PILLAR – 3 DISCLOSURES

AS AT MARCH 31, 2026

Table DF – 1
Scope of Application

The framework of disclosure applies to Airtel Payments Bank Limited (hereinafter referred to as the bank). Disclosures are made as a standalone entity since the bank doesn't have any subsidiary, associate and Joint Ventures for consolidation purpose. The bank has no interest in any of the insurance entities of the group.

Table DF – 2
Capital Adequacy

Regulatory capital assessment

The Bank computes capital adequacy ratio as per New Capital Adequacy Framework (NCAF) Basel II and operating guidelines for Payments Banks (issued by RBI on October 06.2016).

The Capital adequacy ratio (CRAR) of the Bank is calculated as per the standardized approach for Credit Risk as per RBI directions dated November 28. 2025 DOR.CAP.REC.130/21-01-002/2025-26. Market Risk and Operational Risk capital charges shall not be currently applicable on payments bank.

Capital conservation buffer & Counter-cyclical capital buffer is not applicable on Payments Banks as per operating guidelines issued on Payments Banks by RBI.

The Bank has to maintain a minimum Total Capital Ratio of 15% of Credit Risk weighted assets (Credit RWA). Out of Minimum Total Capital Ratio, at least 7.5% shall be from Minimum Tier 1 Capital.

Capital raised during March 31,2026 and March 31, 2025 are presented below: -

(Rupees in Million)

Particulars	March 2026	March 2025
Amount raised by issue of equity shares (Common Equity Tier-1 Capital)	--	777.73

Including share premium Rs. 259.2 million on share issued during FY 2024-25.

Quantitative Disclosures:

Capital requirement, Common Equity Tier I capital ratio and Tier 1 Capital Ratio as on March 31, 2026 & March 31, 2025 are presented below: -

(Rupees in million)

Capital Requirement for Various Risks	March 2026	March 2025
Credit Risk	**2,997**	**2,456**
For non-securitized portfolio	2,997	2,456
For Securitized portfolio	NA	NA
Market Risk	NA	NA
Operational Risk	NA	NA
Common Equity Tier 1 Capital Ratio	**20.47%**	**37.95%**
Additional Tier I Capital Ratio	**--**	**--**
Tier II Capital Ratio	0.05%	0.00%
Total Capital Adequacy Ratio (Tier I + Tier II)	**20.52%**	**37.95%**

Risk Exposure and Assessment

General qualitative disclosure on risk area, risk management objectives, policies and processes:- The bank has identified the following risks as material to its nature of operations:

- Credit Risk
- Market Risk
- Operational Risk
- Liquidity Risk
- Interest Rate Risk in the Banking Book

Risk Management Framework

Overview

The Bank's risk management framework is embedded in the business through the different levels supported by an appropriate level of investment in information technology and its people.

1. **Credit Risk**

   Credit Risk is defined as the probability/potential that the borrower or counter-party may fail to meet its obligations in accordance with the agreed terms. It involves inability or willingness of a borrower or counter-party to meet commitments in relation to lending, trading, hedging, settlement and other financial transactions.

   Based on the type of transactions, the Bank is exposed to only below mentioned type of credit risk: -

   Transaction Risk (or Default Risk), which represents the risk arriving from credit exposure to banking sector & amount to be received on loading cash through debit/credit card.

Residual Risk, which arises from sundry assets in the total balance sheet

Concentration Risk, which arises from concentration of funds to a particular entity in its fixed deposit portfolio.

Credit Risk- Transaction/Default Risk Owing to the nature of business, payment banks are not allowed to lend money to customers; hence credit exposure to customers/borrowers is limited.
However, the Bank is exposed to transaction/default risk in connection to its interbank and fixed deposits transactions which is minimal as the Bank mainly transacts with scheduled commercial banks having capital adequacy more than the minimum required and all other regulatory limits well above the minimum required.

Residual Risk All other items other than interbank exposure are included under residual risk. The Bank ensures that all items piling up to sundry assets are regularly monitored so that there is optimal capital.

Concentration Risk As per RBI guidelines there are limitation on maximum amount of deposit an individual can hold in its saving bank account, hence the risk of specific or system liquidity crisis on account of concentration of external source of funding is minimal as the deposits are mainly retail deposits of small ticket size.

2. **Market Risk**

A robust market risk management framework is in place for measurement, monitoring and mitigation of market risk. The Bank has put in place a comprehensive "Treasury Policy", "Market Risk Management Policy" and "ALM Policy" which includes "Contingency Funding Policy", approved by the Risk Management Committee and Board of Directors. The policies covers monitoring of risks arising out of marketable portfolios viz., funds & investments. Market Risk department identifies measures and monitors market risk independently. Market risk measurement and management framework includes monitoring of exposure limits, MTM of portfolio, PV01 etc. Salient principles in Market Risk Management are as below: -

- Articulate interest rate view of the Bank and decide on the future interest rate strategy
- Analyze investment portfolio with appropriate market risk measurement and analysis methods (techniques, assumptions, etc.) befitting the scale and nature of the institution's 'business and its risk profile.
- Analyze the different categories of investments (for example. SLR, other investments etc.) in light of prevalent market conditions, on a periodic basis, and apprise the treasury/ MRMC/ALCO/BOARD about the findings and suggestions.
- Conduct periodic stress test and apprise the ALCO/MRMC about the same.
- Monitor the Bank's trading portfolio and report breaches of limits
- Monitor the procedures for new instruments and transactions to ensure that their market risks and implications can be identified, measured and controlled.

