warning system (EWS), which integrates data from various sources both from public

domain as well as from within the Bank. With the help of this data and algorithmic intelligence, the system helps the Bank detect early warning signals of possible financial distress. The loan accounts displaying unsatisfactory features/EWS are monitored closely for follow up and time bound action is taken to prevent their slippage into NPAs. The Bank has set up an EWS Committee, which periodically reviews high risk alerts provided by the EWS system. The Bank has a Board approved Non-Performing Assets Recovery Policy, which deals with Bank's approach towards NPA management and recovery. The Bank also has a system of credit audit with the aim of achieving continuous improvement in the quality of the credit portfolio. Credit audit covers audit of credit sanction decisions at various levels.

The Bank complies with the norms on exposure stipulated by RBI for both single counterparty as well as group counterparties at the consolidated level. Limits have been set as a percentage of the Bank's applicable Tier I capital fund and are regularly monitored. The utilisation against specified limits is reported to the CRMC and Risk Management Committee on a periodic basis.

Limits have been stipulated on single counterparty, group of connected counterparties and industry. Exposure to top 10 single counterparties as well as group counterparties, exposure to industry sectors and unsecured exposures are reported to the CRMC on a periodic basis. Limits on countries and bank counterparties have also been stipulated. Further, the Bank has risk based single borrower limits based on credit rating. These limits are in addition to the prudential limits prescribed by the regulator. Further, breach in any exposure limits, if any, needs to be rectified at the earliest. The breach in exposure limits shall be reported to CRMC on a monthly basis and RMC on bi-annual basis.

(ii) Quantitative Disclosures

(b) Total Gross Credit Risk Exposure

₹ million	
Particulars	30-06-2025
Fund Based Exposures	2,087,862.61
Non-fund Based Exposures	181,830.18
Total Gross Credit Exposures	2,269,692.79

Includes derivatives and investments subject to credit risk

(c) Geographic Distribution of Exposures

₹ million

Exposures	Fund Based Exposures	Non-fund Based Exposures
	30-06-2025	30-06-2025
Domestic operations	889,660.99	161,080.75
Overseas operations	1,198,201.63	20,749.43
Total	2,087,862.61	1,81,830.18

Includes derivatives and investments subject to credit risk

(d) Industry Type Distribution of Exposures

₹ million

INDUSTRY	Fund Based Exposures#	Non-fund Based Exposures #
	30-06-2025	30-06-2025
Financial Services	371,888.78	37,218.80
Ferrous Metals and Metal Processing	98,862.20	2,814.19
Petroleum Products	100,527.17	-
Power	72,657.64	1,146.61
EPC Services	4,253.45	67,923.12
Construction	14,157.40	36,495.65
Chemicals And Dyes	48,500.65	177.07
Renewable Energy	32,336.58	1,037.10
Drugs and Pharmaceuticals	32,879.94	-
Ports and Other Infrastructure	30,922.46	375.00
Textiles and Garments	30,971.22	69.95
Engineering Goods	19,473.66	10,570.43
Non-Ferrous Metals & Metal Processing	29,034.69	250.83
Auto & Auto Components	23,547.96	11.92
Capital Goods	13,120.32	9,647.33
Consumer Goods	20,184.76	1,841.53
Petrochemicals	21,322.26	72.91
Telecommunications	20,552.78	-
Miscellaneous	16,539.38	2.68
Cement	11,392.34	-
Agro & Food Processing	11,145.69	225.00
Aviation Services	615.00	9,494.25
Healthcare Services	7,358.04	-
Glass and Glassware	6,495.33	274.69
Oil and Gas	6,329.77	-
Mining and Minerals	5,195.64	-

INDUSTRY	Fund Based Exposures#	Non-fund Based Exposures #
	30-06-2025	30-06-2025
Shipping Services	4,806.70	-
Tyres	4,601.85	-
Plastic Products	4,262.25	70.39
Electronics	4,304.71	-
Paper and Paper Products	3,126.27	-
Hospitality & Tourism	2,829.60	-
Logistics	2,679.45	-
Trading	2,554.38	-
Packaging	2,511.11	-
Port Services	2,219.41	175.00
Consultancy Services	325.49	1,887.85
Software & ITES / KPO	1,044.27	47.86
Wood Based Products	958.23	-
Ship Building	886.03	-
Printing and Publishing	535.83	-
Films & Entertainment	200.00	-
Jute	160.00	-
Gems and Jewellery	143.93	-
Rubber Products	125.84	-
Leather Products	20.78	-
Handicrafts	5.00	-
Not applicable*	999,296.41	-
Grand Total	2,087,862.61	181,830.18

