KVB Karur Vysya Bank

Smart way to bank

Integrated Annual Report

2025-26

Growth with Discipline, **Delivery** with Consistency.

Integrated Thinking

Our fifth Integrated Annual Report reflects how we combine financial strength with innovation, governance, sustainability and stakeholder trust. This approach helps us navigate a rapidly transforming financial ecosystem. More than a performance review, this report presents the broader story of our progress, strategic priorities and future readiness.

Frameworks, Guidelines, and Standards

- <IR> Framework of International Financial Reporting Standards
- Companies Act, 2013 and the rules made thereunder
- Indian Accounting Standards
- SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
- Secretarial Standards Issued by the Institute of Company Secretaries of India
- Banking Regulation Act, 1949
- Regulations, circulars and guidelines issued by the Reserve Bank of India (RBI)
- With reference to Global Reporting Initiative (GRI) Universal Standards, 2021

Reporting Scope and Boundary

This report presents the factors influencing business outcomes and future preparedness while maintaining transparency and reliability for all stakeholders. No material changes occurred during the reporting period relating to the Bank's size, ownership, or organizational structure.

Forward-looking Statements

This report may contain forward-looking statements based on current assumptions, expectations, and projections of Karur Vysya Bank. These statements are subject to risks and uncertainties that may cause actual outcomes to differ materially from those anticipated. The Bank does not undertake any obligation to revise or update these statements based on future developments or changing circumstances unless required by law.

Feedback

We welcome stakeholder feedback to improve the relevance, accuracy and completeness of our reporting. Your insights support our commitment to transparency and informed decision-making. For queries or suggestions, stakeholders may reach out via E-mail at kvb_sig@kvb.bank.in.

Integrated Value Creation

Capitals

- Financial Capital
- Manufactured Capital
- Intellectual Capital
- Human Capital
- Social and Relationship Capital
- Natural Capital

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Strategies

People · Practices · Partnerships · Processes · Planning

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Creating Impact across

- Shareholders and Investors
- Government and Regulatory Authorities
- Customers
- Employees
- Banking Associations and Industry Bodies
- Partners, Vendors and Service Providers
- Local Communities and NGOs
- Environment

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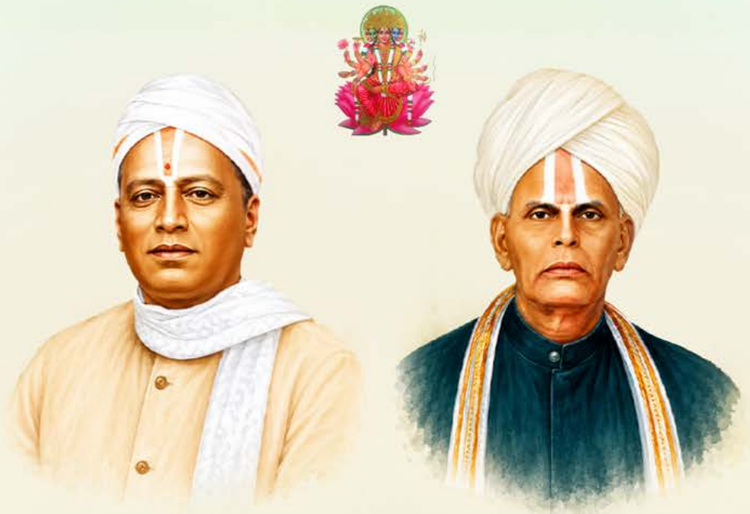
Tribute to our Visionary Founders



Shri M. A. Venkatarama Chettiar **Shri Athi Krishna Chettiar**

Founded in 1916 in the town of Karur, Karur Vysya Bank has grown over the past 110 years into one of India's respected banking institutions. The Bank was established through the foresight and determination of Shri M. A. Venkatarama Chettiar and Shri Athi Krishna Chettiar, who came together with a shared vision to support farmers and traders affected by the economic challenges following the First World War.

With an initial capital of ₹1 Lakh, raised largely through personal guarantees to investors, the founders laid a strong foundation built on trust, integrity and responsibility. Through the adoption of progressive provisions in the Articles of Association, the institution established a strong foundation for ethical banking and social accountability, setting a precedent for practices that later became more common within the banking sector.

Over the decades, this commitment to customer-centricity, integrity and community development has shaped the Bank's journey. From our humble beginnings in Karur to becoming a pan-India banking institution, Karur Vysya Bank today serves more than 10 Mn customers with a wide range of tailored financial products and services.

As we continue to evolve in a dynamic financial landscape, we remain firmly rooted in the values our founders envisioned. Their legacy continues to inspire us as we pursue sustainable growth and contribute meaningfully to India's economic progress.

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Best Small Indian Bank

Awarded by Business Today - KPMG

3rd consecutive year

Karur Vysya Bank was honoured with the Best Small Indian Bank Award at the prestigious 30th edition of the Business Today–KPMG Best Banks Awards 2026, marking the third consecutive year that the Bank has received this recognition. The Business Today–KPMG Best Banks Awards are among India's most respected banking honours, recognising institutions that demonstrate excellence across financial performance, business growth, asset quality, governance, risk management and customer-centricity through a rigorous evaluation process. The award reaffirms Karur Vysya Bank's sustained focus on prudent growth, operational excellence and long-term value creation.

Mr. B. Ramesh Babu, Managing Director & CEO, received the award on behalf of the Bank at the Business Today Banking & Economy Summit 2026 held in Mumbai.

For FY 2024-25

For FY 2022-23

For FY 2023-24

Growth with Discipline, Delivery with Consistency.

Every journey forward is driven by purpose, strengthened by discipline and sustained through consistent execution. At Karur Vysya Bank, these principles have guided the way we grow, serve and create lasting value. As the operating environment evolves, we continue to pursue growth that is measured, resilient and aligned with our long-term objectives. This approach has strengthened our franchise, enabled superior financial outcomes and reinforced stakeholder confidence.

Our performance reflects the strength of a strategy rooted in prudence and consistency. We expanded our business while maintaining a strong balance sheet, healthy profitability, prudent asset quality and a sound capital position. By combining ambition with sound judgment, we advanced our growth agenda while further strengthening the Bank's foundation.

This is the essence of **Growth with Discipline, Delivery with Consistency.** It reflects our ability to combine ambition with restraint, performance with responsibility and progress with reliability.

We remain focused on deepening customer relationships, enhancing operational excellence and leveraging technology to improve efficiency and service delivery. At the same time, we continue to uphold the values that have guided KVB for more than a century: trust, accountability and responsible banking.

Our commitment to long-term value creation extends beyond financial performance. Through responsible business practices and a structured ESG framework, we seek to create lasting impact for customers, employees, communities and shareholders alike.

With clarity of purpose, disciplined execution and a proven ability to deliver consistently, Karur Vysya Bank is well positioned to sustain its growth momentum and create value in the years ahead.

Cover Note

The cover visual captures our journey of achieving **'Growth with Discipline, Delivery with Consistency.'** The cyclists represent our collective strength, resilience, and focused execution, progressing steadily toward shared goals. The winding road symbolizes the dynamic business environment, while the milestone arches signify key achievements reached through disciplined planning and consistent performance. Together, the imagery reflects a journey where every milestone is earned through perseverance, teamwork, and operational excellence.

Growth in banking creates value when it is guided by discipline and delivered through reliable execution.

Understanding the Report

Leadership and Governance

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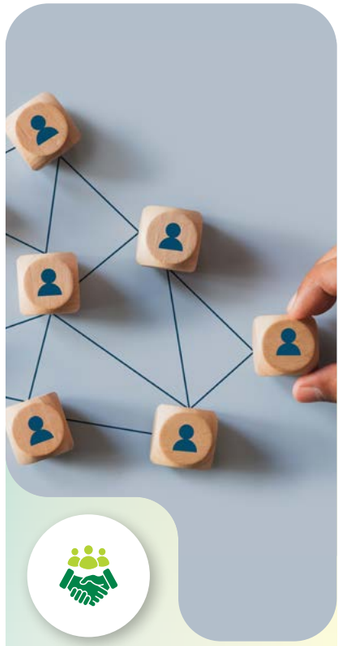

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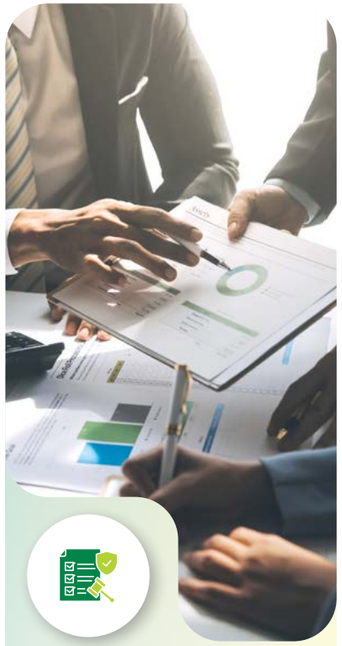

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Growth in Numbers. Consistency in Outcomes.

Financial Highlights

₹2,14,420 Crore
Total Business
15% Y-o-Y Growth

17.79%
RoE
151 bps Y-o-Y Growth

4.11%
NIM
2 bps Y-o-Y Growth

18.76%
Capital Adequacy Ratio
59 bps Y-o-Y Growth

₹1,15,666 Crore
Total Deposits
13% Y-o-Y Growth

0.19%
Net NPAs
(1) bps Y-o-Y Growth

₹98,754 Crore
Total Advances
17% Y-o-Y Growth

130%
Proposed Dividend

1.93%
RoA
21 bps Y-o-Y Growth

₹2,510 Crore
Net Profit
29% Y-o-Y Growth

Manufactured Capital

13
Branches Added

Intellectual Capital

97%
Transactions Served Digitally

22%
Y-o-Y Growth in Digital Transactions

Natural Capital

605 tCO_2e
GHG Emissions Avoided

209.02 MT
Waste Recycled

Human Capital

9,883
Employees

28%
Women Employees

27.53 Average Training Hours per Employee

2,68,148
Total Training Hours
(Excl. Part-Time Staff)

Social and Relationship Capital

1,02,08,660
Customers

10,25,365
New Customers

2,83,721
Lives Impacted

₹ 40.65 Crore
CSR Spend

Governance

78%
Independent Directors
(as on Date)

33%
Women Directors

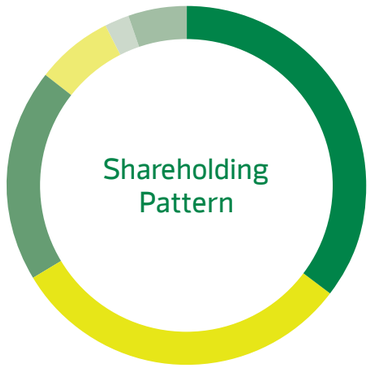
195 Hours
Training Programs for the Directors

Legacy of Discipline. Future of Growth.

Since its inception in 1916 in Karur, Tamil Nadu, Karur Vysya Bank ('KVB', 'The Bank', ' Your Bank', ' We') has steadily transformed into a leading financial institution with a strong national footprint. From our origins as a bank serving local traders and the agricultural community, we have grown into a modern banking powerhouse serving retail, commercial, agricultural, MSME and corporate customers across India.

Built on a strong foundation of trust, we combine banking expertise with digital innovation to deliver simple, secure and customer-focused financial solutions.

Our commitment extends beyond financial growth. Through responsible banking, sustainable practices and community development initiatives, we strive to create lasting value for the communities we serve. At the same time, we support economic progress through technology adoption, fintech partnerships and greater financial inclusion, while upholding the highest standards of integrity, governance and stakeholder value creation.



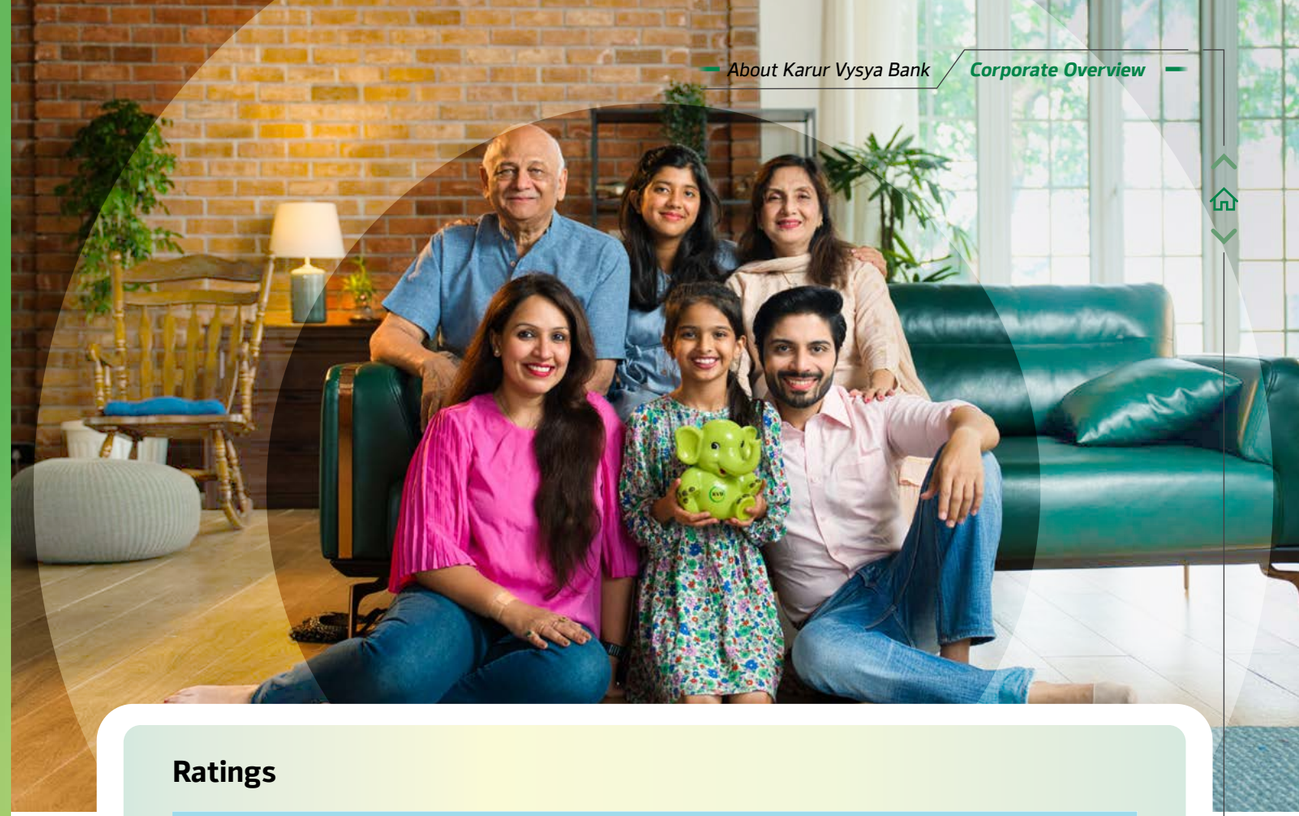
Shareholder Category	Shareholding (%)
Resident Individuals	35.51
Mutual Funds	31.00
Foreign Portfolio Investors	19.25
Insurance Companies	6.95
Promoter Group	2.07
Others	5.22

Vision

To be the preferred choice of stakeholders and deliver value by blending technology with tradition.

Mission

To provide superior banking experience by using technology to deliver the entire gamut of financial products under one roof, easily available to the customers across physical and digital channels.



Ratings

Rating Agency	Instrument	Ratings*
ICRA	Certificate of Deposit	**[ICRA] A1+**
	Issuer Rating	**[ICRA] AA (Stable)**
CRISIL An S&P Global Company	Certificate of Deposit	**CRISIL A1+**
CareEdge RATINGS	Short Term Fixed Deposit	**CARE A1+**
	Fixed Deposits	**CARE AA (Stable)**

*All ratings were reaffirmed as on date

Business Segments

Structured across four focused business divisions - Commercial Banking, Consumer Banking, Agricultural Banking and Corporate and Institutional Banking - our offerings span a comprehensive suite of products and services. We have tailored these products and services, keeping the evolving needs of individuals, businesses and enterprises at every stage of their financial journey in mind.

Commercial Banking Group (CBG)

Key Offerings

Fund-Based Facilities

- Working Capital Finance
  - Open Cash Credit
  - Secured Overdraft
  - Cash Credit against Book Debts
- Term Loan
  - Machinery Loans
  - Commercial Mortgage Term Loans
  - Rentfin
  - Commercial Real Estate (CRE) Loans
  - Commercial Vehicle Loans
  - Commercial Gold Loan
- Export Credit Finance
  - Pre-Shipment Finance
  - Post-Shipment Finance
- Transaction Banking Services
  - Supply Chain Finance (Dealer/Vendor Finance)
  - TReDS
  - Factoring
- Cash Flow Based Products
  - GST Overdraft (up to ₹ 200 Lakh)
  - GST Surrogate Master (up to ₹ 200 Lakh)

Non-Fund Based Facilities

- Bank Guarantees (including e-BG)
- Letter of Credit (ILC/FLC)

₹ 69.20 Lakh
Average Ticket Size

Consumer Banking Department (CBD)

Key Offerings

Retail Assets

- Housing Loans
- Two-Wheeler Loans
- Personal Loans
- Gold Loans
- Mortgage Loans
- Deposit Loans
- Four-Wheeler Loans
- Education Loans
- Rentfin Loans
- Credit Cards

₹ 16.54 Lakh
Average Ticket Size

Retail Liabilities

- Current Accounts
- Savings Accounts
- Cash Management Services
- Life, Health and General Insurance through Partners
- FASTag
- Recurring Deposits
- Mutual Fund Products through Partner Tie-Ups
- Term Deposits
- NRI Deposits
- Debit Cards with Offers and Reward Program
- Gift and Prepaid Cards
- Multi-Currency Travel Cards
- Demat Services
- Trading Services through Tie-Up with Partners
- Merchant Acquiring Solutions including POS, UPI QR, Payment Gateway (PG)
- Bharat Connect (BBPS)
- Locker Facility
- Social Security Schemes such as APY, PMSBY, PMJJBY and National Pension System, among Others

Agricultural Banking Group (ABG)

Key Offerings

- Crop Loans
- Dairy Loans
- Fishery Loans
- Poultry Loans
- Horticulture Loans
- Warehouse Receipt Loans
- Agri Infrastructure Loans
- FPO Loans
- Joint Liability Group Loans
- Agri Gold loans

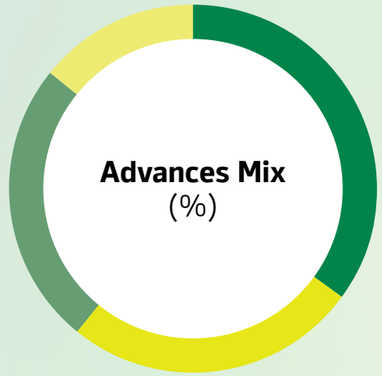
₹ 3.60 Lakh
Average Ticket Size

Corporate & Institutional Group (CIG)

Key Offerings

- Working Capital Finance
- Term Loans
- Specialised Corporate Finance Products

₹37.01 Crore
Average Ticket Size



Commercial	35
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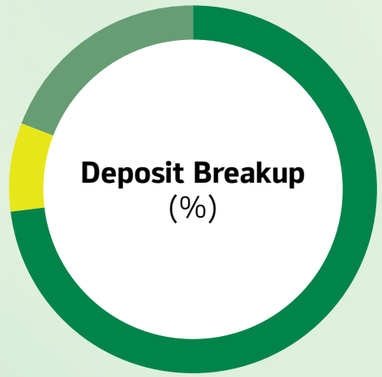

Term	73.09
Demand	7.90
Savings	19.01

Chairperson's Message

As Chairperson, I take this opportunity to acknowledge the efforts of our leadership team and employees, whose dedication enabled the Bank to deliver with consistency in a dynamic operating environment. Their ability to serve customers with responsiveness, uphold internal discipline and support the Bank's priorities has been central to the progress.

Dr Meena Hemchandra
Part-time Chairperson

Dear Stakeholders,

It is my privilege to address you at an important milestone in Karur Vysya Bank's journey, as we complete 110 years of service. Reaching this milestone reflects the strength of our business model, the trust placed in us by generations of customers, and the governance framework that has guided the Bank through changing economic cycles. Throughout our journey, the principles of prudence, accountability, transparency, and ethical conduct have remained central to our decision-making and continue to shape how we create value for all stakeholders.

As Chairperson, I take this opportunity to acknowledge the efforts of our leadership team and employees, whose dedication enabled the Bank to deliver with consistency in a dynamic operating environment. Their ability to serve customers with responsiveness, uphold internal discipline and support the Bank's priorities has been central to the progress.

FY 2025-26 was also a year in which the Bank sustained its business momentum while remaining anchored in the principles that have shaped its long-standing character. Our performance was supported by focused execution across businesses, stronger customer engagement, improved operating effectiveness and disciplined risk practices.

Strong Performance amid Evolving Macroenvironment

FY 2025-26 was characterised by improving global economic conditions, with moderating inflation enabling several central banks to gradually shift their focus toward supporting growth. While geopolitical developments and evolving trade dynamics continued to shape global markets, economic activity remained supported by steady demand, expanding investment flows and improving business confidence.

India continued to distinguish itself as one of the world's fastest-growing major economies, recording real GDP growth of 7% and above in FY 2025-26. This performance was driven by strong domestic consumption, a revival in private sector capital expenditure, and supportive policy measures. Easing inflation, particularly in food prices, created room for monetary accommodation. Accordingly, the Reserve Bank of India undertook a cumulative cut of 125 basis points in the repo rate to 5.25% by December 2025 (Calendar Year) to support growth but maintained its policy stance in subsequent Monetary Policy Committee (MPC) meetings in view of the volatile external environment.

The banking sector benefited from this favourable backdrop. Karur Vysya Bank also delivered a strong performance in FY 2025-26, achieving our highest-ever earnings. Total Business grew by 15% Y-o-Y to ₹2,14,420 Crore from ₹1,86,569 Crore in FY 2024-25. Our strategy to accelerate credit growth during the first quarter also played a key role in business growth. Net Profit increased by 29% Y-o-Y to ₹2,510 Crore from ₹1,942 Crore. Return on Equity (ROE) improved from 16.28% to 17.79%, while Return on Assets (ROA) increased from 1.72% to 1.93%. The Bank continued to maintain strong asset quality, with Gross NPA (GNPA) at 0.75% and Net NPA (NNPA) at 0.19%, reflecting prudent risk management.

