DISCLOSURE REQUIRED UNDER BASEL III NORMS

Table 1
Capital Structure

Qualitative Disclosure

a) The Capital instruments of the bank are given as below:

- Tier I Capital: Being a Foreign bank, the Bank's Tier I Capital consists of Interest Free Deposit received from Head office, Statutory reserve, Capital reserve, AFS Reserve, General Reserve & Remittable surplus retained in India for Capital Adequacy purpose. Bank does not have any hybrid debt instruments which are eligible for Tier I capital.

- Tier II Capital: Our Tier II Capital consists primarily of Subordinated debt instrument subscribed by Bank's Head Office, the issuance of these adhere to RBI guidelines. Apart from Subordinated debt instruments, General provision for debts, Provision for Unhedged Foreign currency exposure & Investment Fluctuation reserve & Revaluation reserve constitute Tier II Capital. Bank has not issued Hybrid debt instruments which are eligible to be included as Tier II Capital.

Capital Infusion between 01st April 2025 to 30th September 2025 is INR 1,992 crores.

Capital Infusion for the Financial Year 2024-2025 is Rs.2,720.61 crores.

Accordingly, we present in the Tables below the position of capital funds:

Position as at September 30, 2025				
	Regulatory Capital as at September 30, 2025	**% of RWAs as per Basel III**	**Capital Funds of bank (Rs. crores)**	**As a % of RWAs of bank**
(i)	Minimum Common Equity Tier I Ratio	5.50%	11,542.47	15.98%
(ii)	Capital Conservation Buffer (comprised of Common Equity)	2.50%	1,806.31	2.50%
(iii)	Minimum Common Equity Tier I Ratio plus Capital Conservation Buffer [(i)+(ii)]	8.00%	13,348.77	18.48%
(iv)	Additional Tier I Capital	1.50%	-	0.00%
(v)	Minimum Tier I Capital Ratio [(i) +(iv)]	7.00%	11,542.47	15.98%
(vi)	Tier II Capital	2.00%	2,105.07	2.91%
(vii)	Minimum Total Capital Ratio (MTC) [(v)+(vi)]	9.00%	13,647.54	18.89%
(viii)	Minimum Total Capital Ratio plus Capital Conservation Buffer [(vii)+(ii)]	11.50%	15,453.85	21.39%

Quantitative Disclosure

(a) The breakup of Tier I Capital as on 30th September 2025 is as given below (Rs. in Crores)

1)	Capital received from HO:	11,715.19
2)	Statutory Reserve:	1,530.90
3)	AFS Reserve:	115.38
4)	Capital Reserve:	23.62
5)	General Reserve:	153.05
6)	Remittable surplus retained	2,366.12
7)	Intangible assets	-34.23
8)	Regulatory Adjustments	-2,521.26
	Total	**13,348.77**

b) The total amount of Tier II Capital as on 30th September 2025: INR **2,105.07 crores**

c) Debt capital instruments eligible for inclusion in Upper Tier II Capital- NIL

d) Subordinated debt eligible for inclusion in Lower Tier II Capital (Rs. in Crores)

1)	**Total amount outstanding:**	**946.73**
	Of which amount raised during the year:	**0.00**
2)	**Amount retired during the year**	**0.00**
3)	**Amount eligible to be reckoned as capital funds**	**946.73**

e) Other deduction from capital, if any: Nil

f) Total eligible capital as on 30th September 2025: INR 15,453.85 crores

Table 2
Capital Adequacy

Qualitative Disclosure

a) A summary discussion of the bank's approach to assessing the adequacy of capital to support current and future activities:

The Basel III capital regulations are being implemented in India with effect from April 1, 2013. Banks have to comply with the regulatory limits and minima as prescribed under Basel III capital regulations, on an ongoing basis.

Under RBI circular DBOD.No.BP.BC.102/21.06.201/2013-14 dated March 27, 2014, banks need to improve and strengthen their capital planning processes. While conducting the capital planning exercise, banks may consider the potential impact of the changing macro-economic conditions and other factors on the adequacy and composition of regulatory capital. A forward-looking capital planning process will enable banks to appropriately assess the level of capital needed to support their business strategies over the medium-term

As at September 30, 2025, as per Basel III guidelines bank is required to maintain minimum CET capital ratio of 5.5%, minimum Tier- I capital ratio of 7%, capital conservation buffer (CCB) of 2.5% and G-SIB buffer of 1.5% and minimum total capital ratio of 13%

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

The capital adequacy of the Bank is placed before its Management Committee on a monthly basis wherein the same is discussed and the adequacy of the same is elaborated keeping in view the future growth plan of the Bank. Management places a note to the Group office as and when a need is felt for additional capital infusion

In accordance with BASEL requirements, the Bank also has an Internal Capital Adequacy Assessment Process (ICAAP) for BNPP India. The ICAAP depicts the various categories of risks to which the Bank is exposed, details the ongoing assessment of such risks, how risks are to be mitigated, and quantifies the amount of capital required currently and in the future to cope with these risks. The ICAAP is subjected to an independent review as required by RBI Guidelines and is reviewed annually.