Includes exposure by way of refinance, derivative exposure and exposure counter-guaranteed by banks

* Exposure to overseas government / parastatal entities / central and state governments

Credit Exposure of industries where outstanding exposure is more than 5% of the Total Gross Credit Exposure of the Bank

Industry	Total Exposure# (₹ million)	% Of Total Gross Credit Exposure
Financial Services	4,09,107.58	18.02%
Not Applicable*	9,99,296.41	44.03%

Includes exposure by way of refinance, derivative exposure and exposure counter-guaranteed by banks

* Exposure to overseas government / parastatal entities / central and state governments

(e) Residual Contractual Maturity Breakdown of Assets

₹ million

Inflows	1 to 14 days	15 to 28 days	29 days to 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 to 3 years	Over 3 to 5 years	Over 5 to 7 years	Over 7 to 10 years	Over 10 years	Total
Cash	0.24	-	-	-	-	-	-	-	-	-	0.24
Balances with RBI	707	-	-	-	-	-	-	-	-	-	707
Balances with other Banks	88,240	4,288	40,554	2,000	-	7	-	-	-	-	135,089
Investments	-	4,738	4,748	6,578	14,750	16,289	28,072	23,968	65,148	15,307	179,598
Advances	17,969	34,763	240,453	128,487	123,825	369,697	318,015	197,650	134,775	118,207	1,683,841
Fixed Assets	-	-	-	-	-	-	1	-	-	3,307	3,308
Other Assets	4,823	961	21,007	16,888	28,165	-	-	-	-	45,661	117,506
Total	111,739	44,751	306,763	153,953	166,740	385,992	346,087	221,618	199,923	182,482	2,120,049

(f) Amount of Non-Performing Assets (NPA)

Sr. No.	Items	₹ million
		30-06-2025
(g)	Gross NPAs	31,886.94
	Sub-Standard	53.51
	Doubtful 1	4,695.61
	Doubtful 2	18,124.49
	Doubtful 3	9,013.33
	Loss	-
(h)	Net NPAs	6,016.94
(i)	NPA Ratios	
	Gross NPAs to Gross Advances (%)	1.87
	Net NPAs to Net Advances (%)	0.36
(j)	Movement of NPAs (Gross)	
	Opening balance	32,197.30
	Additions	169.03
	Reductions	(479.40)
	Closing Balance	31,886.94
(k)	Movement of Provisions for NPAs	
	Specific Provisions	
	Opening Balance	29,670.00
	Provisions made during the period	30.34
	Write-off	-
	Write back of excess provisions	(3,830.34)
	Any Other Adjustments, including transfers between provisions	-
	Closing Balance	25,870.00
	General Provisions	
	Opening Balance	-
	Provisions made during the period	-
	Write-off	-
	Write back of excess provisions	-
	Any Other Adjustments, including transfers between provisions	-
	Closing Balance	-
	Write-offs and recoveries that have been booked directly to the income statement	-
(l)	Amount of Non-Performing Investments	20,115.72
(m)	Amount of Provisions held for Non-Performing Investments	19,777.29

Sr. No.	Items	₹ million
		30-06-2025
(n)	Movement of Provisions for Depreciation on Investments	
	Opening Balance	22,529.39
	Provisions made during the period	19.80
	Write-off	(110.04)
	Write Back of excess Provisions	(59.92)
	Closing Balance	22,379.23

(o) Top 5 Industries based on Total Credit Exposure as on June 30, 2025

₹ million

Industry	Gross NPA	Specific Provisions	General Provisions	Specific provisions during the current period	Write-offs during the current period
Top 5 Industries	4,693.42	4,693.42	-	9.45	-

(p) Geography-wise break-up of gross NPAs, specific provision and general provision as on June 30, 2025

₹ million

Category	Gross NPA	Specific Provisions	General Provisions
Domestic	4,823.38	4,777.89	-
Overseas	27,063.56	21,092.11	-

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

(i) Qualitative Disclosures

(a) For portfolios under the standardized approach

Credit rating agencies

The Bank is using the ratings assigned by the following domestic external credit rating agencies, approved by the RBI:

- CARE Ratings Ltd
- CRISIL Ratings Ltd
- ICRA Ltd
- India Ratings and Research Private Ltd.
- Acuite Ratings and Research Ltd.
- Infomerics Valuation and Rating Private Ltd.
- Brickworks Ratings Pvt. Ltd (subject to conditions as per RBI circular dated July 10, 2024)

The Bank is using the ratings assigned by the following international credit rating agencies, approved by the RBI:

- Fitch Ratings
- Moody's
- Standard & Poor's

Types of exposures for which each Agency is used

All long-term and short-term ratings assigned by the credit rating agencies specifically to the Bank's long term and short-term exposures respectively are considered by the Bank as issue specific ratings.