Interest rate risk is measured through interest rate sensitivity i.e. change in the value of asset and liability cash flows vis-à-vis change in interest rate. The earning of assets and the cost of liabilities are closely related to market interest rates volatility and impacts the income or margin of Bank.

The Bank currently uses Traditional Maturity Gap Analysis as well as Duration Gap Analysis approach for measurement of interest rate risk. Bank carries out stress test on interest rate risk and measures sensitivity of NII and Market Value of Equity basis different levels of interest rate shocks.

3. Operational Risks

Operational Risk is defines as risk of loss resulting from inadequate internal processes, people and systems as also the risk of loss arising from external events. The Bank has put in place a robust "Operational Risk Policy" under which the expectation is to develop a sound and robust operational risk management framework in alignment with RBI Guidance Note on Operational Risk Management & Operational Resilience, released on April 30, 2024. A sound and robust, board approved operational risk management policy would facilitate the bank to move towards enhanced level of sophistication in the identification, assessment, monitoring, measurement, and reporting of operational risk commensurate with its risk profile.

Purpose and Coverage of the Policy: The primary objectives of Operational Risk policy are:

- Define the organization Structure for Operational Risk Management
- Define the Bank's Operational Risk strategy, appetite & tolerance.
- Ensure assignment of roles & responsibility for management of Operational Risk
- Define the risk identification, assessment and monitoring methodology
- Facilitate establishment of comprehensive process for detection, reporting and tracking operational loss events
- Establish training and awareness programs for promoting a risk sensitive culture throughout the Bank
- Fortify the business & support groups to control and mitigate Operational Risks.
- Enhance Operational Resilience given the interconnections and interdependencies, within the financial system, that result from the complex and dynamic environment in which the Bank operates.
- Aligning the Operational Risk Framework to the three pillars i.e. i) Prepare & Protect, ii)Build Resilience, iii) Learn & Adapt

Key Highlights of the Policy:

- The definition includes strategic, reputation and systemic risks. It seeks to identify why a loss happened and at the broadest level includes the breakdown by four causes: people, processes, systems and external factors. 'Management' of Operational Risk means the 'identification, assessment, monitoring and control / mitigation' of this risk

- The organization structure relating to Operational Risk management would be:

    - There shall be a Risk Management Team which shall report to the Chief Risk Officer (CRO)
    - The formation of Operational Risk Management Committee which shall meet periodically to review the risks, their mitigant, the loss data and new product approval
    - The ORMC shall report to the Risk Management Committee of the Board

- The policy gives a framework to identify, define and quantify various material operational risk factors affecting bank and the mitigants to control the risks so identified. The policy gives a structure to report the loss events, the review mechanism for the operational risk / loss events t periodic intervals

    - Risk Control & Self-Assessment (RCSA): There shall be a self-assessment by the risk managers of each function on the risks associated with their activities and the existing mitigants
    - Risk assessment is carried out holistically covering primary risks a) Operational Risk, b) Regulatory & Compliance c) Technology and Information and Cyber Security d) Strategic Risk e) Reputational Risk f) Capital & Liquidity Risk g) Credit Risk .
    - The primary risks are sub-divided into Risk Sub-types in consultation with Risk-Type SMEs.
    - Loss Data Analysis: All loss events that have occurred above a thresh-hold along with the Root Cause Analysis and the fix put in place to be documented and be a part of the Risk Library of the Bank
    - Key Performance Indicators (KPI): The Operational Risk team shall identify the KPIs and evaluate them to ascertain that the mitigants and control mechanisms are in place

- The policy defines the overall operational risk appetite for the bank

Table DF – 3
Credit Risk: General Disclosures

Qualitative Disclosures

a. **Credit quality of Loans and Advances**

Owing to the nature of business, payment banks are not allowed to lend money to customers; hence the above section is not applicable.