Strategic Focus Areas

We continued to advance our strategic priorities. Our lending strategy remained anchored in the Retail, Agriculture and MSME (RAM) segments, which accounted for 86% of total advances and continued to drive business expansion. We maintained a disciplined approach to portfolio growth, staying selective in segments facing heightened pricing competition.

We expanded our physical presence by surpassing the 900-branch milestone, enhancing our reach and strengthening our market presence. Our jewel loan portfolio remained a key growth driver, supported by strong demand. Conservative loan-to-value levels were maintained to ensure a balanced approach to growth and risk management. In parallel, we strengthened our liability franchise further by deepening transaction banking relationships and focusing on quality CASA acquisition. In corporate banking, we pursued opportunities selectively across sectors offering attractive risk-adjusted returns.

> FY 2025-26 was also a year in which the Bank sustained its business momentum while remaining anchored in the principles that have shaped its long-standing character. Our performance was supported by focused execution across businesses, stronger customer engagement, improved operating effectiveness and disciplined risk practices.

Digital Excellence

Digital transformation continued to strengthen our growth strategy during the year by enhancing customer experience, business banking capabilities, payments, security and internal efficiency. Our digital agenda spans retail, MSME and corporate customers, while also improving process agility across the organization. KVB DLite continued to support convenient digital banking for retail customers, while KVB Corp strengthened engagement with corporate and SME customers through a dedicated business banking platform. The Transaction Banking Group remained focused on delivering technology-enabled solutions for corporate and MSME customers, supporting relationships and improved service delivery. Alongside customer-facing platforms, we continued to digitise internal processes, strengthen digital transaction monitoring and improve turnaround times. These initiatives are helping us build a more secure, responsive and efficient banking ecosystem across customer segments.

Cybersecurity Commitment

Our expanding digital footprint is underpinned by a forward-looking cyber security framework. Continued focus and investment in the cyber security reflects the commitment on secure digital banking. Standards are being maintained with upgradation of ISO 27001 to latest 2022 standards. The Bank will be strictly aligned with the Government of India's Digital Personal Data Protection (DPDP) framework.

Robust Corporate Governance

Governance has been the foundation on which Karur Vysya Bank has grown over the years. I am happy to report that during FY 2025-26, we continued to build on it through an independent, diverse and engaged Board, supported by focused committee oversight and disciplined leadership planning.

During the year, Shri B Ramesh Babu has been re-appointed as Managing Director and Chief Executive Officer, extending his tenure until July 2028. I believe this provides stability to the Bank's strategic direction while enabling the Board to plan the next phase of leadership transition in a structured manner. I also take the opportunity to welcome Dr. Mythili Vutukuru to the Board as an Independent Director. Her experience in technology and digital transformation adds valuable perspective at a time when these areas are becoming increasingly important to the Bank's future. I am also happy to note the

reappointment of CA Dr Chinnasamy Ganesan, whose continued presence brings valuable institutional knowledge and continuity to the Board. I place on record my sincere appreciation to our former Directors, Shri K G Mohan and Shri R Ramkumar, for their invaluable contributions in their respective field of expertise and who demitted office upon completion of their tenure since last Annual General Meeting.

The diversity and depth of our Board brings together strong experience across banking, finance, governance, regulation, technology audit, law, risk management and so on. Our diversified board strengthens the quality of discussion, oversight and decision-making. Our Board-level committees continued to provide focused oversight across areas such as audit, risk management, compliance, information technology, fraud monitoring, customer service, appointment related matters, CSR & ESG. Their guidance has helped us maintain discipline as we pursue growth, strengthen systems and respond to an evolving operating environment.

Shareholder Value

During FY 2025-26, with the approval of Shareholders, the Bank has allotted bonus shares in the ratio of (1:5) one Equity Share each for every five existing Equity Shares. Following the expansion of the equity base through the bonus issue, the Board of Directors has recommended a dividend of ₹ 2.60 per equity share of face value ₹ 2 each (130%) for the FY 2025–26, which reflects the Bank's continued focus on sharing value with those who have supported our journey. For our shareholders, in particular, these actions represent both participation in the Bank's progress and confidence in its long-term direction.

Our approach to shareholder value is supported by the Bank's growing financial strength. Book value per share increased steadily to ₹145.95 as of 31st March 2026, which includes proposed dividend from ₹122.42 two years earlier. At the same time, our balance sheet remains adequately capitalized to support future growth, with our Basel III Capital Adequacy Ratio at 18.76%.

Credit Ratings

The Bank's financial strength was validated by external ratings agencies, with ICRA reaffirming the Bank's AA (Stable) Issuer Rating and A1+ rating for Certificate of Deposit, while CRISIL reaffirmed the A1+ rating for Certificate of Deposit. CARE also re-affirmed the A1+ rating for Short-Term Fixed Deposits and an AA (Stable) rating for Fixed Deposits. These ratings reflect confidence in the Bank's capital position, liquidity and overall financial stability.

Risk Management and Regulatory Compliance

Our Enterprise Risk Management framework continues to evolve into a more data-driven model. This enables us to monitor risks more closely and respond with greater preparedness across key portfolios.

In the agriculture segment, we undertook enhanced monitoring of agri-jewel loans in view of rising gold prices and maintained a conservative loan-to-value ratio of 55.53% to mitigate market-related risks. The Bank also established a product-level concentration limit internally for gold loans to support portfolio diversification. In the investment portfolio, we selectively increased exposure to corporate bonds and State Development Loans that met our risk and return parameters.

To strengthen stressed asset resolution, dedicated teams were established for legal recovery, collateral possession and asset disposal, enabling faster resolution and value realization. In view of evolving external risks, a one-time prudential provision of ₹ 163 Crore was created to provide a buffer against potential geopolitical uncertainties and their impact on vulnerable sectors. Additionally, an incremental provision of ₹ 1.64 Crore was made towards compliance with new labour code requirements.

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Shaping a Sustainable Future

During FY 2025-26, we strengthened our commitment to responsible and sustainable growth by embedding ESG considerations into our business strategy.

Our people remain at the center of our growth journey. We continued to invest in employee development through focused learning programs covering diversity and inclusion, ethics, employee well-being and leadership capabilities. Our CSR initiatives remained focused on creating sustainable community impact across key areas such as healthcare, education, skill development, rural development, financial literacy and social welfare. During the year, the Bank spent ₹ 40.65 Crore toward CSR initiatives, supporting improved healthcare access, nutritional assistance for school children, livelihood enhancement for underprivileged youth and women, financial awareness and holistic rural development through strategic partnerships.

The progress made in our sustainability journey was validated by the Bank's improved CRISIL ESG score to 68 with a 'Strong' rating. This is a matter of institutional pride, as it reflects the growing depth of our ESG practices and reinforces our commitment to responsible, inclusive and sustainable value creation.

The Path Ahead

Looking ahead, we remain focused on strengthening our CASA franchise and retail deposits to support future credit expansion. We are confident of sustaining momentum across our RAM businesses, supported by a customer-centric approach and proactive customer engagement. At the same time, we continue to prioritize cybersecurity, risk management, operational resilience, and disciplined underwriting to preserve our strong asset quality. Backed by a robust capital position and an expanding branch network, we are well-positioned to deepen customer reach, drive sustainable growth and create long-term value for our stakeholders.

Gratitude Note

I take immense pride in the accomplishments that have been recognized through several prestigious awards and accolades, reflecting the dedication of our teams and the trust placed in us by our stakeholders. Together, we have successfully navigated challenges, seized emerging opportunities, and strengthened the foundation for sustainable growth in the years ahead.

I extend my sincere gratitude to our customers, shareholders, investors, business partners, employees, and all other stakeholders for their continued trust and support. I also acknowledge with appreciation the guidance and support extended by the Central and State Government Authorities, the Reserve Bank of India, SEBI, the Ministry of Corporate Affairs, Stock Exchanges, Depositories, and other regulatory bodies. My thanks also go to Mutual fund houses, foreign institutional investors, insurance companies, and corporate partners for their confidence in and association with the Bank.

Regards,

Dr Meena Hemchandra

Part-time Chairperson

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Managing Director & CEO's Message

Completing 110 years is a reminder of the responsibility we carry as custodians of an institution built over generations. For KVB, legacy has always been about preserving the values of trust, prudence and service while continuously adapting to the needs of customers, businesses and communities.

B Ramesh Babu
Managing Director & CEO

Dear Stakeholders,

It is with great pride that I present to you the 5th Integrated Annual Report of Karur Vysya Bank for FY 2025-26. Since 2020, the Bank has pursued a focused transformation agenda built around three priorities: Growth, Profitability and Asset Quality. FY 2025-26 reaffirmed the strength and consistency of this journey.

The year also held special significance as Karur Vysya Bank completed 110 years of service. From our origins in Karur as a bank serving traders and agriculturists, we have evolved into a pan-India institution, while remaining rooted in trust, customer service and responsible banking.

A Legacy of 110 Years

Completing 110 years is a reminder of the responsibility we carry as custodians of an institution built over generations. For KVB, legacy has always been about preserving the values of trust, prudence and service while continuously adapting to the needs of customers, businesses and communities. This perspective has guided transformation over the past few years. We have strengthened the Bank's fundamentals, expanded our reach, deepened our digital capabilities and remained focused on delivering banking that is relevant, secure and accessible.

A Year of Purposeful Acceleration

The operating environment remained broadly supportive, with the global economy maintaining a stable growth path and India continuing to strengthen its position as the fastest-growing major economy. The financial sector also recorded healthy credit expansion, supported by sustained retail demand, increasing MSME lending and policy initiatives aimed at expanding financial inclusion. During the year, the monetary environment remained conducive to growth. Following the reduction in the repo rate to 5.25% and its retention at that level in the February, April and June monetary policy reviews, the RBI maintained a neutral stance to support economic momentum, while liquidity conditions across the banking system remained well-managed. For FY 2026-27, ICRA expects incremental credit growth in the range of 11.0% to 11.7%, indicating a healthy and sustainable pace of expansion.

Against this backdrop, KVB continued to deliver with consistency, reflecting the strength of our franchise, the quality of our execution and the discipline with which we pursue growth. Our performance during the year reflects both the strength of our business model and the quality of execution. Total business crossed ₹2,14,420 Crore, with advances growing 17% year-on-year to ₹98,754 Crore and deposits growing 13% year-on-year to ₹1,15,666 Crore. Net profit increased by 29% to ₹2,510 Crore, while operating profit rose 27% to ₹4,075 Crore. By proactively booking a significant proportion of advances during the first quarter, we were able to benefit from a full cycle of income accrual while maintaining our focus on portfolio quality and profitability.

Our cost-to-income ratio stood at 42.96%, underscoring our disciplined approach to control operating expenses. This reflects our continued emphasis on cost control.

On the liabilities front, we have invested consistently over the past few years to build a stable, granular and relationship-led deposit base. FY 2025-26 saw these efforts translate into tangible outcomes, with deposits constituting 54% of our total business. Our CASA ratio stood at 26.91%, with CASA balances growing 12% year-on-year to ₹31,122 Crore. We continued to strengthen our CASA acquisition engine through the dedicated channel, a new-to-bank engagement program focused on various segments, and targeted initiatives aimed at deepening existing relationships.

Beyond deposit mobilization, we consciously worked toward improving the quality of our liability franchise by building relationships that are active, transaction-led and engagement-driven. The branch-led BSSE program played an important role in this effort by deepening customer engagement and facilitating the reactivation of dormant accounts.

Retail term deposits grew 15% Y-o-Y, with 78% of term deposits below ₹5 Crore. This highlights the increasingly granular and stable nature of our funding base. At the same time, we continued to reduce our dependence on bulk deposits, resulting in a more balanced liability profile and a stronger foundation to support future credit growth.

We adopted a proactive approach throughout the year, with a clear focus on protecting spreads, optimizing funding costs and enhancing earnings visibility. We shifted portions of our floating-rate book to fixed rates, particularly in jewel loans and select retail products. As a result, the fixed-rate book expanded from 10% to 29% of total advances in FY 2025-26 compared to FY 2024-25. On the liabilities side, we leveraged the softening interest rate environment to optimise funding costs, particularly as a significant portion of our special term deposits matured during the year.

During the year, we rebalanced investments toward State Development Loans and select non-SLR instruments offering superior spreads, while increasing investments in corporate bonds issued by existing borrowing customers.

These initiatives generated stronger returns, improved operating efficiency, enabled priority sector benefits where applicable, and supported the maintenance of a healthy net interest margin of 4.11%.

Yield on investments improved by 7 basis points Y-o-Y, while the gross investment book expanded to ₹29,394 Crore as of March 2026, making a meaningful contribution to total income.

The Bank's ROA for FY 2025-26 stood at 1.93%, exceeding our guided range, while ROE stood at 17.79%.

Alongside core income growth, we continued to strengthen our fee income franchise. Processing fees, guarantee and letter of credit income, third-party distribution revenues and recovery-related income all contributed to a more balanced non-interest income profile with Y-o-Y growth of 14%. The Bank also achieved cumulative principal write-off recoveries of ₹679 Crore during the period.

I am pleased to note that our asset quality remains among the strongest in the industry. As on 31st March 2026, gross NPA stood at 0.75%, net NPA at 0.19% and the slippage ratio at 0.75%, all comfortably within our stated guidance. SMA 30+ levels declined further to 0.17% of total advances, reflecting improving portfolio health across business segments and the effectiveness of our underwriting and monitoring frameworks. The standard restructured book decreased further to 0.41% of total advances by March 2026. Total stressed assets comprising net NPA, restructured advances and net security receipts fell to a multi-year low of 0.45% of total assets.

The provision coverage ratio of 96.45% reflects a philosophy that has remained unchanged over the years. We believe in building resilience during periods of strength so that the balance sheet remains well protected across economic cycles. This conservative approach has served the Bank well and continues to provide confidence as we scale the business further. We remain well capitalised with a capital adequacy ratio under Basel III at 18.76%.

New Strategic Directions

During FY 2025-26, we initiated two strategic growth avenues that we believe hold significant long-term potential. The first was affordable housing finance, which we commenced through both direct sourcing and a co-lending arrangement that is nearing

operational readiness. This segment aligns well with our strengths in secured lending and relationship-based banking, while addressing the growing demand for organised housing finance among first-time homebuyers and underserved customer segments.

The second is the preparedness to relaunch our credit card business with a refreshed product suite tailored to the evolving needs of our customers. Backed by a growing base of salaried individuals, entrepreneurs and retail customers, this initiative is aimed at deepening customer engagement and expanding our product offerings. This was relaunched in the first quarter of the current year.

In parallel, we continued to strengthen our distribution network through the opening of new branches in strategically important markets. I deeply appreciate the way our teams have expanded the Bank's presence while preserving our relationship-led approach. Through a combination of Regular and Lite branch formats, we are creating a more flexible physical network that can enhance customer accessibility, deepen local relationships and support business growth across urban, semi-urban and rural markets.

Celebrating Excellence

Our pursuit of excellence continued to be recognised across multiple domains during the year, spanning technology, asset quality, and our focus on priority sectors such as MSMEs. The Bank received Best Small Indian Bank award given by Business Today Magazine for the 3rd consecutive year. At the IBA CISO Summit 2025, we received multiple awards for our capabilities in cybersecurity resilience, incident response, and compliance. Our disciplined approach to risk management and operational excellence was further acknowledged at the ICC Banking Awards, where we earned the Best Bank under Mid-size category, along with recognition for Asset Quality. Our continued commitment to supporting the MSME sector was also recognised at the MSME Banking Excellence Awards. These achievements reflect the consistency of our performance and the strength of our institutional capabilities.

Transforming through Technology

Technology remains central to our growth strategy, enabling us to deliver a seamless, secure digital banking experience. As of 31st March 2026, 97% of all transactions were conducted through digital channels, underscoring the success of our digital transformation journey. Our flagship mobile banking platform, KVB DLite, continued to witness strong adoption, surpassing 7 Mn downloads and serving over 1 Mn monthly active users. The app maintains high customer satisfaction ratings of 4.8 on the Google Play Store and 4.6 on the Apple App Store. During the year, we further enhanced the platform with integrated Video KYC for seamless onboarding, GenAI-powered personalised customer communications, and customer-friendly features such as Pay to Contacts, dynamic offers, card management, and customised navigation options.

To strengthen our digital offerings for business customers, we launched KVB Corp, a dedicated mobile banking platform for corporate and SME clients. The application provides a comprehensive suite of services, including loan management, GST and income tax payments, e-statements, Form 26AS access, mutual fund services, and payment solutions through IMPS, NEFT, and RTGS. We also introduced a dedicated CRM platform for the commercial banking business to improve lead management, monitor business opportunities, and accelerate customer acquisition, particularly within the MSME segment.

The launch of a Soft Token application strengthened internet banking security through dynamic authentication capabilities. UPI transactions continued to gain momentum, reaching 4,157 Lakh transactions during the quarter ended March 2026. We further enhanced customer convenience through features such as UPI-based cardless cash withdrawals. We also implemented an omnichannel engagement platform that enables seamless and personalised communication across multiple digital touchpoints. In parallel, we continued to digitise internal processes, including online handling of NACH mandate cancellations and enquiries, as well as digital retrieval of CTS cheque images through internal workflow systems, resulting in improved efficiency and faster turnaround times.

Our People

Our people remain our greatest strength and the cornerstone of our continued growth. As of 31st March 2026, our workforce stood at 9,883 employees, reflecting a stable, committed, and engaged talent base. The year witnessed a notable improvement in workforce productivity, with business per employee increasing to ₹21.70 Crore from ₹18.91 Crore in the previous year. Our talent management framework is focused on building a future-ready leadership pipeline and strengthening organizational capability. During the year, we enhanced our competency-based development approach through structured assessments, individual development plans, mentoring initiatives, and leadership development programs. We also continued to invest in career progression frameworks, specialized certification programs, and internal mobility opportunities to nurture high-potential talent, support their professional aspirations, and align employee capabilities with the Bank's evolving business priorities.

Forging Partnerships

During the year, we strengthened our partner ecosystem across digital platforms, lending models, and service infrastructure to enhance efficiency and expand customer access. Our alliances in the fintech and digital space enable us to expand our digital lending capabilities, including co-lending initiatives and affordable housing finance, while supporting the seamless delivery of technology-enabled credit solutions. We also leveraged specialised partnerships to streamline onboarding, documentation, analytics and business processes, helping improve turnaround times and service quality.

Responsible Business Practices

During FY 2025-26, we further strengthened our approach to sustainability by embedding ESG principles more deeply into our overall business strategy. Building on the progress made over the past few years, we continued to integrate environmental and social considerations into key business decisions and long-term planning. On the environmental front, we are deploying grid-connected solar photovoltaic systems across rural branches and select community institutions, contributing to lower operational emissions while supporting local infrastructure.

Our commitment to sustainable and inclusive growth extends beyond banking through focused CSR initiatives that have created a meaningful impact over the years. During the year, we supported environmental conservation through the restoration of water bodies and the promotion of sustainable waste management practices. We also strengthened community development through initiatives in education, healthcare, women's empowerment, nutrition and sanitation.

Outlook for FY 2026-27

The global financial system faces significant challenges and uncertainty. Geo-economic fragmentation, driven by tariffs, trade restrictions and industrial policies, is reshaping supply chains and fragmenting financial movements.

As we enter FY 2026-27, our focus remains on cautious moderated growth. We need to navigate the challenges carefully without compromising on quality. We have consistently delivered credit growth that is 1% to 2% above the industry average. Our RAM portfolio will continue to be the primary growth engine, complemented by selective opportunities in corporate lending where risk-adjusted returns are attractive. In the corporate banking segment, we will adopt a selective growth strategy with a risk-calibrated approach. Our emphasis will remain on well-evaluated exposures in sectors such as commercial real estate, capital markets, and EPC businesses, while ensuring risk management and asset quality.

We continue to closely monitor the evolving interest rate environment. We expect to maintain a healthy Net Interest Margin in the range of 3.75% to 3.80% and an ROA between 1.7% and 1.8%, while targeting a cost-to-income ratio below 50%. We aim to maintain a Liquidity Coverage Ratio around the levels of 120% to 125%, with the gross NPA below 1.5%, net NPA below 1%, and a slippage ratio of less than 1%. We remain focused on maintaining an appropriate balance between growth and profitability, while proactively managing the impact of higher funding and deposit costs in a competitive environment.

To support our long-term growth ambitions, we will continue to strengthen our distribution network through a calibrated expansion of our branch footprint. During FY 2026-27, we plan to open 50 new branches, comprising regular and lite branch formats, with a focus on enhancing our presence in high-growth markets and improving customer accessibility.

Conclusion

As we look to the future, we remain committed to building on our strong foundations and creating sustainable value for all stakeholders. Backed by the dedication of our employees, the guidance of our Board, and the continued trust of our customers and stakeholders, we are confident in our ability to seize new opportunities and achieve enduring growth.

On behalf of Karur Vysya Bank, I extend my sincere gratitude to the Central and State Governments, our regulators, esteemed Board members, employees, customers, shareholders, investors, and all other stakeholders for their unwavering support and partnership in our journey. Together, we will continue to shape a stronger and more prosperous future.

Regards,

B Ramesh Babu

Managing Director & CEO

Executive Director's Message

> We are building a bank that is agile enough to innovate and stable enough to endure. Our strategy is built on balancing growth with prudence, ensuring that we deliver consistent returns while upholding the trust placed in us.

B Sankar
Executive Director

Dear Stakeholders,

It is a privilege to address you at the conclusion of my first full year as Executive Director of Karur Vysya Bank. The year was both professionally enriching and personally rewarding, providing an opportunity to work closely with our teams and contribute to the continued growth of an institution built on over a century of trust, prudence and customer focus. Throughout the year, my efforts were centred on advancing the Bank's strategic priorities through disciplined execution, customer-centricity, and sustainable growth.

We remain focused on strengthening our business franchise, enhancing operational effectiveness, and creating long-term value for all stakeholders. Alongside strong governance, sound risk management and institutional discipline, the Bank possesses a deep understanding of local markets and enduring customer relationships. Combining these strengths with agility, innovation and execution excellence positions us well to capitalise on emerging opportunities and drive the next phase of growth.

