

Approach for Gradation of Risk

The risk premium attached with a customer shall be assessed inter-alia based on the following factors:

- (a) profile and market reputation of the borrower,
- (b) inherent nature of the product, type / nature of facility, refinance avenues, whether loan is eligible for bank financing, NHB financing, NHB schemes for refinancing, loan to value of asset financed,
- (c) tenure of relationship with the borrower group, past repayment track record and historical performance of our similar clients,
- (d) group strength, overall customer yield, future potential, repayment capacity based on cash flows and other financial commitments of the borrower,
- (e) nature and value of primary and secondary collateral / security,
- (f) type of asset being financed, end use of the loan represented by the underlying asset,
- (g) interest, default risk in related business segment,
- (h) regulatory stipulations, if applicable,
- (i) and any other factors that may be relevant in a particular case.