Non-Performing Assets (NPA)

Not Applicable

Quantitative Disclosures

b. **Total Gross credit risk exposures (Fund based and Non fund based)**

Not Applicable

c. **Geographical distribution of exposures (Fund based and Non-fund based)**

Not Applicable

d. **Industry type distribution of exposures (fund based and non-fund based)**

Not Applicable

e. Residual Contractual maturity break down of Assets-Position as on 31st March 2026 & 31st March 2025

March 2026 (Rs in millions)			
Particulars	**Advances**	**Investments**	**Foreign Currency Assets**
1 day	-	-	-
2 to 7 days	-	-	-
8 to 14 days	-	-	-
15-30 Days	-	-	-
31 days - 2 months	-	251	-
2 Months- 3 Months			
Over 3 months to 6 months	-	8,680	-
Over 6 months to 1 year	-	29,936	-
Over 1 year to 3 years	-	50	-
Over 3 years to 5 years	-		-
Over 5 years	-	338	-
Total	**-**	**39,255**	**-**

March 2025 (Rs in millions)			
Particulars	**Advances**	**Investments**	**Foreign Currency Assets**
1 day	-	-	-
2 to 7 days	-	3,749	-
8 to 14 days	-	1,597	5
15-30 Days	-	947	-
31 days - 2 months	-	3,434	-
2 Months- 3 Months		744	
Over 3 months to 6 months	-	8,741	-
Over 6 months to 1 year	-	13,342	-
Over 1 year to 3 years	-	50	-
Over 3 years to 5 years	-		-
Over 5 years	-	336	-
Total	**-**	**32,940**	**5**

f. Gross NPA

Not Applicable

g. Net NPA's

Not Applicable

h. NPA Ratios

Not Applicable

i. **Movement of Gross NPA**

Not Applicable

j. **Movement of provisions for NPA**

Not Applicable

k. **Amount of Non-Performing Investments**

NIL

l. **Amount of provision held for non-performing investments**

NIL

m. **Movement of provisions for depreciation on investments**

(Rupees in Million)

Particulars	March 2026	March 2025
Opening Balance	--	--
Provision made during the period	--	--
Write-Off	--	--
Write-Back of Excess Provisions	--	--
Closing Balance	**--**	**--**

n. **Non-Performing Assets by major industry or counterparty type**

Not Applicable

o. **Amount of NPAs and past due loans provided separately which broken down by significant geographic areas including the amounts of specific and general provisions related to each geographical areas:**

Not applicable

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

Qualitative Disclosures:

Credit Rating Accepted by bank for Loans and advances:

Not Applicable

Quantitative Disclosures:

The exposure (excluding exposure to QCCP) under each credit risk category is as follows:

(Ruppes in million)

Risk Bucket	March 2026	March 2025
Below 100% Risk Weight	70,757	62,013
100% Risk Weight	17,301	14,779
More than 100% Risk Weight	-	-
Total	**88,057**	**76,792**

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

Qualitative Disclosures:

Owing to the nature of business, payment banks are not allowed to lend money to customers; hence credit exposure to customers/borrowers is minimal.

However, the Bank is exposed to transaction/default risk in connection to its interbank transactions which is minimal as the Bank mainly transacts with scheduled commercial banks having capital adequacy more than the minimum required and all other regulatory limits well above the minimum required.

Quantitative Disclosures:

Owing to the nature of business, payment banks are not allowed to lend money to customers; hence credit exposure to customers/borrowers is minimal.

Table DF-6

Securitization: Disclosure for Standardized Approach

Qualitative and Quantitative Disclosures:

The bank has not undertaken any securitization activity, Hence not applicable.

Table DF-7

Market Risk in the Trading Book

Qualitative Disclosures:

Market Risk

It is the risk of losses arising from changes in market rates or prices that can affect the value of financial instruments. In the Bank, majority of market risk is arising from operations related to treasury. Market Risk is tracked and measured on a dynamic basis by a dedicated Market Risk department, which alerts management in to taking appropriate action.

Market Risk Organization Structure at the Bank

Bank's Risk Management is controlled by Risk Management Committee of the bank. The Risk Management Committee determines risk tolerance and appetite for market risk. It also monitors and reviews significant risks and effectiveness of processes and sets out management responsibilities. Risk Management Committee formulates and implements the market risk policies and operational plans and recommends changes to policies, processes and parameters for approval.

Market Risk Limit Structure at the Bank

The bank calculates the risk charge on market risk on the basis of standardized approach as prescribed by RBI. The portfolio contains interest rate risk only. The interest rate general risk is computed on the basis of duration based approach.

Market Risk Management

The bank's Market Risk framework comprises market risk policies, market risk limits and risk methodologies. The market risk policies are reviewed at least once a year to align with regulatory guidelines and market best practices.

Quantitative Disclosures

The capital requirement for market risk as follows:

(Rupees in millions)

Components of Market Risk	March 2026	March 2025
Interest Rate Risk	453	237
Forex Risk	--	--
Equity Position Risk	--	--
Total	**453**	**237**

Table DF-8
Operational Risk

Qualitative Disclosures:

Approach for operational risk capital assessment

The bank's Operational Risk Management framework includes the identification, assessment, measurement and monitoring & oversight of operational risks within the bank. The bank has a commitment to meeting high ethical and Operation Risk management standards in the way it conducts its business. The governing principles and fundamental components of the Bank's operational risk management approach include accountability in the individual business lines for management and control of the significant operational risks to which they are exposed.

Airtel Payments Bank using an effective organization structure ensures the following to manage the operational risk by:

a. Separation of duties between key functions.

b. Periodic operational risk self-assessment tools such as KRIs, RCSA and RCA.

c. Comprehensive assessment of all new products and processes.

d. Risk mitigation programs, which use insurance policies to transfer the risk of high severity losses where feasible and appropriate.

e. Business Continuity Plan Business Disruption of key business services for an extended period of time can affect the Bank's image / downfall, unless appropriate emergency response and business resumption strategies are maintained.