A Landmark Year

FY 2025-26 was a landmark year for the Bank, marked by strong growth across key business and financial parameters. Total business crossed ₹2,14,420 Crore, registering a growth of 15% Y-o-Y, driven by a 17% increase in advances to ₹98,754 Crore and a 13% growth in deposits to ₹1,15,666 Crore. The Bank delivered its highest-ever net profit of ₹2,510 Crore, representing a robust growth of 29% Y-o-Y. Profitability also improved significantly, with ROE rising to 17.79% from 16.28% and ROA improving to 1.93% from 1.72% in FY 2024-25.

Asset quality continued to be the best in the industry, with Gross NPA improving to 0.75% and Net NPA remaining at a low 0.19%. These outcomes reflect the quality of our franchise, the strength of our balance sheet, and our continued focus on building a high-performing and future-ready institution.

Empowering the SME Segment

One of my key priorities during the year was to strengthen our engagement with the SME segment. Small and medium enterprises remain central to India's economic growth. They generate employment, support supply chains, drive local enterprise, and contribute meaningfully to national development. During FY 2025-26, our commercial advances portfolio grew by over 12%, reaching ₹34,279 Crore, supported by a highly granular portfolio structure and strong customer relationships.

We strengthened our position in this segment by combining our longstanding expertise in trade finance and relationship-led banking with technology-driven solutions. Through our Transaction Banking Group, we provide API-enabled capabilities that help businesses streamline trade finance and transaction banking processes. We also enhanced our lending framework through cash flow-based credit assessment, technology-enabled portfolio monitoring, and specialised training programs to strengthen credit evaluation and portfolio quality.

To improve customer experience and responsiveness, we refined existing products and introduced solutions tailored to the evolving requirements of MSMEs. A dedicated CRM platform now supports lead management, customer acquisition, and relationship tracking, while improved turnaround times and digital capabilities have enhanced access to banking services. Our KVB Corp platform further enables SME and business customers to manage banking transactions, loans, and statutory payments through a dedicated digital channel.

A key pillar of our MSME strategy is strengthening the Small Business Group (SBG) model. During the year, we expanded this specialised relationship-led approach across 79 high-potential branches, supported by a dedicated team of Relationship Managers focused on customer acquisition, quality portfolio growth, and deeper engagement with small businesses. The SBG model is designed not only to acquire new relationships but also to support customers through their growth journey. Relationship Managers work closely with businesses to facilitate quality disbursals, deepen engagement, and increase average ticket sizes before seamlessly transitioning relationships to local branches for long-term nurturing and service.

We appointed dedicated SBG Coordinators at Divisional Offices to provide specialized support to branches and improve responsiveness to customer requirements. We also conducted focused training programs aimed at enhancing product knowledge, account identification capabilities, and relationship management skills. We also continued to strengthen our lending framework by adopting a more cash flow-oriented approach to credit assessment, enabling us to better align financing solutions with the operating realities of businesses. We also refined our product suite through the introduction of new offerings and enhancements to existing products, ensuring that our solutions remain relevant to the evolving requirements of SME and MSME customers.

We were honoured with the MSME Bank of the Year – Private award at the 12th Global SME Excellence Awards 2025-26 and were also recognised as Runner-up for Best SME Lending. In addition, we received the Best Bank for Promoting Government Schemes award at the MSME Banking Excellence Awards 2025, reflecting our efforts to support entrepreneurship and financial inclusion.

Alongside our core MSME focus, we pursued opportunities in select high-potential segments such as commercial real estate and EPC financing, where we see attractive risk-adjusted growth opportunities. These efforts are supported by our expanding digital ecosystem, including strategic fintech partnerships and integration with the Unified Lending Interface (ULI), which enhance customer onboarding, streamline lending processes, and strengthen our ability to deliver technology-enabled credit solutions at scale.

Beyond banking, our community development initiatives reinforced our belief that sustainable growth is built on empowering communities and expanding access to economic opportunities. These initiatives supported women entrepreneurs in creating sustainable livelihoods and promoted financial awareness through 417 Financial Literacy Campaigns (FLC), impacting 5774 beneficiaries.

Looking Ahead

Our goal is to position KVB as a leader in the banking industry, recognised not just for its financial fortitude but for its contribution to societal development and customer satisfaction. We are building a bank that is agile enough to innovate and stable enough to endure. Our strategy is built on balancing growth with prudence, ensuring that we deliver consistent returns while upholding the trust placed in us.

I am grateful for the trust placed in us by our customers, the commitment shown by our employees, the guidance of our Board, and the continued confidence of our shareholders. Together, we are advancing an illustrious legacy while shaping a more inclusive, modern, and forward-looking institution for the future.

Regards,

B Sankar
Executive Director

Driving Growth. Rewarding Stakeholders.

We remain focused on delivering sustainable growth through disciplined lending, strong risk management and a customer-centric approach. Over the years, our emphasis on asset quality, capital strength and operational efficiency has helped us build a resilient and profitable institution. This approach has supported steady business growth, healthy profitability, and a strong balance sheet across economic cycles.

Portfolio Architecture

Our business is built on a broad and diversified customer base rather than a few large relationships. The Retail, Agriculture, and MSME (RAM) segments now account for 86% of advances, creating a portfolio that is both balanced and resilient. Our focus on relationship-driven, higher-yielding businesses, together with a selective approach to lower-return segments, reflects our disciplined growth strategy. Supported by prudent collateral practices and an increasing share of secured lending, we have continued to grow while maintaining strong asset quality.

86%
of Advances Comprised Retail, Agriculture, and MSME

Superior Asset Quality

Our credit philosophy emphasizes building strong lending relationships rather than focusing on large individual exposures. We continue to maintain a diversified portfolio across the Retail, Agriculture and MSME segments, reducing concentration risk and supporting portfolio resilience. This approach is supported by a prudent risk management framework that includes Board-approved underwriting standards, a machine learning-based Early Warning Signal system and disciplined recovery processes throughout the credit lifecycle. Together, these measures have helped us maintain strong asset quality and reinforce our position among leading mid-sized private sector banks.

0.17%
SMA 30+

0.19%
NNPA

Strong Capital Adequacy

Capital strength is not merely a regulatory requirement; it is a strategic enabler of sustainable growth. The Bank closed FY 2025-26 with a Capital Adequacy Ratio of 18.76%, supported predominantly by high-quality Tier I capital, providing significant capacity to support future business expansion. This strength is underpinned by consistent internal capital generation through sustained profitability, enabling the Bank to strengthen its capital base, reduce dependence on external fundraising and maintain financial flexibility. Coupled with a stable AA credit rating and prudent management of risk-weighted assets, the Bank remains well positioned to execute its growth strategy while maintaining a strong capital foundation.

18.76%
Capital Adequacy Ratio

Phygital Transformation

Our digital strategy is founded on the belief that technology should enhance customer engagement and improve service delivery. This approach has driven strong digital adoption across our franchise, with 97% of transactions now conducted through digital channels. DLite has established itself as a leading banking application in its category, supporting a seamless and convenient banking experience for customers.

At the same time, we continue to invest in our physical distribution network, opening 13 new branches during the year. This reflects our commitment to maintaining strong customer relationships and ensuring accessibility across our markets. By combining digital capabilities with a growing branch network, we continue to build a customer franchise that is efficient, accessible and well-positioned for long-term growth.

97%
of Transactions now Processed through Digital Channels

Expanding Our Footprint

Our historical strength is anchored in a well-established Southern Indian presence. Long-standing relationships with households, traders, farmers, and MSMEs allow us to seamlessly adapt to diverse credit behaviors and customer needs in every new territory we enter. This scalable framework supports highly prudent lending decisions, strong customer loyalty, and a resilient, low-cost CASA base. The consistent performance of our RAM portfolio demonstrates that our unique combination of local market insight and disciplined execution is highly effective on a national scale.

901
Branches

ESG and Sustainability Focus

Responsible banking is integrated into our business strategy and guides the way we allocate capital, manage risk, and engage with stakeholders. This commitment is reflected in our CRISIL ESG Rating of 68, highlighting our continued focus on strong governance, transparent disclosures, and sustainable finance practices. Beyond our business operations, we remain committed to creating a positive social impact. During the year, we invested ₹40.65 Crore across 41 CSR projects covering healthcare, education, water security, and women's livelihood initiatives. These efforts reflect our belief that sustainable business growth is closely linked to the well-being and development of the communities we serve.

68
CRISIL ESG Rating

Management Continuity and Governance

Our governance framework is built on strong institutional oversight, ensuring that decision-making remains aligned with long-term shareholder interests. The third consecutive term of MD & CEO of the Bank is a testament to the strength, stability and effectiveness of the leadership, reaffirming the trust in the strategic direction of the Bank. The Bank has a designated Lead Independent Director which reflects enhanced governance structure that promotes objectivity, transparency and balanced decision making.

This framework supports consistency across business cycles while reducing the influence of any single stakeholder group. The governance disclosures presented in this report reflect our commitment to maintaining high standards of corporate governance and accountability beyond regulatory compliance.

78%
Independent Directors on the Board (as on Date)

Resources with Responsibility. Value with Impact.

- **Value Creation:** At the core of the Bank's business model is its ability to create sustainable value by effectively utilizing resources and strategic inputs to generate meaningful outcomes. Through this approach, the Bank aims to deliver lasting economic, social, and environmental benefits for stakeholders over the short, medium and long term.
- **Value Preservation:** Value preservation reflects the Bank's focus on protecting and sustaining the interests, assets and long-term benefits of its stakeholders. Through responsible governance, ethical business practices and prudent risk management, the Bank seeks to prevent value erosion while ensuring stability, trust and sustainable growth over time.

Inputs

Financial Capital
- Deposits: ₹1,15,666 Crore
- Borrowings: ₹2,623 Crore
- Equity: ₹193 Crore
- Reserves: ₹13,914 Crore

Manufactured Capital
- Branches: 901
- ATMs and Cash Recyclers: 2,213
- POS: 8,802
- DLite App: 7 Mn+ Downloads

Intellectual Capital
- Brand Building
- Digital Lending Systems
- Investment in Futuristic Technologies

Natural Capital
- Investment toward Environment betterment including IT Capex: ₹ 15.22 Crore
- Rooftop solar installations
- Bank owned windmill at Theni
- Energy Consumption from Renewable Resources: 8,52,497 kWh

Human Capital
- New Hires: 1,256
- Total Workforce: 9,883
- Training Hours Provided: 2,68,148
- Training Coverage: 99.94%
- Average Age of Employees: 36

Social and Relationship Capital
- Total Customer Base: 1,02,08,660
- Total CSR Spend: ₹40.65 Crore
- Spend toward Community Programs: ₹6.2 Crore
- Spend toward Health and Education: ₹ 21.48 Crore

Value creation process

Vision
To be the preferred choice of stakeholders and deliver value by blending technology with tradition.

Mission
To provide superior banking experience by using technology to deliver the entire gamut of financial products under one roof, easily available to the customers across physical and digital channels.

Business Segments
- Commercial Banking
- Consumer Banking
- Agricultural Banking
- Corporate & Institutional Group

Outputs

Financial Capital
- Total Loans and Advances: ₹98,754 Crore
- Net Interest Income: ₹4,939 Crore
- Net Profit: ₹2,510 Crore
- CASA: ₹31,122 Crore
- Return on Assets: 1.93%
- CRAR: 18.76%

Manufactured Capital
- New Branches Opened: 13
- New ATMs + Cash Recyclers: 227
- DLite App Users: 1 Mn+ active users
- Total products launched in FY 2025-26: 26

Intellectual Capital
- Growth in Digital Transactions: 22%
- Share of Digital Transactions: 97%
- Launched KVB Corp Mobile Banking App

Natural Capital
- Solar energy generated in FY 2025-26: 1,02,470 kWh
- Wind energy generated in FY 2025-26: 8,81,599 kWh
- Waste Recycled : 209.02 MT

Human Capital
- Profit per Employee: ₹25.40 Lakh
- Number of Employees awarded with KVB Rathna Appreciation: 1,454
- Business per Employee: ₹21.70 Crore

Social and Relationship Capital
- New Lives Impacted: 2.83 Lakh

Outcomes

- Customers
- Investors/Shareholders
- Employees
- Communities/NGOs
- Government/Regulatory Bodies
- Business Partners/Suppliers

- Customers
- Investors/Shareholders
- Employees
- Communities/NGOs
- Government/Regulatory Bodies
- Business Partners/Suppliers

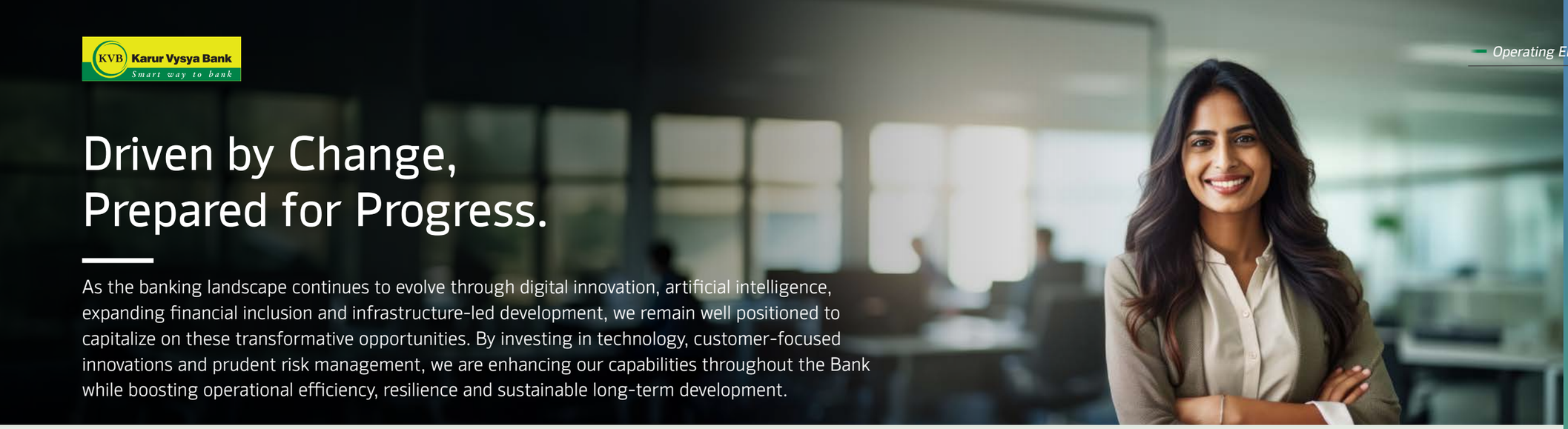
- Customers
- Investors/Shareholders
- Employees
- Communities/NGOs
- Government/Regulatory Bodies
- Business Partners/Suppliers

- Customers
- Investors/Shareholders
- Employees
- Communities/NGOs
- Government/Regulatory Bodies
- Business Partners/Suppliers

- Customers
- Investors/Shareholders
- Employees
- Communities/NGOs
- Government/Regulatory Bodies
- Business Partners/Suppliers

SDGs Impacted

Driven by Change, Prepared for Progress.



As the banking landscape continues to evolve through digital innovation, artificial intelligence, expanding financial inclusion and infrastructure-led development, we remain well positioned to capitalize on these transformative opportunities. By investing in technology, customer-focused innovations and prudent risk management, we are enhancing our capabilities throughout the Bank while boosting operational efficiency, resilience and sustainable long-term development.

Deposit Growth Outpacing Credit Growth

Although deposits grew by a healthy 13.5% in FY 2025-26, credit growth at 15.9% continued to surpass deposit accretion, increasing funding pressure on the banking sector. At the same time, rising household investments in SIPs, mutual funds and other capital market instruments have shifted savings away from traditional bank deposits, especially low-cost CASA balances. Consequently, banks are increasingly turning to higher-cost funding options like term deposits and certificate of deposit to support their balance sheet growth. In this context, enhancing deposit mobilization is vital for sustaining credit growth, protecting margins, and maintaining liquidity.

Improvement in Asset Quality

The Indian banking sector has achieved a notable improvement in asset quality, with non-performing assets declining to some of their lowest levels in recent decades. Gross NPA levels have steadily decreased from 7.5% in FY 2020-21 to 2.0% in FY 2025-26, while Net NPAs have dropped to just 0.4%. This improvement is driven by strong underwriting standards, disciplined recoveries, regulatory oversight and balance sheet repair, all of which have enhanced sector resilience. Asset quality is expected to improve even further, with GNPA estimated to reach approximately 1.9% by FY 2026-27.

Against this backdrop, we have outperformed the broader sector, delivering a sharper improvement in asset quality. The Bank's GNPA ratio declined from 7.85% in FY 2020-21 to 0.75% in FY 2025-26, while NNPA fell to 0.19%. This reflects our disciplined approach to credit underwriting, proactive risk management, and sustained focus on portfolio quality.

Digital Banking and Open Finance Revolution

India's digital public infrastructure is evolving banking from a transaction-focused approach to a data-centric ecosystem. Initiatives like Account Aggregator frameworks, Open Finance, digital onboarding, and the phased deployment of the Digital Rupee facilitate secure, consent-based financial services. With over 600 regulated participants in Open Finance and more than 250 Mn linked accounts in the Account Aggregator system, banks now have unprecedented access to customer data, enabling more personalized products and quicker credit decisions.

Financial Inclusion and Credit Democratization

India's Digital Public Infrastructure (DPI) is accelerating financial inclusion on an unprecedented scale. With over 58 crore Jan Dhan accounts, and frameworks like the Unified Lending Interface (ULI) and Account Aggregator simplifying and lowering the cost of credit access, these platforms are broadening formal lending to rural, semi-urban, and underserved communities, opening up entirely new banking markets.

Regulatory Shifts

The banking industry's regulatory focus is shifting toward resilience, transparency, cybersecurity, climate risk, and consumer protection. Major trends include deploying climate-risk assessment tools, improving fraud compensation measures, tightening KYC procedures, adopting risk-based authentication and moving to Expected Credit Loss (ECL) provisioning. These changes are boosting trust and enhancing the long-term stability of the financial sector. KVB is well-placed to capitalize on a more regulated and transparent environment.

Our Strategy

We believe the Indian banking sector is entering a new growth phase driven by digital innovation, financial inclusion, and changing customer expectations. At Karur Vysya Bank, we are building on our 110-year legacy with a strategy focused on cautious growth, maintaining exceptional asset quality, and advancing a comprehensive digital transformation. Our core priorities include strengthening our stable retail deposit base, implementing a robust risk management framework, and achieving sustainable profitability—highlighted by our historic net profit of ₹2,510 crore in FY 2025-26.

Central to our strategy is leveraging AI-driven automation, Open Finance, and India's digital public infrastructure via cloud-native API management solutions. By integrating these systems directly into our core banking architecture, we have successfully digitized almost 100% of our loan processes, effectively reducing credit processing times from several days down to just a few minutes. This technological backbone allows us to scale retail and MSME lending seamlessly while proactively mitigating underwriting risks.

With a strong footprint of over 900 branches across urban, semi-urban, and rural areas, KVB is well-positioned to serve emerging customer segments. We continue to deepen our leadership in MSME, retail, and agricultural lending through specialized credit initiatives—such as our localized Business Banking Units, tailored agricultural loans, and green financing. Backed by excellent corporate governance, solid capital adequacy (18.76% under Basel III as of March 2026), and a customer-first approach, we are dedicated to creating long-term value for all stakeholders.

Prudence with Foresight. Growth with Control.

Effective risk management is important for maintaining financial stability and supporting sustainable growth in a dynamic banking environment. We implement a structured framework to identify, assess, monitor and manage risks while ensuring compliance with regulatory requirements and alignment with the Bank's strategic objectives. This approach strengthens the Bank's resilience, protects stakeholder interests and supports its ability to respond effectively to changing economic conditions.

Capitals Impacted

- Financial Capital
- Manufactured Capital
- Intellectual Capital
- Human Capital
- Social and Relationship Capital
- Natural Capital

Credit Risk

Impact

Delays or failures in borrowers' repayments can increase credit losses, weaken asset quality and negatively affect profitability and capital adequacy.

Mitigation Strategy

- Well-defined credit policies and risk appetite frameworks with clearly established exposure limits to maintain portfolio quality
- Rigorous assessment of borrowers' creditworthiness, repayment capacity and cash flow strength, supported by continuous monitoring
- Diversification of exposures across sectors, geographies, products and borrower segments to mitigate concentration risk
- Periodic review of credit products, underwriting standards and portfolio performance to identify emerging risks
- Regular stress testing under various adverse but plausible scenarios to evaluate portfolio resilience and strengthen risk preparedness

Liquidity and Interest Rate Risk

Impact

Refers to the possibility that the Bank may be unable to meet its financial obligations as they fall due without incurring significant or unexpected losses. Inadequate liquidity can impair the Bank's ability to satisfy depositor withdrawals and other funding requirements, potentially leading to financial instability and reputational damage. Additionally, interest rate risk may adversely affect the Bank's net interest margins and overall profitability.

Mitigation Strategy

The Bank has a comprehensive Asset Liability Management (ALM) Policy that clearly defines roles and responsibilities, governance processes, risk limits, monitoring mechanisms, stress testing requirements and reporting frameworks for managing liquidity and interest rate risks

- The Asset Liability Committee (ALCO) conducts regular reviews of asset and liability pricing and monitors compliance with established risk limits
- A robust Contingency Funding Plan (CFP) is in place to ensure the timely availability of liquid resources to meet financial obligations as they arise
- The CFP is reviewed quarterly by both ALCO and the Board to ensure its continued effectiveness and adequacy
- Regular stress testing is performed to evaluate the potential impact of adverse economic and market conditions on the Bank's liquidity and interest rate risk profile

Market Risk

Impact

The risk of loss arises from adverse movements in market variables such as interest rates, foreign exchange rates, equity prices, or other financial market factors. Significant fluctuations in these variables may affect the Bank's earnings, investment portfolio valuations, liquidity position, and overall capital adequacy.

Mitigation Strategy

- Board-approved market risk management policies and frameworks that define risk appetite, governance standards, and exposure limits
- Clearly established risk limits for trading portfolios, investment securities, and treasury activities to manage market exposures effectively
- Independent Mid Office function serving as a dedicated risk control unit for monitoring, reporting, and oversight of market risk positions
- Use of advanced risk measurement and monitoring tools, including Value at Risk (VaR), stress testing, sensitivity analysis, and scenario analysis to assess and manage potential market losses
- Regular review of market positions and exposures to ensure compliance with internal limits and regulatory requirements

Operational Risk

Impact

The potential for loss stems from flaws in internal processes, systems, or people, or from external events. Such risks may disrupt the Bank's operations, leading to financial losses, reputational damage, regulatory fines, and diminished service quality due to process failures, technological issues, human errors, or unexpected external events.