Quantitative Disclosure

	Capital Requirement Under Pillar 1 of Basel III-Rs. in Crores	**Sept 30, 2025**	**June 30, 2025**
(i)	For Credit Risk under Standardised approach	6,653.46	7,364.90
(ii)	For Market Risk under Standardised Duration approach (details in the next table)	2,327.26	2,447.74
(iii)	For Operational Risk under Basic Indicator Approach	412.08	412.08
(iv)	Total Capital Requirement (i) + (ii) + (iii)	9,392.81	10,224.72
(v)	Total Tier 1 capital ratio : -for the top consolidated Group (Bank) -for significant bank subsidiaries : NA	18.48% -	17.01% -
(vi)	Total Tier 1 + Tier 2 Capital ratio -for the top consolidated Group (Bank) -for significant bank subsidiaries: NA	21.39% -	19.66% -

Further details of the capital requirement under Credit, Market and Operational Risk are provided in the Table below:

	Credit Risk (Rs. in Crores)	**Sept 30, 2025**	**June 30, 2025**
(i)	Details of Credit Risk capital requirement		
(a)	On Balance sheet exposure	4,031.28	4,388.05
(b)	Off Balance sheet exposure -Non Market related -Market related	 1,040.03 1,057.16	 1,222.96 1,190.31
(c)	Counterparty Risk as Borrower of funds	524.99	563.58
	Total	**6,653.46**	**7,364.90**

	Market Risk (Rs. in Crores)	**Sept 30, 2025**	**June 30, 2025**
(i)	Details of Market Risk capital requirement		
(a)	Interest Rate risk	2,085.95	2,206.42
(b)	Foreign exchange risk	241.31	241.31
(c)	Equity risk	-	-
	Total	**2,327.26**	**2,447.74**

Operational Risk

Per the Basic Indicator approach for Operational Risk, the Bank is required to maintain capital at the rate of 15% of average gross income of previous three financial years. The notional risk weighted assets for operational risk is calculated by multiplying the operational risk capital charge by 12.5. The Capital required for operational risk as of 30 September 2025 is Rs. 412.08 crores (June 30, 2025: Rs. 412.08 crores).

Table 3
Credit risk: General disclosures

Qualitative Disclosure

Credit Risk:

BNP Paribas- Indian Branches' credit risk categories in the ICAAP cover a wide range of credit risk types, as follows:
-Classical credit risk
-Counterparty risk

Classical Credit risk is defined as the potential that a bank borrower or counterparty will fail to meet its obligations in accordance with agreed terms. Evaluating accurately the probability of default and the expected recovery on the loan or receivable in the event of default are key components of credit quality assessment

Counterparty risk is the translation of the credit risk embedded in the market, investment and/or payment transactions. Those transactions include bilateral contracts (i.e. Over-The-Counter - OTC) which potentially expose the Bank to the risk of default of the counterparty faced.

Credit Risk Management Policies:

The Bank has put in place a well-structured Credit Risk Management Policy duly approved by the Board. The policy document defines organizational structure, role and responsibilities and the processes whereby the Credit Risks carried by the Bank can be identified, quantified and managed within the framework that Bank considers consistent with its mandate and risk tolerance.

Credit Rating and Appraisal Process:

The Bank manages its Credit Risk through regular measuring and monitoring of risks at each obligor and portfolio level. The Bank has robust internal Credit rating framework and well established standardized Credit appraisal / approval processes. Credit Rating is a facilitating process that enables the Bank to assess the borrower's inherent ability to honour its credit obligations. It is a decision support tool that helps the Bank to take a view on acceptability or otherwise of any borrower.

The internal rating factors in - quantitative and qualitative issues relating to management risk, business risk, industry risk, financial risk as well as specific credit enhancement features/ support available, while assessing the overall ratings of the borrower. The data on industry risk is regularly updated based on market conditions.