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

Qualitative Disclosures:

Interest Rate Risk in the Banking Books

Interest Rate risk in Banking Book (IRRBB) refers to the risk of loss in earnings or economic value of the Bank's Banking Book as a consequence of movement in interest rates. Interest rate risk arises from holding assets/liabilities with different principal amount, maturity dates or re-pricing dates thereby creating exposure to changes in levels of interest rates.

IRRBB Organization Structure

Asses Liability Management Committee (ALM Committee) ensures compliance with regulatory and internal policies related to IRRBB and provides strategic directions, for achieving IRRBB management objectives. The Asset and Liabilities Management Committee of the bank has been established to provide the framework to strategically manage the bank's assets and liabilities while adhering to the risk management objectives established by the Management committee. The ALM is responsible for formulating the bank's asset and liability strategy including the pricing of deposits, balance sheet planning, funding decisions and also for managing Market and Liquidity risk.

The ALM meeting is convened on a monthly basis to review risks, market condition and its impact on balance sheet.

Quantitative Disclosures

Interest rate risk in banking book is primarily the change in the net interest income and the value of the bank's assets and liabilities, due to change in interest rate. This is assessed from the following perspectives:

i. Earnings perspective (Earning-at-risk) approach
From an Earnings perspective, the Interest rate sensitivity gap reports indicate whether the Bank is in a position to benefit/lose from rise/fall in interest rates due to reprising of assets and liabilities under various interest rate movement scenarios; the impact which may be observed on the Net Interest Income of the bank.

Rs in Million

Change in Interest rate	March 2026	March 2025
+100 bps	(374.38)	(425.63)
-100 bps	374.38	425.63

ii. Economic Value perspective (i.e. Market Value of Equity – MVE approach)
From an Economic Value perspective, the Duration Gap report indicates the impact of movement in interest rate on the value of banks asset and liabilities and thus impacting the value of equity of the bank. RBI's prescribed limit for decline in MVE is 20% for a 200 bps parallel rise in interest rate using Duration Gap approach.

Change in Interest rate (Parallel increase)	March 2026	March 2025
+200 bps	+/-10.77%	+/-12.93%

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

Qualitative Disclosures Counterparty Credit Risk is the risk that the counterparty to derivative transaction can default before the final settlement of the transaction's cash flow. The Bank has not entered into any derivative transaction
Quantitative Disclosures- Not applicable

Table DF-11

Composition of Capital

	As at March 31, 2026 (Rs in millions)		
	Common Equity Tier 1 capital: instruments and reserves		**Ref No**
1	Directly issued qualifying common share capital plus related stock surplus (share premium)	25,276	A1+B2
2	Retained earnings	(18,352)	B3
3	Accumulated other comprehensive income (and other reserves)	603	B1+C+E
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	7,526	
	Common Equity Tier 1 capital: regulatory adjustments		
7	Prudential valuation adjustments	-	
8	Goodwill (net of related tax liability)	-	
9	Intangibles (net of related tax liability)	-	
10	Deferred tax assets	3,437	
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)	-	
20	Mortgage servicing rights (amount above 10% threshold)	-	
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	-	
22	Amount exceeding the 15% threshold	-	
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 unconsolidated non- financial subsidiaries	-	
26c	of which: Shortfall in the equity capital of majority owned financial entities which have not been consolidated with the bank[9]	-	
26d	of which: Unamortised pension funds expenditures	-	
27	Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions	-	
28	**Total regulatory adjustments to Common equity Tier 1**	**3,437**	
29	**Common Equity Tier 1 capital (CET1)**	**4,089**	
	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 Tier1	-	
34	Additional Tier 1 instruments (and CET1 instruments not included in row 5) issued by subsidiaries and held by third parties (amount allowed in groupAT1)	-	
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)[10]	-	
41	National specific regulatory adjustments (41a+41b)	-	
41a	of which: Investments in the Additional Tier 1 capital of unconsolidated insurance subsidiaries	-	
41b	of which: Shortfall in the Additional Tier 1 capital of majority owned financial entities which have not been consolidated with the bank	-	
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	-	
43	**Total regulatory adjustments to Additional Tier 1 capital**	**-**	
44	**Additional Tier 1 capital (AT1)**	**-**	
45	**Tier 1 capital (T1 = CET1 + AT1) (29 + 44)**	**4,089**	
	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	9.70	B4
51	**Tier 2 capital before regulatory adjustments**	**9.70**	
	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[12] 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)	9.70	
59	**Total capital (TC = T1 + T2) (45 + 58)**	**4,099**	
60	Total risk weighted assets (60a + 60b + 60c)	19,977	
60a	of which: total credit risk weighted assets	19,977	
60b	of which: total market risk weighted assets	-	
60c	of which: total operational risk weighted assets	-	