Mitigation Strategy

- Comprehensive Operational Risk Management Framework supported by clearly defined policies, governance structures, and risk ownership
- Periodic risk assessments and strong internal control mechanisms, supported by established Risk and Control Self-Assessment (RCSA) and Key Risk Indicator (KRI) frameworks
- Regular audits, continuous monitoring, and adherence to regulatory requirements, internal policies, and operating procedures
- Ongoing employee training and awareness programs to strengthen risk culture and minimize operational errors
- Continuous investment in technology, cybersecurity, and system resilience to safeguard operations and data integrity
- Robust business continuity and disaster recovery plans to ensure operational resilience and minimize disruptions during adverse events

Compliance Risk

Impact

The risk of legal, regulatory, or reputational consequences arising from failure to comply with applicable laws, regulations, regulatory guidelines, industry standards, or internal policies and procedures. Non-compliance may result in financial penalties, regulatory sanctions, litigation, operational restrictions, and erosion of stakeholder confidence, adversely impacting the Bank's reputation and business performance.

Mitigation Strategy

- A strong compliance framework supported by strong Board-level oversight ensures consistent adherence to applicable laws, regulations, regulatory guidelines, and internal policies with zero tolerance for lapses
- Anti-Money Laundering (AML), Know Your Customer (KYC), and financial crime prevention controls to detect, prevent, and mitigate compliance-related risks
- Annual enterprise-wide compliance risk assessments with risk ratings assigned across departments to identify, monitor, and address emerging compliance exposures
- Enhanced governance through review and oversight by relevant Board-level Committees prior to submission of policies and key compliance matters to the Board for approval
- Ongoing monitoring, compliance testing, and employee awareness programs to strengthen the culture of compliance across the organization

Fraud Risk

Impact

The risk of financial loss, operational disruption, or reputational damage arising from internal or external fraudulent activities. Fraud incidents can undermine customer trust, compromise the Bank's integrity, impact financial stability, and adversely affect operational efficiency, regulatory compliance, and stakeholder confidence.

Mitigation Strategy

- Comprehensive Fraud Risk Management Framework supported by well-defined policies, controls, and operating procedures to prevent, detect, and respond to fraudulent activities
- Continuous transaction monitoring and analytics to identify suspicious patterns, emerging risks, and potential fraud indicators at an early stage
- Systematic identification, tracking, and dissemination of Early Warning Signals (EWS) across relevant stakeholders for proactive risk mitigation
- Real-time monitoring of digital and online transactions through the Enterprise Fraud Risk Management (EFRM) platform to strengthen fraud detection capabilities
- Identification and close monitoring of Red-Flagged Accounts (RFAs), with periodic reviews to determine appropriate corrective actions, including classification as fraud where warranted
- Promotion of a strong ethical culture through Whistle Blower mechanisms that encourage timely reporting of suspected misconduct and irregularities
- Regular gap analyses and root-cause assessments to strengthen controls and prevent recurrence of fraud incidents
- Strong vigilance and governance structures are in place to provide effective oversight and enable prompt intervention in cases of fraud
- Ongoing awareness and training programs for employees and customers to enhance fraud prevention, cybersecurity awareness, and risk vigilance

Priorities with Purpose. Decisions with Discipline.

Sustainability is integrated into our decision-making through a comprehensive Materiality Assessment process. This process helps us prioritize key Environmental, Social and Governance (ESG) topics that are most significant to stakeholders and the business, ensuring they align with our strategic objectives. By focusing on the areas with the greatest impact, we enhance long-term resilience, generate meaningful value and promote responsible growth.

Importance of the Materiality Assessment Process

1. **Aligns Strategy and Sustainability**
   Helps identify priority ESG issues and integrate them into business planning and resilience-building
2. **Optimize Resources**
   Directs finite resources toward high-impact areas and supports focused decision-making.
3. **Builds Stakeholder Trust**
   Promotes transparency and strengthens dialogue through inclusive engagement.
4. **Guides ESG Disclosures**
   Supports robust BRSR/GRI aligned disclosures and non-financial reporting.

Our Materiality Assessment Process

We follow a thorough six-step process based on top global sustainability reporting standards and best practices.

1. Define strategic purpose and identify potential material topics
2. Identify key internal and external stakeholder sample
3. Deploy materiality survey to stakeholders
4. Internal management discussion and materiality assessment
5. Prioritize material aspects for reporting
6. Materiality matrix development and disclosure

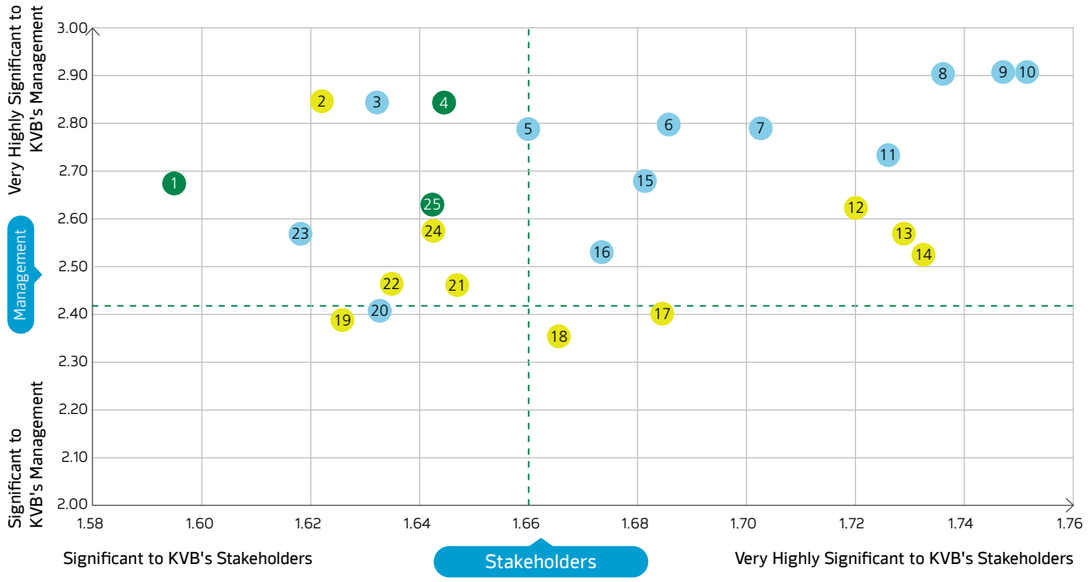
Materiality Matrix

The Bank's materiality assessment highlights governance and social priorities, reflecting the importance of trust, security, regulatory compliance, ethical conduct and customer-focused service in the banking sector. These areas are closely aligned with stakeholder expectations and our day-to-day operations.

Governance topics such as cybersecurity, financial performance, regulatory compliance, fraud risk management, and customer satisfaction are considered highly material by both stakeholders and management, underscoring their strategic significance. Social factors, including employee wellbeing, diversity, and inclusion, occupy a moderate position, with management placing particular emphasis on employee training and development.

Environmental considerations, including climate change, carbon footprint management and waste management remain relevant to the Bank's sustainability approach and long-term commitments. While governance and social issues currently represent the most immediate priorities for core banking operations, environmental responsibility continues to be integrated across operations and business activities. Efforts focus on improving energy efficiency, managing resources responsibly, and supporting sustainable finance. These aspects are addressed through dedicated programs, policies, and disclosures that reinforce the Bank's long-term sustainability objectives.

The materiality matrix has been revisited and updated to reflect evolving stakeholder priorities and business context. Moving forward, the Bank aims to enhance environmental considerations, strengthen stakeholder engagement, and integrate key ESG priorities more thoroughly into its business strategy, reporting frameworks, and performance objectives, developing a sustainability approach that matches its scale.



ENVIRONMENT
SOCIAL
GOVERNANCE

1 Waste Management
2 Talent Attraction and Retention
3 Product Design and Innovation
4 Climate Change
5 Corporate Governance
6 Transparency and Fair Disclosure
7 Business Ethics
8 Digitalisation
9 Brand Reputation
10 Financial Performance
11 Regulatory Compliance
12 Cybersecurity and Data Privacy
13 Financial Inclusion
14 Customer Experience and Satisfaction
15 Fraud Risk Management
16 ESG Oversight
17 Community Well-Being/CSR
18 Training and Development
19 Employee Well-Being and Development
20 Executive Compensation linked to ESG targets
21 Diversity and Inclusion
22 Sustainable Procurement
23 Responsible Financing
24 Freedom of Association and Collective Bargaining
25 Carbon Footprint

Engaging Responsibly. Delivering Consistently.

Stakeholder perspectives remained central to our sustainability approach in FY 2025–26. Through consistent engagement with customers, employees, investors, regulators, communities and other key stakeholders, we identified the ESG issues most relevant to both our business and stakeholders. These discussions informed our strategic choices, enhanced our ability to respond to emerging concerns and fostered long-term, value-based growth.

Our Stakeholders

Employees · Customers · Investors/ Shareholders · Regulatory Bodies · Communities · Vendors

▲ Direct ◆ Indirect

Employees

Whether Identified as Vulnerable and Marginalized Group (Yes/No)	Material Topics Identified	Channels of Communication	Frequency of Engagement	Purpose and Scope of Engagement
No	• Training & Development • Diversity & Inclusion • Freedom of Association and Collective Bargaining • Employee Wellbeing & Development • Talent Attraction & Retention • Business Ethics	Regular manager interactions, town halls, virtual connect sessions, employee engagement surveys, HR helpdesk and grievance mechanisms, training and development programs, performance review discussions, wellness initiatives, and internal communication platforms such as Emails, intranet, and newsletters.	Continuous, periodic, and need-based through regular interactions, formal review processes, and grievance redressal mechanisms.	Employee development, training and upskilling, workplace well-being, career progression, employee engagement and resolution of work-related concerns and grievances.

Significant Impact

▲

Customers

Whether Identified as Vulnerable and Marginalized Group (Yes/No)	Material Topics Identified	Channels of Communication	Frequency of Engagement	Purpose and Scope of Engagement
Yes, particularly the following groups of customers: pensioners, women, senior citizens, people with special abilities, and beneficiaries of social security schemes.	• Cyber Security and Data Privacy • Customer Experience & Satisfaction • Digitalisation • Financial Inclusion • Brand Reputation • Product Design & Innovation	SMS, Email, WhatsApp, Social Media and Website, Branch Notice Boards, Awareness Posters, Call Centre, Pamphlets in educating the customers about safe usage of digital banking services.	Continuous and need-based.	Safe usage of digital banking services, customer awareness, product and service offerings, customer experience and grievance redressal.

Significant Impact

▲ ◆

▲ Direct ◆ Indirect

Investors/Shareholders

Whether Identified as Vulnerable and Marginalized Group (Yes/No)	Material Topics Identified	Channels of Communication	Frequency of Engagement	Purpose and Scope of Engagement
No	• Financial Performance • Corporate Governance • Regulatory Compliance • Responsible Financing • Brand Reputation	Email, SMS, newspaper advertisement, Bank's official website, Investors meet, General meeting, annual report and stock exchanges intimation.	Quarterly, Half-yearly, Annually & Need basis	Ensure transparent and timely communication regarding the Bank's performance and strengthen shareholder engagement.

Significant Impact ▲ ◆

Regulatory Bodies

Whether Identified as Vulnerable and Marginalized Group (Yes/No)	Material Topics Identified	Channels of Communication	Frequency of Engagement	Purpose and Scope of Engagement
No	• Regulatory Compliance • ESG Oversight • Business Ethics • Corporate Governance • Transparency & Fair Disclosures • Financial Inclusion • Climate Change • Waste Management • Carbon Footprint	Email, E-filling, Letter, Telephone, one-on-one meetings, videoconference.	Quarterly, Half-yearly, Annually and as and when required.	The Bank maintains continuous and constructive engagement with the regulators to ensure effective understanding and implementation of regulatory expectations, strengthen compliance risk management practices, and provide assurance on the Bank's commitment toward robust regulatory compliance and governance standards.

Significant Impact ▲

▲ Direct ◆ Indirect

Communities

Whether Identified as Vulnerable and Marginalized Group (Yes/No)	Material Topics Identified	Channels of Communication	Frequency of Engagement	Purpose and Scope of Engagement
Yes	• Community Wellbeing or CSR • Financial inclusion • Responsible Financing • Business Ethics • Financial Inclusion	Need based interactions are conducted with stakeholders such as communities, NGOs and institutions	Need-based.	Promote inclusive growth and support education, healthcare, sanitation, livelihood development and financial inclusion, particularly for women, rural communities, farmers and economically weaker sections.

Significant Impact ▲ ◆

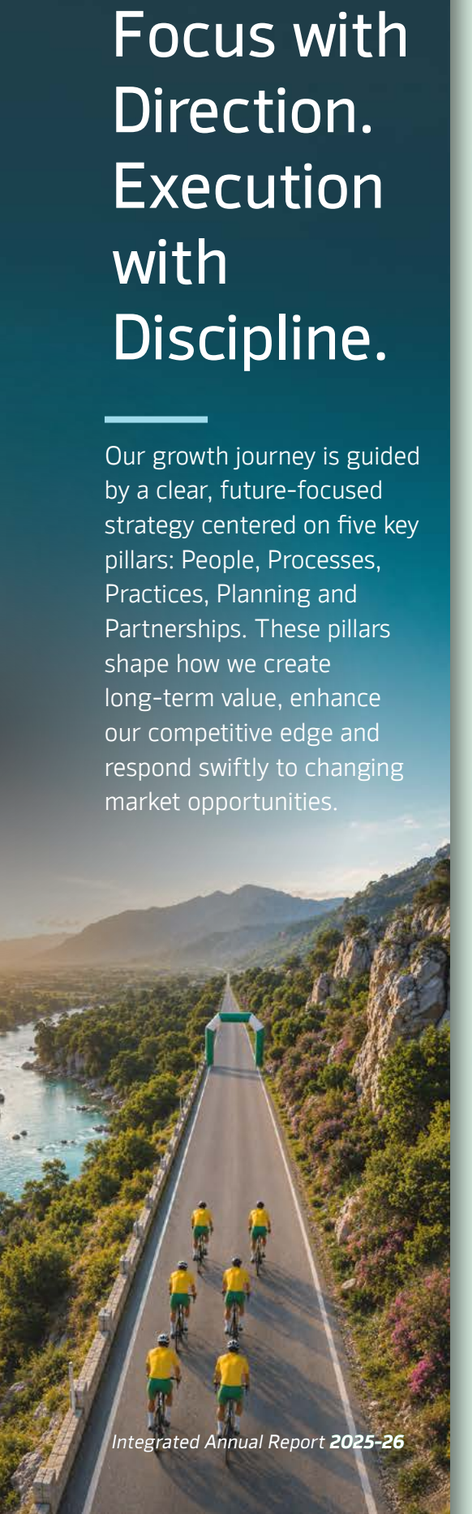
Vendors

Whether Identified as Vulnerable and Marginalized Group (Yes/No)	Material Topics Identified	Channels of Communication	Frequency of Engagement	Purpose and Scope of Engagement
No	• Sustainable Procurement • Business Ethics • Regulatory Compliance • Waste Management	In person, through letter, Email and telephone communications.	Half-yearly and at the time of renewal of agreement.	Review service quality, key risk indicators (KRIs) and promote responsible and accountable supply chain practices.

Significant Impact ▲ ◆

Focus with Direction. Execution with Discipline.

Our growth journey is guided by a clear, future-focused strategy centered on five key pillars: People, Processes, Practices, Planning and Partnerships. These pillars shape how we create long-term value, enhance our competitive edge and respond swiftly to changing market opportunities.



	People	Processes	Practices	Planning	Partnerships
Coverage	• Nurturing Talent • Recruiting fresh talent to strengthen and complement existing organisational capabilities • Enhancing employee skills through specialized training in areas such as Credit, Treasury, Foreign Exchange, Risk Management, Collections and Recovery • Equipping field sales teams with digital tools and technology to improve productivity and effectiveness • Strengthening the talent pool through strategic lateral hiring wherever required • Fostering employee engagement and retention through well-designed talent management and retention initiatives	• Strengthen customer focus by delivering personalized and responsive banking services • Accelerate the adoption of digital processes to enhance efficiency and customer experience • Leverage data-driven insights to improve decision-making and achieve operational excellence • Analyze evolving customer consumption patterns and customize financial products to meet the unique needs of different professions and market segments • Embrace advanced technologies such as Robotic Process Automation (RPA) and Artificial Intelligence (AI) to drive innovation, productivity, and service quality	• Invest in continuous learning and skill development to enhance workforce capabilities • Drive digital transformation through ongoing technology upgrades and modernization initiatives • Design and refine products and services based on customer needs, preferences, and feedback to deliver greater value and satisfaction	• Conduct regular skill assessments and align learning initiatives with measurable performance outcomes • Identify technology gaps and benchmark capabilities against industry standards and best practices • Gather and analyze customer feedback to identify emerging trends, address unmet needs, and enhance products and services	• Strengthen co-lending partnerships with NBFCs to expand credit outreach and enhance service offerings • Collaborate with fintech partners to improve customer acquisition and deliver a seamless, omnichannel customer experience • Address customers' complete financial needs through strategic alliances and integrated solutions, providing a comprehensive one-stop financial services platform
FY 2025-26 Progress	Strengthened talent through targeted recruitment, specialist capability building, digital sales enablement and expansion of relationship management teams supporting growth businesses and new geographies.	Digitized customer journeys through EPFO integration, Corporate Mobile Banking, ULI implementation, APY onboarding, VKYC and enhanced cyber-security controls.	Accelerated analytics and automation-led transformation. Enhanced DLite adoption, digital payments ecosystem, customer engagement capabilities and biometric authentication framework.	Adopted data-driven growth planning, strengthened market benchmarking and analytics, created multi-year growth roadmaps and accelerated branch expansion beyond the traditional southern footprint.	Expanded fintech, payment, merchant-acquiring and ecosystem partnerships; strengthened digital onboarding integrations; and broadened institutional, government and strategic alliance initiatives to deepen customer acquisition and engagement.
Relevant Opportunities and Risks	• Access to a diverse and skilled talent pool • Developing effective reward and recognition programs to motivate employees • Managing competitive pressures in attracting and retaining talent • Aligning organizational practices with evolving employee expectations and career aspirations	• Digitalization • Personalization • Fraud risk • Operational risk • Cybersecurity risks	• Clear digital strategy supported by investments in scalable and future-ready technology • Leveraging technology to gain deeper customer insights and develop modular, flexible workflows that enhance service delivery • Strengthening internal controls through regular risk assessments, process mapping, robust data protection policies, and continuous identification and remediation of vulnerabilities	• Economic environment • Credit growth • Interest rate environment • Market cycle • Geopolitical risks	• Business diversification • Reputational risk

Capitals with Purpose, Value with Continuity.

Performance in » Impact on »	Financial Capital	Manufactured Capital		Intellectual Capital	Natural Capital	Human Capital	Social and Relationship Capital
Financial Capital		More funds available for infrastructure and technology investments		Greater investment in innovation, systems, and knowledge creation	More resources for environmental initiatives and compliance	Higher spending on talent development and employee well-being	Increased capacity for stakeholder engagement and community programs
Manufactured Capital	Efficient assets improve profitability and returns			Modern facilities support knowledge sharing and innovation	Efficient facilities can reduce resource consumption and emissions	Improved workplace conditions enhance productivity	Better service delivery strengthens customer and partner relationships
Intellectual Capital	Innovation improves revenue growth and cost efficiency	Better processes optimize asset utilization			Innovative solutions support sustainable resource use	Learning culture improves employee competence	Better insights improve customer experience and trust
Natural Capital	Resource efficiency reduces costs and risks	Sustainable operations enhance asset longevity		Environmental knowledge drives sustainable innovation		Healthy environment improves employee well-being	Strong sustainability performance enhances reputation and stakeholder trust
Human Capital	Skilled employees improve financial performance	A competent workforce maximizes asset productivity		Employee expertise strengthens organizational knowledge	Environmental awareness supports sustainable practices		Positive employee behavior improves customers and stakeholder relationships
Social and Relationship Capital	Customer loyalty and trust support revenue growth	Strong partnerships improve operational capabilities		Collaboration generates new knowledge and innovation	Stakeholder support strengthens sustainability initiatives	Positive culture improves employee engagement and retention	

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FINANCIAL CAPITAL

Disciplined Capital. Consistent Returns.

We have continued to build on our financial strength through balanced growth, sound risk management and a firm focus on operational excellence. The Bank's investments in technology, distribution reach and customer engagement have translated into improved business performance and profitability. A strong capital position and consistent returns highlight our commitment to delivering long-term value to shareholders.