Definitions of Non - Performing assets:

The bank follows the prudential guidelines issued by the RBI on classification of Non – Performing Assets as under:
1. Interest and/or installment of principal remain overdue for a period of more than 90 days in respect of term loan.
2.The account remains 'out of order' if the outstanding balance remains continuously in excess of sanctioned limits/DP for more than 90 days in respect of overdraft or cash credit
3. The bill remains overdue for a period of more than 90 days in case of bills purchased and discounted
Where the interest charged during any quarter is not serviced fully within 90 days from the end of the quarter, the asset is classified as non-performing. A non-performing asset ceases to generate income of the bank.

The Bank also maintains general provision as a percentage of performing standard advances and on unhedged foreign currency exposures as prescribed by the RBI, to cover the inherent risk of losses. The credit portfolio is monitored and reported to Central Repository of Information on Large Credits (CRILC) in accordance to guidelines prescribed from time to time by RBI.

Quantitative Disclosure (as of 30th September 2025)

a) Gross outstanding (Rs. in crores)

Fund based:	13,707.02	(Gross advances)
Non Fund based:	7,194.46	(Guarantees, LCs, Endorsement and Acceptances)

b) Geographic distribution of exposures (Rs. in crores)

Domestic

Fund based:	13,707.02
Non Fund based:	7,194.46

Overseas

Fund based:	Nil
Non Fund based:	Nil

c) Industry wise distribution of exposure (as of 30th September 2025)

(Amt. in INR Crores)

Industry Name	**Funded Credit**	**Non Funded Credit**	**Total Credit Outstanding**
Agriculture	11.86	0.02	11.88
Mining	11.13	0.16	11.29
Food Processing	535.99	256.69	792.68
Beverages (excluding Tea & Coffee) and Tobacco	135.00	1.00	136.00
Textiles	60.00	2.30	62.30
Paper and Paper Products	-	-	-
Petroleum (non-infra), Coal products (non-mining) and Nuclear Fuels	39.25	-	39.25
Chemicals and chemical products (Dyes, Paints, etc.)	*1,114.65*	*120.55*	1,235.21
of which Fertilizers	186.08	-	186.08
of which Drugs and Pharmaceuticals	25.50	38.14	63.64
of which Petro- chemicals(excluding under Infrastructure)	455.71	1.64	457.35
of which others	447.37	80.78	528.14
Rubber and Rubber Products	161.26	7.13	168.39
Glass & Glassware	28.39	23.76	52.15
Cement and Cement Products	406.20	26.63	432.83
Metal & Metal products	*385.58*	*264.47*	650.05
Iron and Steel	336.78	128.93	465.71
other than Iron & Steel	48.79	135.55	184.34
All Engineering	*1,257.90*	*1,707.51*	*2,965.41*
of which Electronics	612.75	116.32	729.06
of which others	645.15	1,591.20	2,236.35
Vehicles, vehicle Parts and Transport Equipment's	858.34	27.27	885.61
Construction	102.49	-	102.49
Infrastructure	*4,058.78*	*1,513.03*	*5,571.80*
Of which Energy	2,480.48	1,007.11	3,487.59
Of which Telecommunication	1,027.38	2.00	1,029.38
of which others	550.92	503.92	1,054.84
Other Industries	4,540.21	3,243.93	7,784.14
Service Sector	-	-	-
TOTAL	**13,707.02**	**7,194.46**	**20,901.48**

(Rs. in crores)

d) Amount of Gross NPAs (Rs. in crores)

Substandard	-
Doubtful 1	-
Doubtful 2	-
Doubtful 3	-
Loss	-

e) Net NPAs – Nil

f) NPA Ratios

Gross NPAs to Gross Advances:	**Nil**
Net NPAs to Net Advances:	**Nil**

g) Movement of Gross NPAs (Rs. in crores)

Opening balance:	-
Additions:	-
Reduction:	-
Write off:	-
Closing balance	-

h) Movement of provisions for NPAs (Rs. in crores)

Opening balance:	–
Additions:	–
Reduction:	–
Write off	–
Closing balance	–

i) Movement in General Provision for standard advances (Rs. in crores)

Opening balance:	110.79
Provisions made during the period	26.07
Write-off	-
Less: Write back of excess provision	17.87
Closing balance	**119.00**

(j) Amount of Non-performing investments: Nil

(k) Amount of provision held for Non-performing investments: Nil

(l) Movement of provisions for depreciation on investments (Rs. in crores)

Opening balance	-
Provisions made during the year	-
Write off	-
Transfer to General reserve	-
Write back of provisions during the period	-
Closing balance	-