For assets in the Bank's portfolio that have contractual maturity less than or equal to one-year, short-term ratings accorded by the chosen credit rating agencies are considered relevant. For other assets, which have a contractual maturity of more than one-year, long-term ratings accorded by the chosen credit rating agencies are considered relevant.

Description of the process used to transfer Public Issue Ratings onto comparable assets in the Banking Book

The key aspects of the Bank's external ratings application framework are as follows:

- All long-term and short-term ratings assigned by the credit rating agencies specifically to the Bank's long term and short term exposures respectively are

considered by the Bank as issue specific ratings.

- Foreign sovereign and foreign bank exposures are risk-weighted based on issuer ratings assigned to them.
- The Bank ensures that the external rating of the facility/borrower has been reviewed at least once by the external credit rating agency during the previous 15 months and is in force on the date of its application.
- Where multiple issuer ratings are assigned to an entity by various credit rating agencies, the risk weight is determined as follows:
 - ✓ If there is only one rating by a chosen credit rating agency for a particular claim, then that rating is used to determine the risk weight of the claim.
 - ✓ If there are two ratings accorded by chosen credit rating agencies, which map into different risk weights, the higher risk weight is applied.
 - ✓ If there are three or more ratings accorded by chosen credit rating agencies with different risk weights, the ratings corresponding to the two lowest risk weights are referred to and the higher of those two risk weights is applied, i.e., the second lowest risk weight.

(ii) Quantitative Disclosures:

(b) Amount of the Bank's Exposures – Gross Advances (Rated & Unrated) in Major Risk Buckets – under Standardized Approach, after factoring Risk Mitigants (i.e., Collaterals)

Sr. No.	Particulars	₹ million	
		Fund Based	Non-Fund Based
		30-06-2025	30-06-2025
1	Below 100% Risk Weight	1,835,067.21	118,878.29
2	100% Risk Weight	110,597.22	13,454.26
3	More than 100% Risk Weight	139,495.54	20,570.76
4	Deducted (Risk Mitigants)	-	-
5	TOTAL	2,085,159.96	152,903.31

Table DF-18: Leverage ratio common disclosure template

Leverage Ratio

Sr. No	Particulars	₹ million
	On- Balance Sheet Exposures	
1	On-balance sheet items (excluding derivatives and SFTs, but including collateral)	2,120,048.82
2	(Asset amounts deducted in determining Basel III Tier 1 capital)	(19,297.44)
3	Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 2)	2,100,751.38
	Derivative Exposures	
4	Replacement cost associated with all derivatives transactions (i.e., net of eligible cash variation margin)	4,802.50
5	Add-on amounts for PFE associated with all derivatives Transactions	24,516.17
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)	(2,056.55)
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)	27,262.12
	Securities financing transaction exposures	
12	Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	-
13	(Netted amounts of cash payables and cash receivables of gross SFT assets)	-
14	CCR exposure for SFT assets	-
15	Agent transaction exposures	-
16	Total securities financing transaction exposures (sum of lines 12 to 15)	-
	Other Off-Balance sheet exposures	
17	Off-balance sheet exposure at gross notional amount	845,853.35
18	(Adjustments for conversion to credit equivalent amounts)	(383,298.57)
19	Total Off-balance sheet items (sum of lines 17 & 18)	462,554.78
	Capital and total exposures	
20	Tier 1 Capital	247,957.09
21	Total Exposures (Sum of lines 3, 11, 16, and 19)	2,590,568.28
	Leverage Ratio	
22	Basel III Leverage Ratio (division of line 20 by line 21)	9.57%

Main Features of Capital Instruments

Disclosure pertaining to main features of Capital (DF-13) and terms & conditions (DF-14) have been disclosed separately on the Bank's website under Regulatory Disclosures section. The link to this section is:
<https://www.eximbankindia.in/investor-relation>