SDGs

Material Topics

- Financial Performance
- Fraud Risk Management
- Responsible Financing

Stakeholders

Investors/ Shareholders | Customers | Employees | Regulatory Bodies

Total Advances (₹ Crore)

98,754

FY 2025-26	98,754
FY 2024-25	84,491
FY 2023-24	74,423
FY 2022-23	64,168
FY 2021-22	56,876

Total Deposits (₹ Crore)

1,15,666

FY 2025-26	1,15,666
FY 2024-25	1,02,078
FY 2023-24	89,113
FY 2022-23	76,638
FY 2021-22	68,486

CASA (₹ Crore)

31,122

FY 2025-26	31,122
FY 2024-25	27,832
FY 2023-24	27,085
FY 2022-23	25,449
FY 2021-22	23,904

Book Value (₹)

145.95*

FY 2025-26	145.95*
FY 2024-25	148.17
FY 2023-24	122.42
FY 2022-23	105.03
FY 2021-22	94.95

Net Interest Income (₹ Crore)

4,939

FY 2025-26	4,939
FY 2024-25	4,260
FY 2023-24	3,818
FY 2022-23	3,349
FY 2021-22	2,715

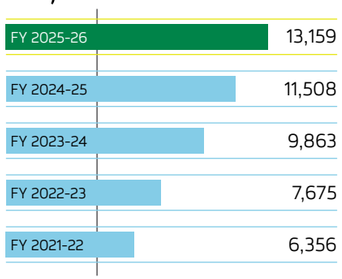
Non-Interest Income (₹ Crore)

2,084

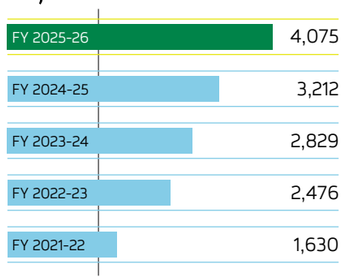
FY 2025-26	2,084
FY 2024-25	1,829
FY 2023-24	1,649
FY 2022-23	1,159
FY 2021-22	769

*Includes proposed dividend

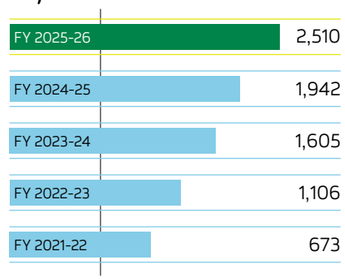
Total Income (₹ Crore)



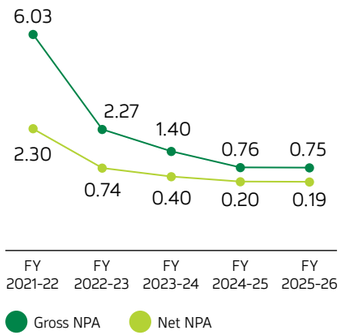
Operating Profit (₹ Crore)



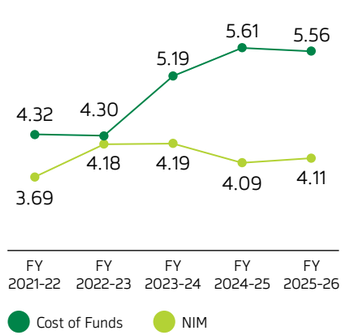
Net Profit (₹ Crore)



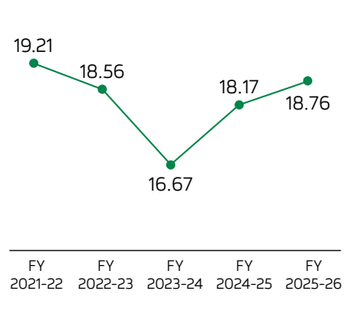
NPA (%)



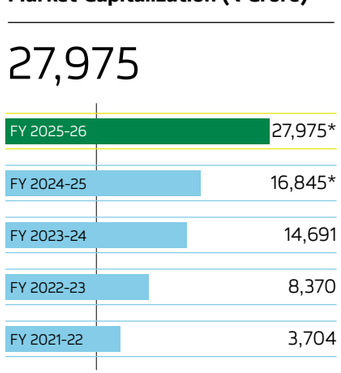
Margin Profile (%)



CRAR (%)

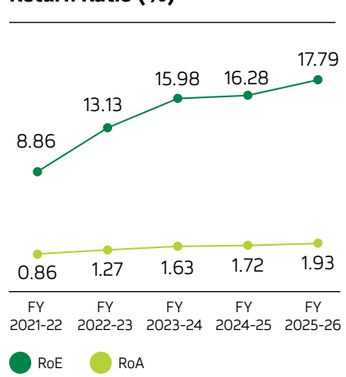


Market Capitalization (₹ Crore)



*approx

Return Ratio (%)



Economic Value Creation

Our economic contribution extends well beyond the returns we generate for shareholders. We are dedicated to enabling financial prosperity for customers and communities while supporting broader sustainable economic advancement across the regions we serve. Through customer-focused banking solutions and prudent financial management, we empower individuals, enterprises and communities to achieve their aspirations, thereby balancing growth, accountability, and long-term value creation for all.

Economic Value Generated and Distributed (EVGD)

Karur Vysya Bank supports economic development by mobilizing financial resources and channeling them toward productive opportunities. With a focus on disciplined lending, strong risk governance, and operational efficiency, we are well placed to create consistent value while responding to changing market conditions. By strengthening our financial position and growing responsibly, we continue to support our customers, shareholders, employees, and society, reinforcing our role as a trusted partner in India's economic progress.

Direct Economic Value Generated (DEVG) (₹ Crore)

Particulars	FY 2024-25	FY 2025-26
Interest Earned	9,678.04	11,074.35
Other Income	1,829.55	2,084.32
Total DEVG	**11,507.59**	**13,158.67**

Direct Economic Value Distributed (DEVD) (₹ Crore)

Particulars	FY 2024-25	FY 2025-26
Purchases of Goods and Services (incl. Provisions and Contingencies)	2,019.92	2,228.11
Employee Compensation and Benefits	1,449.21	1,434.04
Provisions for Payment of Taxes to Govt.	649.09	809.71
Penalty (if any)	0.03	0.02
Community Investments (CSR)	29.59	40.65
Interest Expended to Customers	5,237.12	5,927.38
Interest Expended to RBI/Other Banks	181.00	208.43
Total Expenditure	9,565.96	10,648.34
Add. Dividend Paid (incl. taxes)	193.13	209.39
Total DEVD	**9,759.09**	**10,857.73**

Economic Value Retained (EVR) (₹ Crore)

Particulars	FY 2024-25	FY 2025-26
Net Profit	1,941.64	2,510.33
Less: Dividend Paid to Shareholders	193.13	209.39
Total EVR	**1,748.50**	**2,300.95**

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MANUFACTURED CAPITAL

Strengthening Access. Enhancing Delivery.

Our physical network reflects a clear strategic choice to deepen banking access beyond major urban centres. Semi-urban and rural markets remain integral to our identity and growth strategy, reflecting our founders' vision of inclusive banking and enduring customer relationships. Our business correspondent outlets further extend this reach into communities that cannot be served by ATMs or digital channels alone.

SDGs

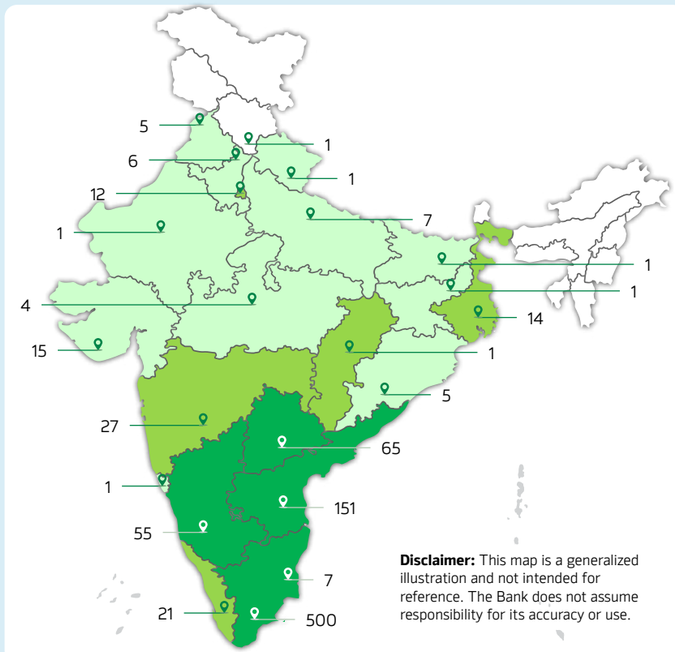
Material Topics

- Sustainable Procurement

Stakeholders

Vendors | Customers | Regulatory Bodies

Presence with Strong Regional Network



Disclaimer: This map is a generalized illustration and not intended for reference. The Bank does not assume responsibility for its accuracy or use.

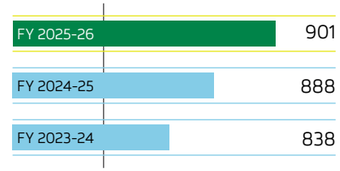
Category	Branch Count	Category of branches	CBU	ARB	Other Offices
Metro	229	10	9	8	8
Urban	181	3	-	-	-
Semi Urban	354	1	-	-	-
Rural	137	-	-	-	-
Total	901	14	9	8	8
BC Outlets	440				

BBU: BUSINESS BANKING UNIT
CBU: CORPORATE BUSINESS UNIT
ARB: ASSET RECOVERY BRANCHES
OTHER OFFICES: DIGITAL BANKING UNIT, OPEN MARKET CHANNEL, PRECIOUS METAL DIVISION AND SMART

Best-in-Class Customer Reach

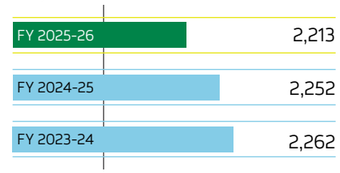
Branches

901



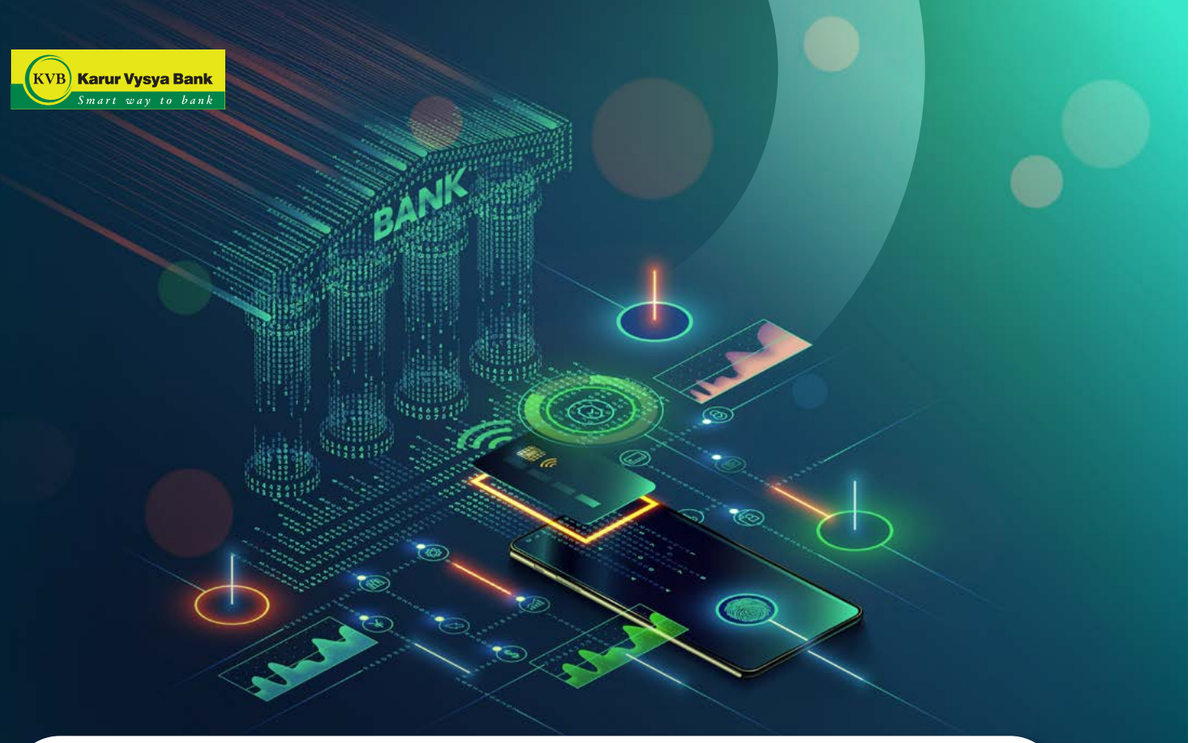
ATMs + Cash Recyclers

2,213



Geographical Mix

Metro	25
Urban	20
Semi Urban	40
Rural	15



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INTELLECTUAL CAPITAL

Digital Intelligence. Consistent Outcomes.

Our intellectual capital is built on technology, customer insights, process improvements, analytics, governance frameworks and institutional knowledge. As banking becomes more digital-first, technology is no longer just an enabler. It is central to how the Bank delivers services and engages with customers. These capabilities help improve customer experience, strengthen efficiency and risk management and support sustainable growth.

SDGs

Material Topics

- Cybersecurity and Data Privacy
- Digitalization
- Product Design and Innovation

Stakeholders

Investors/ Shareholders | Customers | Employees

Digital Banking Platforms

DLite: Transforming Retail Banking through Digital Engagement

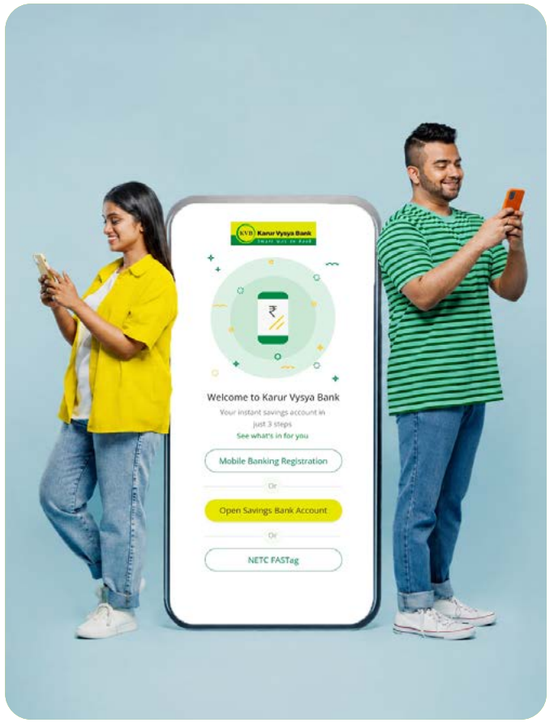
DLite has emerged as the Bank's flagship retail banking platform and a key intellectual capital asset. With more than 150 banking services in one digital ecosystem, the platform has changed how customers interact with the Bank. It also creates a scalable base for customer acquisition, engagement and servicing.

The platform supports customers across the lifecycle, including digital account opening, Video KYC, digital Re-KYC, payments, transfers, and several self-service banking features. The introduction of Instant Video KYC has improved onboarding efficiency by enabling near-instant account activation and smooth conversion of digitally onboarded customers from Low KYC to Full KYC status.

Key capabilities enabled through DLite include:

- Accelerated customer onboarding and activation
- End-to-end self-service banking across a wide range of products and services
- Intuitive user experience through enhanced interface design, easy navigation and integrated search functionality
- Seamless and secure digital access with simplified login capabilities
- Convenient payment and transfer services, including Pay-to-Contacts and single-click payment functionality
- Personalized and dynamic offers tailored to customer needs
- Banner management utility that enables quick updates and management of promotional banners
- Improved accessibility and convenience through anytime, anywhere banking

Beyond servicing, DLite functions as an important source of customer intelligence. Platform interactions generate behavioral insights that support sharper segmentation, personalized engagement and more relevant product recommendations.



FY 2025-26 Highlights

4.8/5
Play Store Rating

2.5 Mn+
Monthly Average Transactions

4.6/5
App Store Rating

1 Mn+
Monthly Active Users

7 Mn+
Total Downloads

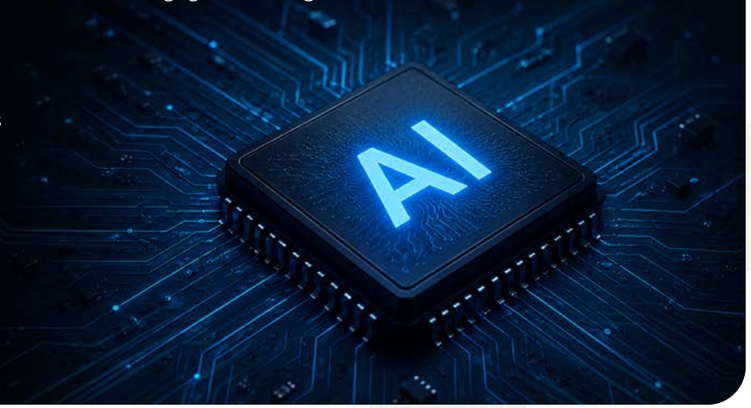
4.17 Lakh+
Accounts Opened

Next Phase of Evolution

Building on its strong adoption, the Bank is undertaking a comprehensive modernization program aimed at transforming DLite into an intelligent financial engagement platform. The roadmap includes migration toward a microservices-based architecture and a decoupled technology framework that will improve scalability, accelerate feature deployment and enhance platform agility. Artificial intelligence and advanced analytics are being integrated to deliver hyper-personalized customer experiences, contextual product recommendations and dynamic engagement capabilities.

The next phase shall include personalized push notifications, behavioral analytics, intelligent feature placement, financial wellness dashboards, net worth tracking capabilities, AI-generated financial insights, loan eligibility tools, rewards and gamification features, chatbot-enabled servicing and virtual assistance.

The Bank is also extending its digital reach to emerging customer segments through a dedicated Gen Z banking initiative developed in partnership with a fintech organization. The platform combines digital account opening capabilities with financial and non-financial services designed to engage younger customers and establish long-term banking relationships.



KVB Corp: Reimagining Corporate and MSME Banking

The launch of KVB Corp marks a defining step in the Bank's corporate banking evolution. More than a mobile application, it is a full-stack digital ecosystem built exclusively for corporate and MSME customers, designed to make KVB the primary operating bank for businesses. Designed as an integrated omni-channel platform, KVB Corp combines mobile and internet banking capabilities within a unified experience tailored to business banking needs.

In an era defined by rapid digital transformation and evolving cyber threats, trust, resilience and security are fundamental to our business strategy, guiding decisions at every level of the organization. The Bank continues to invest in scalable and resilient technology infrastructure designed around reliability, availability and operational continuity to support seamless customer experiences across digital touchpoints.

Key Features

- Unified access to mobile and internet banking channels
- Streamlined account management, including cheque-related services
- End-to-end transaction banking capabilities, covering IMPS, NEFT, RTGS, standing instructions and bill payments.
- Integrated loan, deposit and tax payment services, including Income Tax and GST payments
- FASTag and other digital payment solutions
- Enhanced security and profile management with user controls, session monitoring and transaction limits
- Digital self-service capabilities such as e-statements, Form 26AS access, mutual fund services and request tracking
- Real-time alerts, notifications and value-added services, including credit card and gift card-related functionalities

Planned Enhancements

The Bank plans to integrate collections capabilities, transaction banking services, procurement solutions, e-commerce integrations and additional business utilities that support day-to-day commercial operations. This evolution is expected to transform KVB Corp into a comprehensive corporate app that serves as a central operating platform for businesses.

Deepening Customer Relationships

We are strengthening customer engagement through a data-driven Customer 360 ecosystem. It combines financial, behavioral and transactional data to create a unified view of customers across products, channels and interactions.

Key benefits include:

- Comprehensive visibility into customer journeys and preferences
- Enhanced relationship management through data-driven insights
- Hyper-personalized product recommendations and service experiences
- Improved understanding of customer needs across touchpoints

We are also implementing a Customer Relationship Management (CRM) platform in phases to transform customer acquisition and relationship management. The platform centralizes:

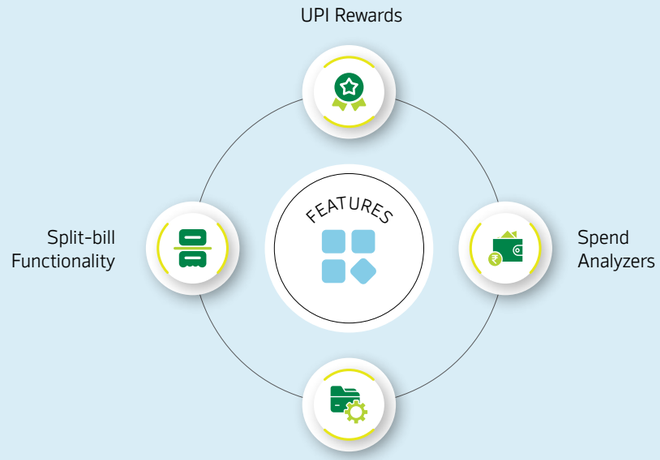
- Social media-generated leads
- Channel-driven opportunities
- Customer interaction data

To support these initiatives, we have launched an omni-channel marketing platform that unifies customer communications via WhatsApp, SMS and Email, with plans to expand to app notifications, internet banking alerts, and Rich Communication Services (RCS). Unlike conventional campaign-led approaches, this platform allows for ongoing, context-aware and relevant interactions across various channels.

Key capabilities include:

- A single customer view across DLite, ATMs, branches and digital channels
- Channel preference intelligence to optimize communication routes
- Real-time feedback loops to continuously refine interactions
- Timing analytics to identify the most effective engagement windows

To further deepen customer engagement, we are introducing features such as:



These initiatives are designed to increase customer stickiness, drive higher digital engagement and create additional opportunities for cross-selling and relationship expansion.

Transforming Operations through Process Innovation

We are further enhancing our process capital by re-engineering operational workflows, boosting automation and minimizing manual tasks in critical activities. These initiatives are leading to faster turnaround times, increased productivity and a more scalable operating model.

A key enabler of this transformation is the Helpdesk Management System (HMS). It is a centralized workflow platform that supports branches and back-office functions in managing customer service requests and operational activities. Through real-time monitoring and SLA-driven execution, the platform has significantly improved service responsiveness and operational efficiency.

We have digitized several customer-facing processes to enhance convenience and accelerate service delivery.

- Re-KYC updates can now be completed through DLite, eliminating the need for branch visits
- Implementation of E-Mandates through NPCI's Online Mandate Gateway System enabling customers to authenticate mandates digitally using Aadhaar, Debit Card, PAN or Customer ID credentials, significantly reducing manual intervention and processing timelines

Additional process improvements include:

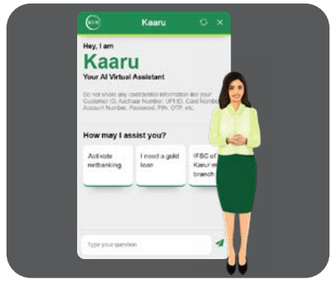
- SMS optimization initiatives that reduce communication costs
- Migration from physical RSA tokens to the KVB Netshield soft-token platform
- Workflow automation for internal approvals
- Centralized monitoring dashboards that strengthen service delivery and grievance resolution

We are promoting productivity-driven growth with our Centralized Operations Unit model. Standardizing and centralizing routine tasks allow branch teams to concentrate on acquiring customers, providing advisory services and managing relationships.

Looking ahead, we are expanding automation across several areas to further enhance efficiency and scalability.

Key initiatives planned next year

- Productivity enhanced through AI
- Automated HMS workflows
- Paperless password reset capabilities
- Intelligent testing automation
- Chatbot-enabled customer support



These initiatives are expected to strengthen straight-through processing, optimize operational efficiency and enhance customer service.