61	Common Equity Tier 1 (as a percentage of risk weighted assets)	20.47%	
62	Tier 1 (as a percentage of risk weighted assets)	20.47%	
63	Total capital (as a percentage of risk weighted assets)	20.52%	
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)	-	
65	of which: capital conservation buffer requirement	-	
66	of which: bank specific countercyclical buffer requirement	-	
67	of which: G-SIB buffer requirement	-	
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk weighted assets)	-	
National minima (if different from Basel III)			
69	National Common Equity Tier 1 minimum ratio (if different from Basel III minimum)	-	
70	National Tier 1 minimum ratio (if different from Basel III minimum)	-	
71	National total capital minimum ratio (if different from Basel III minimum)	-	
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)	-	
77	Cap on inclusion of provisions in Tier 2 under standardised approach	-	
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)	NA	
79	Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	NA	
Capital instruments subject to phase-out arrangements			
80	Current cap on CET1 instruments subject to phase out arrangements	NA	
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	NA	
82	Current cap on AT1 instruments subject to phase out arrangements	NA	
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	NA	
84	Current cap on T2 instruments subject to phase out arrangements	NA	
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	NA	

Notes to the Template

Row No. of the template	Particular	(Rs. in million)
10	Deferred tax assets associated with accumulated losses	2,960
	Deferred tax assets (excluding those associated with accumulated losses) net of Deferred tax liability	477
	Total as indicated in row 10	3,437
19	If investments in insurance subsidiaries are not deducted fully from capital and instead considered under 10% threshold for deduction, the resultant increase in the capital of bank	-
	of which: Increase in Common Equity Tier 1 capital	-
	of which: Increase in Additional Tier 1 capital	-
	of which: Increase in Tier 2 capital	-
26b	If investments in the equity capital of unconsolidated non-financial subsidiaries are not deducted and hence, risk weighted then:	-
	(i) Increase in Common Equity Tier 1 capital	-
	(ii) Increase in risk weighted assets	-
50	Eligible Provisions included in Tier 2 capital	-
	Eligible Revaluation Reserves included in Tier 2 capital	-
	Total of row 50	-

Table DF-12

Composition of Capital- Reconciliation Requirements

Step1

		Balance sheet as in financial statements	Balance sheet under regulatory scope of consolidation
	Rs in Millions	**As on March 31, 2026**	**As on March 31, 2026**
A	**Capital & Liabilities**		
I	Paid-up Capital	24,650	
	Reserves & Surplus	(17,114)	
	Employee Stock Option Outstanding	411	
	Minority Interest	-	
	Total Capital	**7,947**	
Ii	Deposits	43,442	
	of which: Deposits from banks		
	of which: Customer deposits	43,442	
	of which: Other deposits (pl. specify)		
Iii	Borrowings	2,668	
	of which: From RBI	-	
	of which: From banks	2,668	
	of which: From other institutions & agencies	-	
	of which: Others (pl. specify)	-	
	of which: Capital instruments	-	
Iv	Other liabilities & provisions	32,196	
	Total	**86,253**	
B	**Assets**		
I	Cash and balances with Reserve Bank of India	14,438	
	Balance with banks and money at call and short notice	12,798	
Ii	Investments:	39,255	
	of which: Government securities	39,255	
	of which: Other approved securities	-	
	of which: Shares	-	
	of which: Debentures & Bonds	-	
	of which: Subsidiaries / Joint Ventures /Associates	-	
	of which: Others (Commercial Papers, Mutual Funds etc.)	-	
Iii	Loans and advances	-	
	of which: Loans and advances to banks	-	
	of which: Loans and advances to employees	-	
iv	Fixed assets	7,872	
v	Other assets	11,890	
	of which: Goodwill and intangible assets	-	
	of which: Deferred tax assets	3,437	
vi	Goodwill on consolidation	-	

vii	Debit balance in Profit & Loss account	-	
	Total Assets	**86,253**	

Step 2

		Ref No.	Balance sheet as in financial statements	Balance sheet under regulatory scope of consolidation
	Rs in Millions		**As on March 31, 2026**	**As on March 31, 2026**
A	**Capital & Liabilities**			
I	Paid-up Capital	A	24,650	
	of which: Amount eligible for			
	CET1	A1	24,650	
	of which: Amount eligible for AT1	A2		
	Reserves & Surplus	B	(16,703)	
	Of which :			
	Statutory Reserve	B1	593	
	Securities Premium	B2	626	
	Balance in Profit & Loss Account	B3	(18,339)	
	Investment Fluctuation Reserve	B4	10	
	Employees stock option outstanding	C	411	
	Minority Interest	D	-	
	AFS Reserve	E	(4)	
	Total Capital	A+B+C+D+E	**7,947**	
Ii	Deposits	E	43,442	
	of which: Deposits from banks	E1	-	
	of which: Customer deposits	E2	43,442	
	of which: Other deposits (pl. specify)	E3	-	
iii	Borrowings	F	2,668	
	of which: From RBI	F1	-	
	of which: From banks	F2	2,668	
	of which: From other institutions &agencies	F3	-	
	of which: Others (pl. specify)	F4	-	
	of which: Capital instruments	F5	-	
iv	Other liabilities & provisions	G	32,196	
	of which: DTLs related to goodwill	G1		
	of which: DTLs related to intangible assets	G2		
	Total		**86,253**	
B	**Assets**			
i	Cash and balances with Reserve Bank of India	H	14,438	
	Balance with banks and money at call and short notice	I	12,798	
ii	Investments	J	39,255	
	of which: Government securities	J1	39,255	
	of which: Other approved securities	J2	-	
	of which: Shares	J3	-	
	of which: Debentures & Bonds	J4	-	