Data Analytics

We are strengthening our knowledge capital by harnessing the power of data analytics across the organization. The Bank is establishing an enterprise-wide data foundation that integrates customer, financial, transactional and operational information into a unified analytical environment. This platform will support customer intelligence, business analytics, risk management and decision-making capabilities across the enterprise.

Enterprise Data Foundation

The Bank is building a unified analytical environment that brings together customer, financial, transactional and operational data.

Expanding the Digital Ecosystem through Partnerships

We continue to strengthen our digital ecosystem through partnerships that expand customer reach, improve service delivery and create new growth opportunities. Open banking and API-led integration initiatives planned for seamless connectivity with external platforms and fintech ecosystems, thereby supporting greater innovation and faster delivery of customer-centric solutions.

Strengthening Ecosystem Partnerships

Partnerships with payment platforms are creating new opportunities across merchant acquisition, embedded payments, settlement accounts and digital distribution. These relationships are evolving beyond payment processing to encompass broader ecosystem partnerships that support customer acquisition, CASA growth, and cross-selling opportunities.

Transaction data generated through these ecosystems also enhances customer intelligence, enabling more targeted engagement and helping us deliver relevant products and services to customers.

Enabling Strategic Business Initiatives

The technology function continues to support strategic business priorities through digital enablement and platform integration. Key initiatives include co-lending integrations for affordable housing and the modernization of the Bank's credit card ecosystem, ensuring that technology capabilities remain closely aligned with business growth objectives and evolving customer needs.

Cybersecurity and Governance

As digital adoption accelerates, maintaining trust, resilience and security is essential to our strategy for intellectual capital. The Bank keeps investing in scalable, resilient technology infrastructure focused on reliability, availability and operational continuity. Modern architecture, auto-scaling features and a mobile-first approach enable smooth customer experiences across digital touchpoints.

Strengthening Technology Resilience

We continue to enhance the resilience of our technology environment through investments in infrastructure, disaster recovery preparedness and operational continuity capabilities.

99%

Uptime Maintained in FY 2025-26 across Critical Applications

Advancing Cybersecurity Capabilities

Cybersecurity capabilities continue to be enhanced through a defense-in-depth approach. It combines firewalls, intrusion detection systems, endpoint protection, Security Operations Center monitoring, SIEM-based surveillance, data protection controls and multi-factor authentication.

Additional initiatives that strengthen resilience against evolving cyber threats include:

- Regular Vulnerability Assessment and Penetration Testing (VAPT) exercises
- Red-team simulations
- Phishing drills
- Cybersecurity awareness programs

Governance and Oversight

These capabilities operate within a governance framework anchored by Board oversight and the IT Strategy and Digital Transaction Monitoring Committee. The Committee oversees technology investments, digital monitoring frameworks, operational resilience, audit observations and technology risk management. Together, they ensure close alignment between strategy, risk, compliance and governance.

Industry Recognition

During the year, the Bank was recognized by the Indian Banks' Association for Best IT Risk Management and Best Digital Financial Inclusion. These awards reflect our focus on secure, innovative and inclusive digital banking.

During the year, the Bank was recognized with 5 awards at the IBA CISO Summit 2025

- Cyber Security Team of the Year
- Cyber Security Transformation of the Year
- Cyber Security Incident Response Maturity
- Cyber Security Compliance Champion
- CISO Elevator Pitch

Outlook

The year ahead will deepen the progress made in FY 2025–26. Customer 360 will move beyond data aggregation to become a more intelligent capability, providing branches and digital channels with a comprehensive view of each customer and enabling more informed engagement. KVB Corp will continue to evolve from a transaction platform into a stronger corporate banking interface, enhancing the experience for corporate customers. The Bank's AI and analytics capabilities will also play a greater role in fraud detection, credit assessment and collections, helping improve operational efficiency while reducing risk. Our focus is on building a digitally enabled, innovation-driven bank that complements the strengths of fintechs and fosters meaningful partnerships.

Investments in cloud migration, AI-driven fraud monitoring, advanced analytics, intelligent automation, personalized customer engagement and zero-trust cybersecurity will continue to strengthen our digital foundation. At the same time, enhancements to DLite, KVB Corp, CRM capabilities, enterprise data platforms and ecosystem partnerships will help deepen customer relationships, improve service delivery and create new opportunities for growth.

FC MC IC **NC** HC SC

NATURAL CAPITAL

Growing Responsibly. Preserving Sustainably.

Responsible environmental stewardship is integral to our vision of sustainable growth and to building an institution that continues to create value for generations to come. By reducing our ecological footprint, strengthening climate resilience and creating sustainable value for future generations, we aim to create impact beyond the balance sheet. Through focused initiatives in renewable energy, green buildings, resource conservation and sustainable facility management, we continue to advance our environmental agenda while staying aligned with evolving ESG expectations and regulatory requirements.

SDGs

Material Topics

- Carbon Footprint
- Waste Management
- Climate Change

Stakeholders

Investors/ Shareholders · Communities · Customers · Regulatory Bodies

Our Initiatives

Renewable Energy Adoption

1,02,470 kWh
of clean solar energy generated through rooftop solar installations across our divisional offices and branches in FY 2025-26

8,81,599 kWh
of renewable wind energy generated through our bank-owned windmill at Theni during FY 2025-26

We continue to identify additional branches and offices suitable for rooftop solar installations to expand renewable energy adoption across our owned premises.

Green Building and Sustainable Infrastructure

We have implemented environmentally responsible design and operational measures across select premises, including energy-efficient systems and water-conservation measures.

We also aim to increase the proportion of our facilities operating from green-certified and sustainable buildings, thereby embedding sustainability into its long-term infrastructure strategy.

KVB officially became a Founding Member of the Indian Green Building Council (IGBC) in February 2026.

Energy Efficiency and Resource Management

- Established systematic mechanisms to monitor and improve resource efficiency across facilities
- Regularly tracked electricity and water consumption across green buildings
- Conducted electrical audits to identify opportunities for reducing conventional energy consumption
- Evaluated and implemented energy efficiency improvement measures across premises
- Integrated sustainability considerations into facility planning and infrastructure upgrades
- Incorporated water conservation measures within the green building framework
- Promoted water-use efficiency and reduced wastage through targeted conservation initiatives
- Tracking renewable energy generation from solar and wind assets

KVB has developed a structured approach to measuring and tracking environmental performance.

Stakeholder Value and Environmental Outcomes

Our environmental initiatives have contributed to:

- Reduced operational carbon footprint through renewable energy generation
- Enhanced energy efficiency and resource optimization
- Improved urban environmental quality through sustainable infrastructure practices
- Strengthened stakeholder confidence through responsible and environmentally conscious operations
- Better alignment with evolving ESG expectations and sustainability-related regulatory requirements
- Long-term operational resilience and value creation through sustainable resource management.

Future Roadmap

Looking ahead, we remain committed to strengthening our environmental performance through:

- Expansion of renewable energy projects across bank premises
- Increased deployment of rooftop solar installations
- Greater utilization of green-certified and sustainable buildings
- Enhanced water conservation and energy-efficiency measures
- Strengthened monitoring systems for energy usage, renewable generation and environmental performance
- Sustainable facility management practices across the Bank's operational network
- Continued efforts to reduce dependence on conventional energy sources and support carbon reduction objectives

FC MC IC NC **HC** SC

HUMAN CAPITAL

Nurturing Talent. Developing Consistency.

Our people remain our greatest strength. Our commitment extends beyond building skills. By combining the power of technology, coaching, innovation and inclusive people practices, we create a workplace where talent flourishes and ambitions find purpose. Through continuous development, rewarding excellence, enabling career progression and fostering a culture of digital innovation and recognition for learning and performance, we cultivate capabilities that endure. In doing so, we empower our people to shape the future, achieve remarkable milestones and create lasting value for our stakeholders.

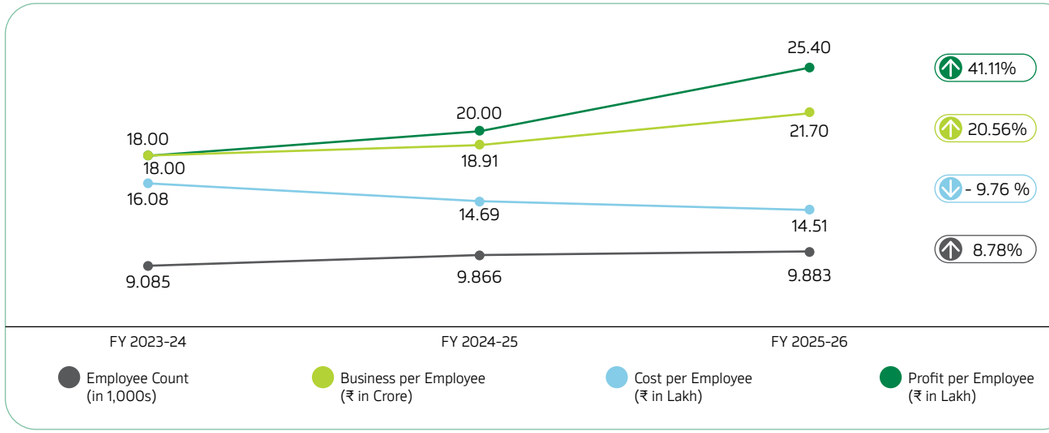
SDGs

Material Topics

- Training & Development
- Diversity & Inclusion
- Freedom of Association & Collective Bargaining
- Executive Compensation Linked to ESG Targets
- Employee Well-being & Development
- Talent Attraction & Retention

Stakeholders

Customers Employees



Building a Strategic and Digitally Enabled HR Foundation

During the year, we strengthened our HR operating model to make people processes more efficient, transparent, compliant, and employee-focused. By digitalizing key HR processes, we are building an integrated foundation that supports the full employee lifecycle and enables better decision-making across the function.

Key initiatives include:

Integrated Recruitment Management System

A unified platform that makes sourcing, selection, and onboarding more transparent, seamless, and efficient.

HR Process Automation through PeopleSoft

Automation of routine HR activities such as attendance management, employee services, workflow approvals, and performance tracking, helping reduce administrative effort and improve turnaround times.

Digital Document Management System

A secure and compliant platform for managing employee records, with controlled access, easier retrieval, and stronger governance.

In addition, we use HR analytics to track workforce productivity, attrition trends, employee engagement, absenteeism, and manpower costs. These insights help us plan better, respond faster, and build a more agile and future-ready workforce.

Optimizing the Workforce for Productivity and Cost Efficiency

As we move from workforce expansion to workforce stabilization, our focus has shifted from adding headcount to improving productivity, efficiency, and role effectiveness. While stabilizing establishment expenses, we continue to support cost optimization while maintaining employee engagement, retention, and morale.

Productivity-led Workforce Planning

We follow a productivity-led approach to workforce planning, using business volumes, digital adoption, employee utilization, customer footfall, and branch profitability as key decision factors. Instead of relying only on fixed staffing norms, we optimize manpower through role redesign, redeployment, and process automation, ensuring that resources remain aligned with business priorities and growth opportunities.

Strategic Approach to Attrition and Replacement

We follow a need-based approach to replacement hiring. Each vacancy arising from attrition is assessed against business criticality, regulatory requirements, customer impact, productivity, and revenue potential. Customer-facing and business-generating roles are prioritized to ensure service continuity and growth, while support and operational roles are reviewed for consolidation, automation, redesign, or redistribution before recruitment is initiated.

This approach is supported by a system-enabled Performance Improvement Plan (PIP) framework, which enables structured performance monitoring and collaboration among employees, managers, and HR. It helps identify performance gaps early and supports timely corrective action.

We have also strengthened early-stage retention with the implementation of technology-enabled onboarding and hand-holding of new employees.

Redeployment, Multi-Skilling and Higher-Value Roles

We continue to promote internal mobility, cross-functional deployment, and multi-skilling to meet workforce needs while reducing dependence on external hiring. As digitization transforms operations, we are shifting employee capacity from transaction processing to higher-value activities such as customer advisory, relationship management, sales, analytics, and business development.

Cost Optimization with a People-centric Approach

Our retention efforts focus on high-performing and high-potential employees through career development opportunities, targeted learning, mentoring, and role-based recognition. We use automation to simplify routine HR processes and expand digital learning platforms to deliver capability-building programs more efficiently.

Organizational Design and Functional Specialization

We continue to strengthen our operating model through greater functional specialization, enabling sharper execution, better productivity, and improved customer outcomes. Dedicated business verticals drive focused business development, while centralized hubs consolidate specialized operations and support functions.

Specialized Business Verticals

Our specialized business verticals, including CASA acquisition units and the Small Business Group, have strengthened customer acquisition, relationship management, and business growth through focused execution and clear accountability. HR supports the scale-up of these verticals through:

- Targeted recruitment for specialized sales, relationship management, MSME banking, and liability sourcing roles
- Customized learning and certification programs aligned with business needs
- Role-specific performance and incentive frameworks that improve accountability and productivity
- Structured career progression pathways to build long-term talent pipelines
- Workforce planning based on geography, customer segments, business potential, and productivity benchmarks

Centralized Functions

We have strengthened centralized legal, recovery, and asset disposal functions to improve operational efficiency, optimize resource use, and enhance compliance. This reduces the administrative load on frontline teams and enables them to focus more on customer engagement and business development.

Key initiatives include

- Standardized processes and stronger regulatory compliance
- Improved recovery effectiveness through specialized legal and recovery teams
- Real-time monitoring of overdue accounts through digital dashboards
- Analytics-led insights to support risk assessment and recovery strategies

Enabling the 'Lite' Branch Model

HR continues to support the Bank's liability-focused and productivity-led 'Lite' branch model. The model is designed to drive CASA growth, customer acquisition, and relationship management through optimized staffing and role specialization.

Key HR enablers include

- Recruitment focused on sales orientation, customer acquisition capability, local market knowledge, and digital adaptability
- Performance frameworks linked to business growth, activation, and service metrics

Learning, Training and Capability Building

We continue to build a skilled and adaptable workforce through learning programs aligned with business priorities. Our training mix includes classroom sessions, virtual workshops, practical training, and digital modules across business, risk, compliance, customer service, and leadership.

Key focus areas during the year included:

- Role-based training across business and operations
- Compliance, risk management, and cybersecurity awareness
- Customer relationship management and service excellence
- Leadership development across management levels
- Mandatory e-learning on ethics, data security, diversity and inclusion, and POSH compliance under our Harmony culture framework

FY 2025-26 Highlights

9,733
Employees Trained

1,366
Total Training Programs

831
Role-based Training Programs

Targeted Development Partnerships and Interventions

We continued to strengthen capability building through strategic partnerships and structured development initiatives aimed at preparing employees for future business requirements. Key interventions included:

- Customized certification programs in partnership with IIBF to strengthen banking and functional expertise
- Use of Predictive Index tools to support talent optimization and align employee strengths with organizational needs

Focus Areas for Future Capability Building

Our learning roadmap is closely linked to business growth, with a sharper focus on MSME financing and secured lending. Priority areas include:

I. **Credit and Risk**
Sector assessment, working capital evaluation, credit underwriting, and collateral management

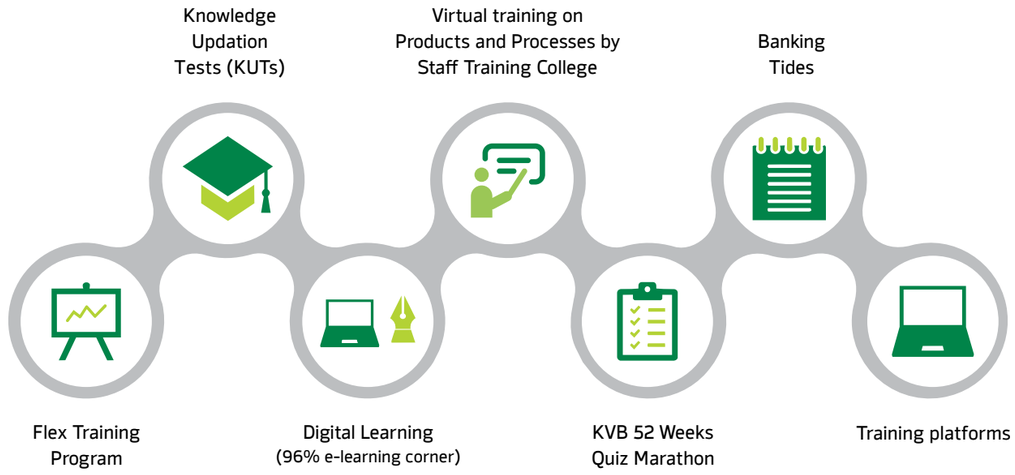
II. **Compliance and Security**
Regulatory developments, control frameworks, and fraud prevention

III. **Customer Excellence**
Relationship management and service delivery

Measuring Learning Effectiveness

We measure learning effectiveness through knowledge gained, workplace application, and business impact. This ensures that training improves performance, supports operational excellence, and leads to better customer outcomes.

Continuous Learning



Leadership Development and Succession Planning

Leadership development remains central to long-term continuity at the Bank. During the year, we conducted a competency assessment for employees in the Chief Manager and above grades, using behavioral interviews, simulation exercises, and 360-degree feedback to assess leadership potential and create role-specific success profiles.

The outcomes are being used to:

- Identify high-potential employees for future leadership roles
- Create Individual Development Plans aligned with employee and organizational goals
- Design targeted leadership interventions
- Strengthen succession planning for critical positions

Our succession framework maps critical roles to a diverse pool of high-potential employees. Through mentoring, leadership programs, and cross-functional exposure, we are building leadership readiness across the Bank.

Diversity and Inclusion

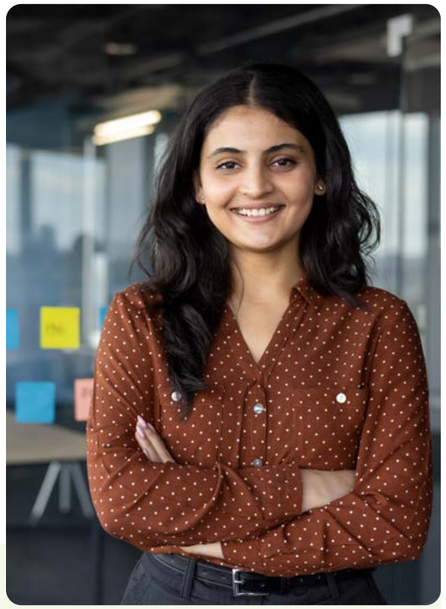
The Bank has adopted a comprehensive Code of Ethics that underscores its commitment to Human Rights, Anti-Harassment, and Diversity, Equity and Inclusion (DEI) principles. The policy reinforces our resolve to foster a workplace that is safe, respectful, and inclusive, where every employee feels valued, supported, and empowered to achieve their full potential.

Our efforts for sustainable practices in gender diversity have earned recognition from the industry.

To strengthen an inclusive workplace culture, the Bank undertook the following initiatives during the year:

- **Empowering Women Leadership**
  Targeted leadership development programs, including the Women BM Ready Program, Leadership Development Program, and Sales and Negotiation Skills training, were conducted to prepare and empower women employees for leadership roles.

- **Samarthan**
  A Program for New Mothers and Mothers-to-be: Dedicated webinars were organized for women employees who are expecting or have recently become mothers, providing guidance on health, well-being, nutrition, and managing the transition into motherhood while balancing professional responsibilities.
- **Prerna**
  Prerna, a forum of women executives, continued to mentor, inspire, and support women employees by facilitating meaningful interactions, encouraging career development, and fostering personal and professional growth.



- **She Leads**
  As part of the Bank's International Women's Day celebrations, She Leads recognized and celebrated the achievements of women employees across various roles. The She Leads Awards honoured outstanding women performers, with the unique feature of inviting male employees to nominate deserving women colleagues, making the initiative highly engaging and inclusive.
- **The MentorLoop**
  The Bank continued its reverse mentoring initiative for the second consecutive year, enabling younger employees to mentor senior leaders on emerging trends, digital transformation, and evolving customer expectations. The program promoted cross-generational learning, strengthened leadership adaptability, and encouraged a culture of collaboration and continuous learning.

Employee Engagement Initiatives

At KVB, employee engagement extends beyond programs to create a culture where employees feel valued, connected, and empowered. Through initiatives focused on learning, well-being, collaboration, recognition, and creativity, the Bank continues to strengthen employee experience while fostering a high-performing and inclusive workplace.

Festive and Cultural Celebrations

The Bank celebrates festivals and significant occasions throughout the year, strengthening camaraderie and reinforcing a shared sense of belonging across the organization.

RBI Deputy Governor Shri J Swaminathan graces the KVB Central Office, Karur, on our 110th Founder's Day Celebration

- **National Festivals**
  Festivals such as Onam, Pongal, Diwali, and Independence Day were celebrated with enthusiastic participation from employees across locations.
- **Founders' Day Celebration**
  Founders' Day was commemorated through a range of cultural programs and national-level competitions involving employees from across the Bank. As part of the celebrations, the Bank organized its Feeding the Poor initiative across all locations. The occasion also celebrated academic excellence by recognizing the meritorious children of employees securing 80% and above in the Class X and XII public examinations with certificates and cash incentives.
- **KVB Inspire: All India Children's Day Competition 2025**
  To promote financial literacy among school students, the Bank organized the National Finance Olympiad (NFO) for students of Grades 9 to 12. Top performers in each grade were recognized for their achievement. A Children's Day Carnival was also organized at the Central Office, Karur, featuring interactive workshops, games, and recreational activities for employees' children.
- **New Year Celebration**
  Cultural events organized at the Central Office welcomed the New Year by bringing employees together in a festive and collaborative environment.

- **International Women's Day Celebration**
  The Bank celebrated the achievements of women employees through the She Leads initiative, with awards recognizing outstanding contributions across diverse roles. In a unique and inclusive approach, male employees were invited to nominate deserving women colleagues. The celebrations also featured a live webinar by eminent speakers, who shared inspiring perspectives on empowerment, resilience, and professional growth with employees across the Bank.

Continuous Engagement and Recognition

- **KVB Gayathri e-Zine**
  The Bank's quarterly in-house magazine, KVB Gayathri e-Zine, continued to provide employees with a platform to showcase their creativity through articles, blogs, poetry, artwork, and other creative contributions.
- **Talent Hunt**
  The Bank launched a Talent Hunt initiative on its internal portal, enabling employees to register and showcase their talents across multiple categories. The platform encourages creativity, enhances employee participation, and provides opportunities for employees to display their diverse skills beyond their professional roles.