	of which: Subsidiaries / Joint Ventures / Associates	J5	-	
	of which: Others (Commercial Papers, Mutual Funds etc.)	J6	-	
iii	Loans and advances	K	-	
	of which: Loans and advances to banks	K1	-	
	of which: Loans and advances to employees	K2	-	
iv	Fixed assets	L	7,872	
v	Other assets	M	11,890	
	of which: Goodwill and intangible assets Out of which:		-	
	Goodwill	M1	-	
	Other intangibles (excluding MSR)	M2	-	
	Deferred tax assets	M3	3,437	
vi	Goodwill on consolidation	N	-	
vii	Debit balance in Profit & Loss account	O	-	
		Total	**86,253**	

DF 13: Main features of Regulatory capital Instruments		
Disclosure template for main features of regulatory capital instrument		
Sr No	**Particulars**	**Equity Shares**
1	Issuer	Airtel Payments Bank Limited
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	NA
3	Governing law(s) of the instrument	Applicable Indian Statutes and regulatory requirements
	Regulatory treatment	
4	Transitional Basel III rules	Common equity Tier 1
5	Post-transitional Basel III rules	Common equity Tier 1
6	Eligible at solo/group/ group & solo	Solo
7	Instrument type	Common Shares
8	Amount recognized in regulatory capital (as of most recent reporting date)	INR 24,650.07 Million
9	Par value of instrument	Rs 10/-
10	Accounting classification	Capital
11	Original date of issuance	Rs 6,443.82 Million up to Nov 21, 2016 Rs 3,500 Million - March 15, 2017 Rs 106.43 Million - August 28, 2017 Rs 1.13 Million –March 31,2021 Rs 2.10 Million-June 07,2021 Rs 13,278.50 Million –September 27,2021 (Non Cumulative CCPS converted in to Equity Shares) Rs 151.50 Million-November 22,2021 Rs 259.24 Million-May 31,2022 Rs 259.24 Million-September 18,2023 Rs. 485.04 Million- March 22,2024 Rs. 777.73 Million-November 16,2024 (Including Share premium)
12	Perpetual or dated	Perpetual
13	Original maturity date	No Maturity date
14	Issuer call subject to prior supervisory approval	No
15	Optional call date, contingent call dates and redemption amount	NA
16	Subsequent call dates, if applicable	NA
	Coupons / dividend	
17	Fixed or floating dividend/coupon	NA
18	Coupon rate and any related index	NA
19	Existence of a dividend stopper	NA
20	Fully discretionary, partially discretionary or mandatory	Fully discretionary

21	Existence of step up or other incentive to redeem	No
22	Noncumulative or cumulative	Non-Cumulative
23	Convertible or nonconvertible	NA
24	If convertible, conversion trigger(s)	NA
25	If convertible, fully or partially	NA
26	If convertible, conversion rate	NA
27	If convertible, mandatory or optional conversion	NA
28	If convertible, specify instrument type convertible into	NA
29	If convertible, specify issuer of instrument it converts into	NA
30	Write-down feature	NA
31	If write-down, writedown trigger	NA
32	If write-down, full or partial	NA
33	If write-down, permanent or temporary	NA
34	If temporary write-down, description of write-up mechanism	NA
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Depositors of the bank, Secured Borrowings , Creditors of the Bank.
36	Non-compliant transitioned features	No
37	If yes, specify non-compliant features	NA

DF 14: Terms and conditions of Regulatory Capital Instruments		
Full Terms and Conditions of Equity Shares of Airtel Payments Bank Limited		
Sr No	**Particulars**	**Full Terms and Conditions**
1	Voting shares	Equity Shares of Airtel Payments Bank Limited are Voting Shares
2	Limits on Voting Shares	Limits on Voting rights are applicable as per provisions of the Banking Regulation Act 1949.
3	Position in Subordination hierarchy	Represent the most Subordinated claim on liquidation of the Bank. It is not secured or guaranteed by issuer or related entity nor subject to any other arrangement that legally or economically enhances the seniority of the claim
4	Perpetuity	Principal is perpetual and never repaid outside of liquidation (Except discretionary repurchases/buy backs or other means of effectively reducing capital in a discretionary manner that is allowable under relevant law as well as guidelines, if any issued by RBI in the matter)
5	Accounting Classification	The paid up amount is classified as Equity Capital in Banks Balance Sheet
6	Distributions	Distributions are paid out of Distributable items (retained earnings included). There are no circumstances under which distributions are obligatory. Non Payment is therefore not an event of default
7	Approval for Issuance	Paid up capital is only issued with approval given by Board of Directors and Shareholders, as applicable