KVB Aarogya: Employee Well-being

Recognizing that employee well-being is fundamental to organizational success, KVB Aarogya continued to promote physical, mental, and emotional wellness through a range of initiatives.

- **Employee Assistance Program (EAP)**
  During the year, the Bank introduced an Employee Assistance Program to provide confidential counseling, work-life balance support, and access to wellness resources.
- **International Yoga Day Webinar**
  A special webinar highlighted the importance of incorporating yoga into everyday life. Employees were introduced to simple desk yoga practices that can be conveniently integrated into their daily work routine.
- **Health and Fitness Webinar**
  A leading cardiologist conducted an interactive session on preventive healthcare, cardiovascular wellness, and healthy lifestyle practices, encouraging employees to adopt sustainable habits for long-term well-being.
- **Samarthan**
  This initiative continued to support new and expecting mothers through expert-led sessions covering maternal health, nutrition, well-being, and work-life transition.

Regulatory and Labour Compliance

We remain committed to maintaining high standards of regulatory and labour compliance while ensuring operational efficiency. As the regulatory landscape continues to evolve, we are strengthening our compliance framework through technology-enabled processes and proactive workforce management practices.

Our HR systems are integrated with core operational platforms, enabling automated monitoring and compliance with employment regulations, wage and benefit requirements, statutory obligations and internal policies. This approach improves accuracy, enhances governance and reduces administrative complexity by embedding compliance into day-to-day operations.

Reward and Recognition

We continue to foster a culture of appreciation and motivation through our structured reward and recognition initiatives, acknowledging outstanding performance, continuous learning, and exemplary contributions across the organization.

MD's Club

A prestigious recognition platform that honors high-performing Branch Heads who have made significant contributions to the Bank's business growth. Eligible Branch Heads are inducted into the MD's Elite Club and MD's Club in recognition of their exceptional performance and leadership.

Learning Recognition

To encourage continuous professional development, the Bank reimburses examination fees for employees who successfully complete certification programs offered by reputed institutes and professional organizations, reinforcing its commitment to lifelong learning and skill enhancement.

KVB Rathna

KVB Rathna is an instant recognition platform through which employees receive appreciation from the Senior Management for exemplary achievements, innovation, and outstanding contributions across various areas of banking operations.

Awards and Accolades

Our commitment to excellence in people development and workplace practices are recognized through prestigious industry awards.

Sustainability Award for Employee Diversity

Conferred by the Bangalore Chamber of Industry and Commerce (BCIC), this award recognizes the Bank's initiatives in promoting diversity, equity, and inclusion across its workforce. The recognition reflects our belief that sustainable growth is driven by an inclusive workplace where individuals from diverse backgrounds are empowered to succeed and contribute meaningfully.

Excellence in Customized Learning Solutions Award

Presented by the Indian Institute of Banking and Finance (IIBF), this award recognizes our commitment to building a future-ready workforce through innovative and tailored learning initiatives. It reaffirms our focus on enhancing employee capabilities, strengthening learning agility, and fostering a culture where continuous learning is integral to professional growth.

FC MC IC NC HC SC

SOCIAL AND RELATIONSHIP CAPITAL

Fostering Inclusion. Strengthening Relationships.

Our stakeholder relationships are shaped by trust, transparency, and a deep understanding of the people and communities we serve. Over the years, these relationships have supported our growth and resilience across market cycles. The Bank continues to strengthen this trust through clear communication, ethical practices and customer-focused service, building relationships that go beyond transactions and grow stronger with time.

SDGs

Material Topics

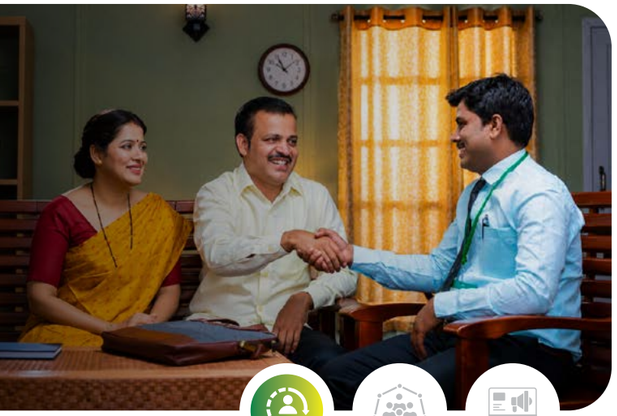
- Brand Reputation Opportunities
- Regulatory Compliance
- Transparency & Fair Disclosures
- Customer Experience & Satisfaction
- Business Ethics
- Financial Inclusion
- Corporate Governance
- ESG Oversight
- Community Well-Being/CSR

Stakeholders

Customers
Vendors
Communities
Regulatory Bodies

Customers

We focus on making banking simple, accessible and responsive for our customers. Faster loan processing, greater use of digital solutions and inclusive service delivery help us meet their changing needs across touchpoints. By combining convenience with accountability, we aim to build stronger customer relationships and reinforce our role as a trusted banking partner.



Our Grievance Redressal Framework

We are committed to resolving customer concerns quickly and efficiently through a structured grievance redressal system. Our multi-layered process enables smooth escalation, timely resolution and regular monitoring, reflecting our focus on customer satisfaction and service excellence.

LEVEL 1 — Branch/Offices

LEVEL 2 — Divisional Office (Nodal Officer)

LEVEL 3 — Principal Nodal Officer (Central Office)

LEVEL 1: Branch-Level Resolution	LEVEL 2: Divisional Office (Nodal Officer)	LEVEL 3: Principal Nodal Officer (Central Office)
Initial contact point (Branches) - Our branches serve as a primary point of grievance registration apart from Digital modes (call center, website, and Email, among others). Our dedicated staff are trained to understand and resolve a wide array of customer issues promptly. If proper resolution is not achieved at branch level within 10 days, the grievance is escalated to the respective Divisional Office (DO) on 11th day.	Nodal Offices (Respective Divisional Offices)- The Nodal offices bring more focused attention and expertise to resolve more complex issues. If a satisfactory resolution is not provided, the grievance will be escalated to the Principal Nodal Officer.	Principal nodal officer (Central Office) – This apex team provides strategic guidance and intervention, ensuring a conclusive resolution is delivered within the TAT (Turn Around Time) of 30 days. Note: Partly rejected and wholly rejected complaints are referred to the Internal Ombudsman as per the IO Scheme Guidelines 2026.

98.01%
Number of Complaints Resolved within TAT

Enhancing Customer Confidence and Satisfaction

Customer trust and satisfaction are central to our service approach. We address customer concerns in a fair, transparent and timely manner, in line with the Bank's internal policies, standard operating procedures and RBI guidelines. To improve service quality, we closely track customer grievances and conduct Root Cause Analysis of recurring complaints. This helps us identify key issues, take corrective action and strengthen our processes and controls. By proactively addressing systemic concerns, we not only improve the overall customer experience but also contribute to a sustained reduction in complaint volumes and enhanced service reliability

Steps Taken toward Improving Service and Customer-centricity

- We conducted the Digital Self-Defense Campaign across multiple locations in Tiruchirappalli to strengthen customer awareness and promote safe digital banking practices; the initiative witnessed encouraging public participation and helped educate customers on phishing attacks, OTP scams, impersonation frauds, and other emerging cyber threats under the theme, 'Digital Self-Defense Campaign by Karur Vysya Bank'
- As part of our ongoing commitment to customer protection and financial awareness, we regularly disseminate cybersecurity awareness materials to targeted customer segments
- In alignment with the Reserve Bank of India's awareness initiatives, we share the latest cyber safety advisories and threat-based awareness posters with customers on every Cyber Jagrookta Diwas (CJD). This is observed on the first Wednesday of each month
- We uphold the highest standards of ethical conduct and maintain a zero-tolerance approach toward mis-selling and coercive recovery practices

FY 2025-26 Highlights

9,711
Customer Complaints Received

9,518
Grievances Resolved in TAT

18 days
Average TAT for Resolving Complaints

764
Grievances escalated to Banking Ombudsman in FY 2025-26

4,373
Employees Trained in Handling Customer Grievances/ISO 2021

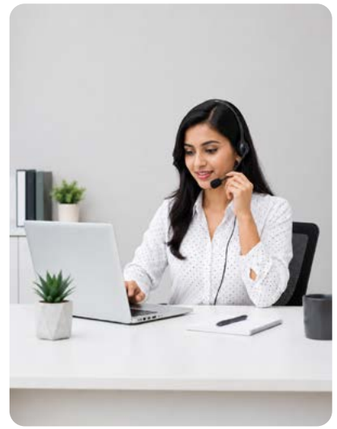
KVB Call Center

In FY 2025-26, we continued to strengthen our Call Center as a key customer touchpoint through our 24x7 Phone Banking platform. With stronger service processes and technology support, we improved our ability to respond to customer requests, queries, and complaints across voice and digital channels, while building a more responsive and future-ready customer support ecosystem.

7.62%
Improvement in Answered Call Levels Over the Previous Year

As more customers shift to digital channels, we remained focused on timely assistance and uninterrupted support. Our Contact Center helped customers navigate digital banking services, resolve issues efficiently and coordinate with internal teams for more complex needs. We also deepened engagement through welcome calls, telesales initiatives and structured collection campaigns, strengthening our customer relationships.

2.29%
Improvement in Collection Resolutions



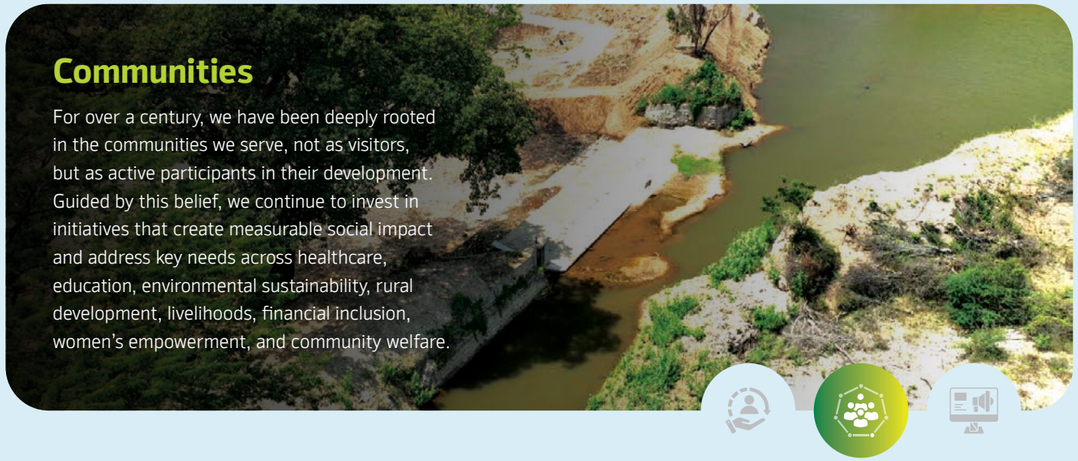
We strengthened our customer protection framework with dedicated support for reporting suspicious transactions, verifying mobile number change requests and reaching out to customers under our Enterprise Fraud Risk Management (EFRM) framework and National Cybercrime Reporting Portal (NCRP) cases.

To improve service quality and the customer experience, we focused on increasing First Contact Resolution (FCR) by simplifying processes and empowering employees.

Technology remained central to this effort. We upgraded the Servosys Ticketing Tool with improved dashboards, stronger reporting features and CRM-based tracking of customer interactions. This gives us better visibility into customer needs and service performance.

We also migrated our outbound CRM and dialer infrastructure to a Virtual Machine (VM) environment to improve resilience and scalability. Noise-cancellation technology was introduced to improve call quality and customer interactions. To further strengthen transparency and trust, we implemented the TRAI-mandated 1600-series numbering framework for service, transactional and collection-related calls.

Looking ahead, we will continue to strengthen our customer support capabilities. Our focus areas include revamping the Phone Banking IVRS, introducing a dedicated Credit Card IVRS, expanding digital collection initiatives and building a hybrid support model that combines Voice Bot capabilities with live-agent assistance. These initiatives will help us offer greater convenience, faster resolution and a more personalized customer experience, while strengthening secure and technology-led customer engagement.



Communities

For over a century, we have been deeply rooted in the communities we serve, not as visitors, but as active participants in their development. Guided by this belief, we continue to invest in initiatives that create measurable social impact and address key needs across healthcare, education, environmental sustainability, rural development, livelihoods, financial inclusion, women's empowerment, and community welfare.

The Bank's key CSR priorities during FY 2025-26 included

- KVB Vidya — Promotion of Education and Skill Development
- KVB Aarogya — Healthcare, Sanitation, Nutrition and Safe Drinking Water
- KVB Bhoomi — Environmental Sustainability and Climate Resilience
- KVB Gramodaya — Rural Development and Livelihood Promotion
- KVB Shakthi — Women Empowerment and Community Welfare
- KVB Khel — Sports Development and Youth Engagement
- KVB Navodaya — Technology Incubation and Innovation Support

CSR Spend FY 2025-26

During FY 2025-26, the Bank implemented 41 CSR projects with a total CSR expenditure of ₹40.65 Crore

Segment	Projects	Amount (₹ Crore)	Share of CSR Budget
KVB Aarogya	14	15.66	38.53%
KVB Bhoomi	16	11.26	27.69%
KVB Gramodaya	2	6.20	15.25%
KVB Vidya	7	5.82	14.32%
KVB Shakthi	1	0.13	0.31%
KVB Navodaya	1	1.00	2.47%
Administrative Expenses	-	0.58	1.43%

CSR Initiatives

KVB Vidya

Promotion of Education and Skill Development

Improved Access to Education through Solar Installations in Government Schools

The project supports the installation of solar lighting system in government schools across Tiruvallur and Chengalpattu districts in Tamil Nadu. The initiative aims to provide a reliable, sustainable, and environmentally friendly source of energy, enabling schools to effectively utilize smart classroom facilities and digital learning tools that enhance access to quality education. Reliable power access also supports the integration of technology-enabled learning methods, bridging educational gaps and strengthen digital literacy among students.

20
Government Schools

Empowering Special Needs Children through Therapy Infrastructure Support

We are committed to improving the quality of life and developmental outcomes of children with intellectual and developmental disabilities. The project strengthens therapy facilities by providing essential infrastructure and resources for specialized interventions based on each child's needs. These facilities help therapists and caregivers provide better developmental support, enabling children to improve their cognitive, physical, social, and emotional skills.

88 Children
With Special Needs Supported

Support to School Infrastructure: MPPP School, Surampeta, Gollaprolu

We have strengthened educational infrastructure at MPPP School in Surampeta, Gollaprolu, by supporting essential improvements to the school's infrastructure facilities. The initiative aims to create a safe, comfortable, and supportive learning environment where students can focus better and improve their academic outcomes.

Educational Support to Students: Scholarship Program

In partnership with the Karnataka Arya Vysya Charitable Trust, we support a scholarship program for meritorious students from underprivileged backgrounds. Through direct financial assistance, it enables deserving students to continue their education, pursue their career goals, and build the skills needed to succeed in their chosen fields.

Sports for Excellence Program with Life Skills

The Sports for Excellence Program with Life Skills uses sports to support the holistic development of children and adolescents in Jawadhu Hills, Tiruvannamalai. Designed to promote sports excellence, build life skills, and uphold every child's right to play. The initiative helps young people develop confidence, leadership, teamwork, and resilience on and off the field. Through a structured one-year cohort model, participating schools will be part of a development program that combines sports-based learning with personal and social growth.

2,500
Children and Adolescents Empowered

Financial Literacy Awareness Program for School Students

The Financial Literacy Awareness Program aims to equip school students with essential financial knowledge and encourage the development of responsible financial habits from an early age. To promote meaningful learning and practical application of financial concepts, the program incorporates an online and offline examination that challenges students to demonstrate their understanding in a competitive and engaging environment.

1,165
School Students Empowered

KVB Aarogya

Healthcare, Sanitation, Nutrition and Safe Drinking

Breast Cancer Screening Project in the Community

The Breast Cancer Screening Project aims to improve women's health through early detection and timely intervention using Niramai's patented Thermalytix technology, implemented in and around Mysuru, Karnataka. This non-invasive, radiation-free screening solution helps identify potential breast abnormalities early, improving the chances of timely treatment and better health outcomes. The project combines technology-led screening with community outreach to improve awareness and access to preventive healthcare, counselling support, and referrals for further medical evaluation and treatment for women identified as high-risk.

Supporting Rural Health Infrastructure in Karur through Government Hospitals

The Bank has strengthened healthcare delivery in Karur district by supporting government hospitals with advanced medical infrastructure and essential equipment. The initiative aims to improve diagnosis, support better treatment outcomes, and expand access to quality healthcare for rural communities.

At the Government Medical College Hospital, Karur, the Bank provided high-end medical equipment, including an anaesthesia workstation with isoflurane/sevoflurane vaporizer, a multipara monitor, a diagnostic and operative hysteroscope with hysterometer, a B-Scan, and a warmer with syringe pump and infusion pump. These facilities help doctors diagnose and treat a wide range of medical conditions, perform critical surgeries, and deliver life-saving care.

The Bank also supported Government Hospitals in Manmangalam and Velayuthampalayam with medical, surgical, and operating theatre equipment, along with essential hospital furniture.

2,000
Outpatients Served

1,000
Inpatients Served

1,000
Patients Benefited from the Newly Installed Equipment

Community-based Early Intervention Project for Children

The Community-Based Early Intervention Project supports the healthy growth and development of children from birth to five years through timely, comprehensive, and family-centered intervention services. Implemented across the Nilakottai, Batlagundu, and Reddiyarchatram blocks of Dindigul district, the project focuses on early identification, intervention, and rehabilitation for children with developmental delays and disabilities. It also promotes school readiness and helps families support their child's learning and development during the most critical early years.

Provision of Nutrition Hampers for Children Living with HIV

The project aims to improve the nutrition, health, and well-being of children living with HIV by providing nutritional support along with healthcare and psychosocial interventions. It helps vulnerable children and their families access the resources and guidance needed to support treatment adherence and healthy development. Under the program, nutritional hampers are distributed annually as per recommended diet plans and includes regular medical follow-up services, creating a holistic support system for children and families. Regular awareness sessions are also conducted for children and caregivers on HIV-TB co-infection, early screening, prevention of opportunistic infections, treatment adherence, and stigma reduction.

6,120
Nutritional Hampers

500 Children Living with HIV and their Families across

13 Districts in Tamil Nadu

8 Districts in Andhra Pradesh

5 Districts in Telangana

Provision of Ambulance and Battery-operated Vehicle to Periyar Government Hospital, Periyar Nagar, Chennai

The Bank has supported a sustainable healthcare mobility initiative at Periyar Government Hospital, Periyar Nagar, Chennai, through the provision of an ambulance and a battery-operated vehicle. The project aims to improve patient transportation services while enhancing accessibility, convenience, and overall patient experience within and around the hospital campus. The battery-operated vehicle facilitates

the seamless movement of patients, visitors, and caregivers across the hospital premises, particularly benefiting elderly individuals, persons with disabilities, and patients with mobility challenges.

Provision of Safe Drinking Water to Anganwadi Centers in Nagercoil

To promote the health and well-being of young children, the Bank has installed RO water purification units in 50 Anganwadi centers across Nagercoil municipality. The initiative aims to ensure reliable access to safe and clean drinking water for toddlers and young children during their formative years, supporting their overall health and development. Access to safe drinking water plays a vital role to reduce the risk of waterborne diseases, improving child health, supporting nutrition, and fostering healthy growth and development from an early age.

50
Anganwadi Centers Catered

Changing Lives of Underprivileged Children with Type 1 Diabetes

In association with Idhayangal Charitable Trust, the Bank is supporting underprivileged children living with Type 1 Diabetes by providing essential diabetes care and management support. The project includes the provision of Penfill insulin cartridges, insulin pen devices, insulin pumps, glucometers, glucose strips, and pain-free ultra-fine needles to help children effectively manage their condition and also provides diabetes education for children and caregivers. The project aims to improve health outcomes, reduce the burden on families, and enable children to lead healthier and more fulfilling lives.

210
Children with Type 1 Diabetes Benefitted

Advancing Vision Care through expansion of Sankara Eye Hospital, Coimbatore

The project supports the construction of a dedicated First Floor Wing within the Super Specialty Block at Sankara Eye Hospital, Coimbatore, under the Sankara Eye Foundation. The Super Specialty Block, including the KVB-supported wing, will be dedicated to providing free clinical services, education, training, and research.

As a recognized teaching institution, Sankara Eye Hospital supports postgraduate Ophthalmology programs, fellowships, Optometry courses, and Vision Care Technician training, benefiting students, particularly those from rural and underserved communities.

Youth Suicide and Gambling Prevention Initiative

Implemented by NIMHANS, this initiative addresses a critical and growing need by providing a comprehensive approach to youth mental health and well-being. The project combines prevention, early identification, and psychosocial care within a structured and scalable framework designed to reduce suicide risk, address gambling-related harm, and build resilience among young people. The initiative adopts a three-tier prevention model that focuses on promoting awareness, facilitating early identification of at-risk individuals, and delivering targeted interventions for those requiring specialized support.

15-29 Years
Age Group Catered

Provision of Additional Building for Old Age Home in Manalmedu, Karur

To address the growing need for quality elder care, an additional building block is being developed at the Karur Sri Pasupatheeswara Ayyappa Seva Sanga Muthiyor Parivalayam, Manalmedu, Karur. The project was formally initiated with the Bhoomi Pooja ceremony, marking a significant step towards expanding care facilities for senior citizens. The expansion is designed to provide a safe, comfortable, and dignified living environment for elderly residents, while enhancing access to essential services, including healthcare, nutrition, emotional well-being support, and opportunities for social interaction.

KVB Bhoomi

Environmental Sustainability and Climate Resilience

Sakthi Gram: Ensuring Water and Energy Security at the Village Level

The Sakthi Gram initiative aims to strengthen water and energy security in Selvanayagapuram Village, located in Ramanathapuram District, through sustainable community-based interventions with community engagement and participation. The project focuses on improving access to safe drinking water through the installation of RO units, while the renovation of existing drinking water sources has helped improve water availability and security. Promoting sustainable energy practices, bio-methanation plants have also been introduced, contributing to energy security and encouraging environmentally responsible resource management.