Table DF-15

Disclosure on Remuneration

Qualitative Disclosure

a. **Information relating to the composition and mandate of the Remuneration Committee:**
The Nomination & Remuneration committee comprises of non-executive directors including Independent Directors of the Bank. Key mandate of the Nomination & Remuneration committee is to oversee the identification, appointment and fixation of remuneration of directors, Key Managerial Personnel ("KMP") and senior management positions and in overall design and operation of the compensation policy of the Bank to achieve alignment between risks and remuneration.

b. **Information relating to the design and structure of remuneration processes and the key features and objectives of remuneration policy:**
   - To lay down the criteria and terms and conditions with regard to appointment of Directors (executive and non-executive including Independent Directors), KMP and senior management.
   - To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage for the Bank.
   - To determine remuneration of Directors, KMPs and other senior management personnel's keeping in view all relevant factors including industry trends and practices.
   - To provide for rewards linked directly to their effort, performance, dedication and achievement of Bank's targets.

   The remuneration process is aligned to the Bank's Compensation Policy objectives.

c. **Description of the ways in which current and future risks are taken into account in the remuneration processes. It should include the nature and type of the key measures used to take account of these risks:**
In order to manage current and future risk and allow a fair amount of time to measure and review both quality and quantity of the delivered outcomes, a significant portion of senior and middle management compensation is variable.

   In addition, remuneration process provides for 'malus' and 'clawback' option to take care of any code of conduct related issue or future drop in performance of individual/ business/ bank.

d. **Description of the ways in which the bank seeks to link performance during a performance measurement period with levels of remuneration:**
Individual performance is assessed against the Key Result Areas (KRAs) determined for each Individual and bank (Airtel Payments Bank Limited) for the year to achieve the top business priorities. The Total Cost to bank (TCC) for all employees is a mix of fixed pay and variable pay. The variable pay, as a percent of the TCC is a function of the nature of job and the band of the individual in the hierarchy. The variable payout is calculated as a percent of the target variable pay basis individual performance against the pre – determined KRAs and the bank's performance measured against a bank-specific scorecard.

e. A discussion of the bank's policy on deferral and vesting of variable remuneration and a discussion of the bank's policy and criteria for adjusting deferred remuneration before vesting and after vesting:

Employees are classified into following three categories for the purpose of remuneration:

Category I: Chief Executive Officer (CEO) & Material Risk takers (MRT)

Category II: Risk Control and Compliance Staff

Category III: Other categories of Staff

Following principles are applied for deferral / vesting of variable remuneration in accordance with RBI guidelines and Bank's compensation policy:

Category I: Chief Executive Officer (CEO) & Material Risk takers (MRT)

a. The total variable pay shall be limited to a maximum of 300% of the fixed pay (for the relative performance measurement period). In case variable pay is up to 200% of the fixed pay, a minimum of 50% of the variable pay; and in case variable pay is above 200%, a minimum of 67% of the variable pay should be via non-cash instruments.
b. The Cash component of the Variable Pay will not exceed 50% of the Variable Pay.
c. In case the Variable Pay in any year reaches the level of 50% or more of the Total Fixed Pay, an appropriate portion of the Variable Pay shall be deferred as per the Board approved Remuneration Policy.

The compensation will be approved by the Nomination and Remuneration committee. Additionally, compensation of MD & CEO will further approved by RBI.

Category II: Risk Control and Compliance Staff

The bank has separated The Risk, Control and Compliance functions from Business functions in order to create a strong culture of checks and balances and to eliminate any possible conflict of interest between revenue generation and risk management and control. Accordingly, overall variable pay as well as annual salary increment of the employees in these functions will be based on their performance and functional objectives. The Bank ensures that the mix of fixed to variable compensation for these functions is weighed in favour of fixed compensation. A reasonable proportion of compensation will be in the form of variable pay, so that exercising the options of malus and/or clawback, when warranted, is not rendered infructuous.

Category III: Other categories of Staff

This category includes all other employees, not covered in the first 2 categories.

For adjusting deferred remuneration before & after vesting:

The deferred/variable remuneration (including Long Term Incentive) of employees shall be subject to malus/clawback arrangements in the event of negative contributions of the bank and/or the relevant line of business in any year.

Malus: A malus arrangement permits the bank to prevent vesting of all or part of the amount of a deferred remuneration, however, it does not reverse vesting after it has already occurred.

Clawback: A clawback is a contractual agreement between the employee and the bank wherein the employee returns previously paid or already vested deferred/variable pay to the Bank under certain circumstances.

Under Malus and/or clawback arrangement, the bank, at the discretion of Nomination and remuneration Committee/Board of Directors, shall have the power to prevent vesting of all or part of the amount of a deferred/variable remuneration or reduce, withhold, cancel, clawback such remuneration or impose further conditions in certain circumstances including:

- Significant drop in performance of individual/ bank;
- Disciplinary Action against the individual;
- Resignation of the individual prior to the payment date;
- Directions/approval of any authority governing the bank.

f. Description of the different forms of variable remuneration (i.e. cash, shares, ESOPs and other forms) that the bank utilizes and the rationale for using these different forms:

The main forms of such variable remuneration include:

- Cash – this may be at defined intervals (quarterly/annual/other custom frequency).
- Deferred Cash / Deferred Incentive Plan.
- ESOP as per SEBI guidelines.

The form of variable remuneration depends on the job level of individual, risk involved, the time horizon for review of quality and longevity of the assignments performed.

g. Quantitative Disclosure:

(*Rupees in Crores except no. reported*)

Sr. No.	Particulars	As on / for the year ended March 31,2026	As on / for the year ended March 31,2025
I	Number of meetings held by the Remuneration Committee during the financial year Remuneration paid to its members. (Sitting Fees)	4 0.10	4 0.08
II	Number of employees having received a variable remuneration award during the financial year.	3	2
III	Number and total amount of sign-on/Joining bonus made during the financial year	-	-
IV	Details of severance pay, in addition to accrued benefits, if any.	-	-
V	Total amount of outstanding deferred remuneration, split into cash, type of share-linked instruments and other forms.	4.50	1.93

VI	Total amount of deferred remuneration paid out in the financial year.	2.80	1.20
VII	Breakdown of amount of remuneration awards for the financial year to show fixed and variable, deferred and non-deferred*. Fixed pay including perquisites Deferred Variable pay Non-Deferred Variable pay Share Linked Instruments (ESOP grant)	 6.20 1.10 2.22 3.35	 3.91 0.99 0.99 2.41
VIII	Total amount of outstanding deferred remuneration and retained remuneration exposed to ex-post explicit and / or implicit adjustments.	-	-
IX	Total amount of reductions during the financial year due to ex- post explicit adjustments.	-	-
X	Total amount of reductions during the financial year due to ex- post implicit adjustments.	-	-
XI	Number of MRTs identified.	3	2
XII	Number of cases where malus has been exercised.	-	-
XIII	Number of cases where clawback has been exercised	-	-
XIV	Number of cases where both malus and clawback have been exercised	-	-

h. General Quantitative Disclosure

Particulars	For the year ended March 31,2026	For the year ended March 31,2025
Ratio/Deviation of pay of WTD from the mean pay	The mean pay for the bank as a whole is 0.20 Cr. The ratio of the fixed pay of MD and CEO to the mean pay of the bank as a whole is 18.15:1.	The mean pay for the bank as a whole is 0.20 Cr. The ratio of the fixed pay of MD and CEO to the mean pay of the bank as a whole is 13.55:1.

Table DF-16

Equities – Disclosure for Banking Book Positions

Qualitative Disclosures	The bank has not made any investment in Private Equity
Quantitative Disclosures	NA

Table DF 17

Summary Comparison of Accounting Assets vs. Leverage Ratio Exposure Measure

1. Leverage ratio is defined as the ratio of total exposures (the denominator) to the net worth (the numerator) expressed as a percent. Leverage Ratio prevents buildup of excessive leverage and works as a non-risk based backstop measure. It is calibrated to act as a credible supplementary measure to the risk based capital requirements.
2. Payments Banks are required to have a leverage ratio of not less than 3 percent, which implies its total exposures should not exceed 33.33 times of its net worth.
3. The Bank's status with regard is submitted to RBI at quarterly intervals.
4. The details as on 31st March, 2026 are as follows:

Sr no	Item	(Rs. in million
1	Total consolidated assets as per published financial statements	86,253
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	3,437
4	Adjustments for derivative financial instruments	-
5	Adjustment for securities financing transactions (i.e. repos and similar secured lending)	-
6	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off- balance sheet exposures)	1,805
7	Other adjustments	
8	**Leverage ratio exposure**	**84,620**

Table DF-18

Leverage Ratio common disclosure template

The leverage ratio acts as a credible supplementary measure to the risk based capital requirement. The Bank's leverage ratio as on March 31,2026 calculated in accordance with RBI guidelines is as follows: -

(Rupees in million)

Sr No	Particulars	March 26
On-balance sheet exposures		
1	On-balance sheet items (excluding derivatives and SFTs, but including collateral)	86,253
2	(Asset amounts deducted in determining Basel III Tier 1 capital)	3,437
3	**Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 2)**	**82,815**
Derivative exposures		
4	Replacement cost associated with all derivatives transactions (i.e. net of eligible cash variation margin)	-
5	Add-on amounts for PFE associated with all derivatives transactions	-
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)	-
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	1,805
18	(Adjustments for conversion to credit equivalent amounts)	
19	Off-balance sheet items (sum of lines 17 and 18)	1,805
Capital and total exposures		
20	**Tier 1 capital**	**4,089**
21	**Total exposures (sum of lines 3, 11, 16 and 19)**	**84,620**
Leverage ratio		
	Basel III leverage ratio	4.83%