Development of Sponge Park at Mullai Nagar, Tambaram City Municipal Corporation

The Sponge Park project at Mullai Nagar aims to create a sustainable stormwater management system through landscape planning and nature-based solutions. The project aims to minimize surface runoff, enabling the natural infiltration of rainwater into the ground and improving stormwater management. By incorporating native plant species, an herbal garden, and aquatic vegetation, the initiative supports ecological diversity while actively managing urban microclimatic conditions.

Provision of Vehicles for Solid Waste Management

As part of its 'Towards a Clean & Healthy City' initiative, the Bank supported the Madurai Corporation by providing two standard garbage collection vehicles and five battery-operated garbage collection vehicles to Kulithalai Municipality to strengthen municipal waste management and sanitation services. The initiative aims to optimize waste collection and disposal, contributing to a cleaner, healthier, and more sustainable urban environment. Through this partnership, the Bank reinforces its commitment to civic infrastructure, environmental responsibility, and community well-being.

1,500 Households
Benefitted

Renovation of Minor Irrigation Water Harvesting Structures

Implemented by Vidhaigal Trust, the project restores traditional rural water harvesting structures to strengthen water security, support agriculture, and improve environmental sustainability. Village ponds and tanks are important for irrigation, groundwater recharge, livestock water supply, and ecological balance, making their restoration vital for rural resilience. The initiative covered multiple water bodies across combined technical improvements with ecological conservation to improve the effectiveness and sustainability of these water resources. These measures have improved the functionality and storage capacity of the water bodies, enabling better use of available water resources.

11,400 cubic metres
Increase in water holding capacity

Provision of Mechanized Water Body Cleaning Equipment

We are supporting an innovative environmental initiative by deploying AI-powered waterbody-cleaning craft across municipalities with a high concentration of water bodies. These advanced 'Ecofloater 1.0' units, equipped with a 50 kg waste collection capacity, are designed to remove floating waste, debris, and algal growth that adversely affect water quality and ecosystem health. The initiative demonstrates the use of technology-driven solutions to strengthen environmental management and promote cleaner, healthier urban ecosystems.

Revive and Reimagine: Enhancing Guindy National Park, Chennai

The project aims to strengthen Guindy National Park as a model urban biodiversity hub by enhancing its infrastructure, accessibility, sustainability, and conservation outreach.

Key activities include upgrading infrastructure facilities within the park, improving accessibility for visitors, strengthening animal care measures, enhancing waste management systems, and raising awareness about species diversity and wildlife conservation.

The initiative has significantly increased public engagement, attracting students, children, and visitors to learn about biodiversity and conservation. As part of the enhanced visitor experience, the Augmented Reality Room provides an immersive platform for environmental education and awareness.

8,300
Visitors

Fostering Resilient Ecosystems and Communities in the Western Ghats

This project aims to strengthen wildlife conservation, reduce human-wildlife conflict, and restore ecological balance across the Western Ghats and Nilgiris landscape. Through an integrated approach that combines biodiversity conservation with community development, the initiative seeks to create resilient ecosystems while improving the livelihoods and well-being of local communities.

Key interventions include establishing elephant-resistant Public Distribution Shops to minimise human-elephant interactions and deploying speed-monitoring technology in critical wildlife corridors to reduce vehicle-related wildlife collisions and empowering tribal communities by strengthening forest-based livelihoods and promoting sustainable natural resource management practices.

Installation of Solar-powered Streetlights

Karur Vysya Bank provided financial support for the Provision of Solar Streetlights in the Center Median of the National Highway in Dharumathupatty Panchayat, Dindigul District, in coordination with DRDA Dindigul. The project was undertaken to address the critical challenge of inadequate street lighting along the National Highway, enhancing road safety, reducing the risk of accidents, and improving mobility during nighttime. By adopting solar-powered lighting, the initiative also promotes the use of renewable energy, supporting environmental sustainability and reducing dependence on conventional energy sources.

40
Solar-powered
Streetlights Installed

Provision of Battery-Operated Buggy

Through its CSR initiative KVB Bhoomi, the Bank has donated a 23-seater battery-operated vehicle to the Murugan Temple in Palani (Dindigul District) and two 6-seater battery-operated vehicles to Sri Durga Malleswara Swamy Varla Devasthanam in Vijayawada. This initiative supports environmental sustainability and inclusive community development. The eco-friendly vehicles provide free, comfortable transportation for elderly passengers, women, children, and other devotees, reducing physical strain and making the pilgrimage complexes more accessible.

20 Trips
Made Daily

Enhancing Municipal Parks as Green and Wellness Spaces

The initiative aims to promote community health and well-being by establishing open gyms in public parks across Coimbatore, Madurai, and Tirunelveli in Tamil Nadu, as well as Vijayawada and Visakhapatnam in Andhra Pradesh. By providing free and inclusive fitness infrastructure—including upgraded walking tracks and dedicated yoga zones accessible to all age groups—the project encourages active lifestyles, preventive healthcare, and greater community participation in physical fitness. These barrier-free facilities allow residents to engage in regular physical activity, ultimately improving public health outcomes and overall quality of life.

KVB Bhoomi

Safeguarding Water Resources through Strategic Collaboration

As part of its Corporate Social Responsibility (CSR) commitment to environmental stewardship, we partnered with specialized NGO Siruthuli and the local administration to rejuvenate the Pudukaadu and KilChithiraiChavadi Anicuts within Coimbatore's Noyyal river system in early 2026. This strategic intervention restored critical environmental infrastructure by expanding water holding capacity to 62,620 cubic metres, removing invasive growth and securing free-flowing supply to interconnected system lakes. The project drives long-term hydrological stability and ecological resilience by replenishing the regional water table, proactively recharging approximately 850 downstream borewells and directly enhancing agricultural productivity for 877 local farmers across a 15-20 km radius.

2

Major Anicuts Restoration Initiated

Before

Kilchithirai

Pudukaadu

After

Kilchithirai

Pudukaadu

KVB Gramodaya

Rural Development and Livelihood Promotion

Strengthening Rural Communities through the Model Village Framework

The Model Village Framework aims to transform villages into exemplary centers of holistic and sustainable development, creating replicable models that can inspire and guide other panchayats. By addressing key development challenges through community-led initiatives, the project seeks to improve the quality of life for residents while establishing a scalable pathway for rural transformation across the state and the country.

At Kumarapuram Village Panchayat, the initiative was formally launched with the unveiling of the project board, marking the beginning of a comprehensive development journey. The project adopts an integrated approach encompassing social, economic, environmental, and governance dimensions to foster long-term sustainability and community resilience.

₹5 Crore

Invested

1,000+

Households United to Create a Model Village

Palm Livelihood for Empowerment among Rural and Marginalized Communities in Tuticorin District

The project aims to revitalize the Palmyra-based artisan ecosystem in Tuticorin by strengthening sustainable livelihood opportunities for marginalized rural artisans and women. The program engages artisans, women, thereby preserving traditional skills and promoting market-oriented entrepreneurship, the initiative seeks to enhance household incomes while safeguarding a valuable cultural heritage. In addition to livelihood enhancement, the project places a strong emphasis on environmental sustainability through a large-scale Palmyra seed plantation drive.

1,000

Rural Households Empowered

KVB Shakthi

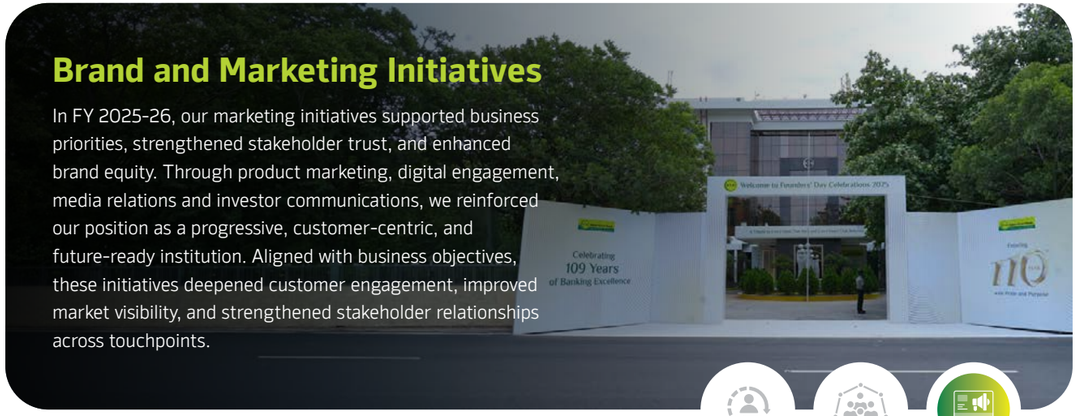
Women Empowerment and Community Welfare

Provision of 10 Two-Wheeler Vehicles for Patrolling for Women's Safety

To strengthen women's safety and enhance law enforcement response in vulnerable areas, we supported the Bengaluru City Police by providing two-wheeler patrolling vehicles to the office of the DCP, Southwest Division, Bengaluru. The additional vehicles will support police personnel in conducting more effective surveillance, improving mobility, and ensuring quicker response times in areas requiring increased security and vigilance.

10

Patrolling Two-Wheelers were Formally Handed Over by the DM, Bangalore, to the DCP, Southwest Division, Bengaluru



Brand and Marketing Initiatives

In FY 2025-26, our marketing initiatives supported business priorities, strengthened stakeholder trust, and enhanced brand equity. Through product marketing, digital engagement, media relations and investor communications, we reinforced our position as a progressive, customer-centric, and future-ready institution. Aligned with business objectives, these initiatives deepened customer engagement, improved market visibility, and strengthened stakeholder relationships across touchpoints.

Supporting Business Growth through Strategic Marketing

During the year, we ran integrated campaigns to support business growth, product adoption, and brand visibility, centered on key milestones and flagship offerings, including:

- Founder's Day celebrations
- Inauguration of the Bank's 900th branch at Tondiarpet complemented by half-page print advertisements in The Hindu, Dinamalar, and Business Line for wider reach
- Launch of the KVB Corp App
- Introduction of the QRush Current Account and Capital Gains Account Scheme
- Promotion of deposit products such as Samriddhi 400 and 333/444 Days Deposits.
- Standardized One-Way Vision Stickers across branches to enhance uniformity
- Developed the FY 2024-25 Corporate Profile in digital and print formats, showcasing KVB's products, financial performance, and key milestones

These campaigns strengthened customer engagement, improved market awareness, and supported growth across retail, CASA, MSME, and digital banking. We maintained a consistent brand presence across physical and digital channels with unified messaging tailored to customer and stakeholder needs. Our marketing efforts focused on increasing product visibility and strengthening customer relationships through relevant, timely, and accessible communication.

Expanding Digital Reach and Customer Engagement

As part of our digital transformation journey, we strengthened our digital marketing and engagement capabilities. We focused on improving digital discoverability, customer outreach, and platform integration to deliver a smoother customer experience.

Key Initiatives

- Optimized Google My Business profiles across 900+ branches, improving local discoverability, customer accessibility, and regional digital presence
- Executed targeted digital marketing and customer communication campaigns, including the delivery of 10+ Mn Emails through an AI-powered marketing technology platform.

Our growing digital footprint was reflected in strong engagement across social media platforms. Audience-focused content helped drive meaningful interactions and strengthen customer connect.

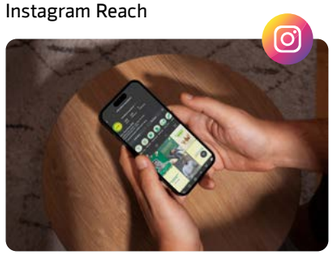
Campaigns on digital banking, financial literacy, cybersecurity awareness, branch milestones, and customer-centric offerings improved visibility and engagement, while reinforcing the Bank's relevance in a digital-first environment.

We also used high-impact visibility on Union Budget Day through an L-band advertisement on CNBC. The campaign promoted select products and strengthened brand presence during a peak viewership window, helping us engage investors and the broader market audience.

Digital Highlights

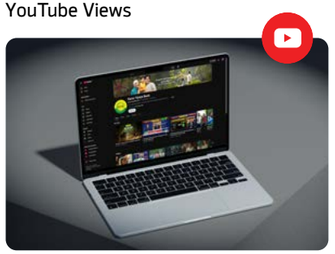
7.2 Crore

Instagram Reach



8.7 Mn

YouTube Views



Social Media Followers

As on March 2026

2,99,800	Facebook
24,300	Instagram
16,340	X (Formerly Twitter)
63,571	LinkedIn
7,140	YouTube
Total	4,11,151

Strengthening Reputation through Media and Public Relations

During FY 2025-26, we strengthened our reputation and stakeholder confidence through proactive media engagement. With strategic communication support from Veritas Reputation PR, we improved our visibility across print, digital, and financial media platforms, ensuring consistent communication of our business performance, growth milestones, strategic initiatives, and social impact efforts.

The year saw strong media coverage across key themes such as financial performance, branch expansion, product launches, leadership communication, and CSR initiatives. This visibility reinforced market confidence, strengthened institutional credibility, and improved engagement with customers, investors, analysts, regulators, and the wider financial community.

Beyond media visibility, we focused on building transparency and trust through timely communication of financial results, corporate announcements, strategic developments, and leadership perspectives.

FY 2025-26 Communication Reach

865 Media Coverages

across Print and Digital Platforms

404 Media Coverages

on Financial Results

239 Media Coverages

on Branch Expansion Initiatives

136 Media Coverages

on CSR Programs

Building Confidence among Investors and Financial Stakeholders

Our communication approach focused on providing stakeholders with a clear understanding of the Bank's performance, strategic priorities, governance standards, and growth outlook.

Key areas of communication during the year included:

- Dissemination of quarterly and annual financial results
- Communication of strategic business developments and growth initiatives
- Sharing of leadership perspectives and corporate announcements
- Reinforcement of governance practices and transparency standards
- Ongoing engagement with investors, analysts, and financial stakeholders

Our approach continued to be guided by the principles of transparency, accountability, and consistency, helping reinforce our reputation as a trusted and well-governed institution. Investor relations remained an integral pillar of our broader stakeholder engagement framework, supporting long-term value creation and sustained investor confidence.

Strengthening Stakeholder Awareness through Purpose-led Communication

We continued to leverage strategic communication to showcase the Bank's efforts towards community development, environmental stewardship and inclusive growth. Through proactive media engagement, digital outreach and impact-led storytelling, we strengthened stakeholder awareness of initiatives that create meaningful and lasting value for society.

Our communication efforts highlighted initiatives across key focus areas, including:

- Environmental Sustainability
- Education and Skill Development
- Community Infrastructure
- Cybersecurity Awareness and Digital Safety

Among the notable initiatives amplified during the year were the Karur Walk n Jog Project, the Matang Human-Elephant Coexistence Project in the Sathyamangalam Tiger Reserve, and the KVB Scholarship Program. These initiatives reflected our commitment to creating positive social and environmental impact while contributing to the well-being of communities.

Empowering Communities through Cyber Awareness

One of our most impactful communication initiatives during the year was the Digital Self-Defence Cyber Awareness Campaign. It was a large-scale public awareness program designed to promote safe digital banking practices and strengthen cyber fraud awareness among communities.

Conducted over a 60-day period in Trichy, the campaign adopted an integrated outreach model that combined on-ground engagement with extensive media amplification, enabling us to reach diverse audience segments and drive meaningful behavioral awareness around digital safety.

The campaign engaged communities through:

- Schools and colleges
- Self-help groups
- Old age homes
- Street Plays and Awareness Programs
- Information Kiosks
- Branch Activations and Customer Outreach Initiatives

To maximize reach and impact, the campaign was amplified across multiple media platforms, including:

- Television
- OTT Platforms
- Theatre Advertising
- Print Media
- Radio
- Outdoor Branding
- Influencer Engagement
- Social Media Channels

Digital Self-defense Campaign at a Glance

60 Days
of Integrated Awareness Activities

7+ Crore
Estimated Cumulative Reach
CSR project approved in FY 2024-25; Executed and impact realized in FY 2025-26

Multi-channel engagement
across Physical and Digital Platforms

Thousands of citizens engaged
through Community Outreach Programs

Enhanced awareness
of Safe Digital Banking and Cyber Fraud Prevention

Strengthening Internal Communication and Brand Alignment

We continued to foster a culture of transparency, collaboration, and engagement through focused internal communication initiatives. Platforms such as KVB Prism played an important role in strengthening organizational alignment, facilitating consistent communication and enhancing employee awareness of strategic priorities.

Employee-led initiatives and engagement programs further reinforced our culture and values, enabling employees to serve as effective ambassadors of the KVB brand. Through these efforts, we strengthened internal connectivity, encouraged greater alignment with business objectives, and supported the delivery of consistent stakeholder experience across customer, employee, investor, and community touchpoints.

Future Roadmap

As we continue our growth and transformation journey, our Marketing and Corporate Communications agenda will remain focused on strengthening stakeholder engagement through a digital-first, insight-led, and customer-centric approach.

Key priorities for the coming years include:

- Expanding video-first storytelling and content innovation
- Strengthening integrated marketing campaigns across channels
- Enhancing real-time stakeholder engagement and platform-led communication
- Transforming our corporate website into a more future-ready, automated, and user-centric platform
- Leveraging data-driven insights and CRM-led outreach to enable more targeted engagement
- Improving digital discoverability and stakeholder accessibility
- Deepening media and investor engagement through transparent and timely communication
- Amplifying CSR and ESG narratives to strengthen stakeholder connect
- Building a more proactive and resilient reputation management framework

Board of Directors

Shaping Strategy. Safeguarding Value.

Dr Meena Hemchandra
Independent
(Part-Time) Chairperson

Shri B Ramesh Babu
Managing Director & CEO

Dr Harshavardhan R
Independent Director

Shri Murali Ramaswami
Independent Director

CA Dr Chinnasamy Ganesan
Independent Director

Shri R Vidhya Shankar
Independent Director

Smt Srimathy Sridhar
Independent Director

Shri B Sankar
Executive Director

Dr Mythili Vutukuru
Independent Director

Guided by Principles. Driven by Progress.

Trust lies at the core of our success and we foster it by upholding the highest standards of governance, ethics and integrity. Our approach is anchored in best-in-class banking practices, supported by effective governance structures, comprehensive risk management frameworks and transparent reporting.

Governance Structure

Board of Directors

The Board of Directors provides strategic direction and governance oversight for the Bank. It helps shape policies, guide long-term priorities and monitor management's execution, ensuring that the Bank operates in line with its objectives, values and stakeholder expectations.

9
Number of Directors (as on date)

3
Women Directors on the Board

7
Independent Directors (inclusive of Women Directors)

Board Oversight

A majority of the Board comprises of Independent Directors, reinforcing strong governance and objective oversight. Independent Directors play a key role in Board Committees and chair the Bank's major committees, strengthening accountability and decision making.

Board Performance Evaluation

The Board conducts an annual evaluation of its effectiveness, covering the Board, Committees, Chairperson, Managing Director & CEO, Executive Director and Independent Directors. This supports continuous improvement in governance practices.

Risk Management

A sound risk governance framework is overseen by the Risk Management and Asset Liability Management Committee, ensuring prudent risk oversight, sound financial management and long-term stability.

Disclosures and Transparency

The Bank is committed to transparent and timely disclosures that meet regulatory requirements and align with evolving governance expectations. Disclosure practices are continuously strengthened in line with leading market standards and stakeholder expectations.

Gender Diversity

The Board reflects a commitment to diversity and inclusive leadership, with women directors contributing valuable perspectives to Board deliberations, including representation in leadership positions.

Board Committees

The Board is supported by a well-defined committee structure comprising 11 Committees that strengthen governance and enable focused oversight across key areas of the Bank's operations. These Committees undertake detailed reviews of matters within their respective mandates, deliberate extensively on key issues and provide recommendations to the Board to support informed decision-making. They also oversee the functioning of Executive-Level Committees, offering guidance and ensuring alignment with the Bank's strategic objectives and governance standards.

The Chairman of the respective Board Committees regularly update the Board on key discussions, observations, and decisions from committee meetings, enabling effective communication and oversight.

Comprising experienced Directors with diverse expertise, the Committees play a vital role in strengthening governance, monitoring compliance, managing risks and supporting the Bank's long-term strategic priorities. Through their work, they reinforce transparency, accountability and the Bank's commitment to creating sustainable value for stakeholders.

Leadership Team

The leadership team is responsible for translating the Board's strategic vision into action and driving its effective execution across the organization. Working closely with the Board and its Committees, the team implements approved policies and business priorities, while remaining responsive to emerging opportunities, risks and regulatory developments. Through disciplined execution and operational oversight, the leadership team supports the Bank's growth objectives and long-term sustainability.

Role of the Board

The Board provides strategic leadership and oversight, guiding the Bank's long-term direction and ensuring alignment with its vision and stakeholders' interests. It plays a central role in formulating strategy, reviewing progress against strategic objectives and overseeing management performance. Through a balanced composition of Executive and Non-Executive Directors, the Board fosters diverse perspectives, strengthens governance practices and supports informed, objective decision-making while upholding the highest standards of regulatory compliance.

Lead Independent Director

To further strengthen the governance framework and align with global best practices, the Bank has formally designated Dr Harshavardhan R, the Senior Independent Director on the Board, as the Lead Independent Director (LID). The separate meeting of Independent Directors was convened and chaired by the LID, underscoring the Bank's commitment to independence and effective governance.

Accountability and Transparency

At Karur Vysya Bank, accountability and transparency are integral to our governance framework. We maintain strong oversight through regular audits, reviews and monitoring mechanisms that promote responsible business conduct and effective risk management. Our commitment to transparent communication is reflected in timely, accurate and comprehensive disclosures to regulators, shareholders and other stakeholders. Guided by a strong culture of ethics and integrity, we strive to build confidence, strengthen stakeholder trust and uphold the highest standards of corporate governance.

We have established Board-level committees at our Bank to ensure focused oversight in key areas:

- Management Committee of the Board
- Audit Committee of the Board
- Nomination and Remuneration Committee
- Customer Service and Stakeholders' Relationship Committee
- Risk Management and Asset Liability Management Committee
- Corporate Social Responsibility and Environmental, Social and Governance Committee
- NPA Management Committee
- Special Committee of the Board for Monitoring and Follow-Up of Fraud Cases
- IT Strategy and Digital Transaction Monitoring Committee
- Review Committee for Wilful Defaulters and Large Defaulters
- Human Resources Committee

Ethics, Conduct and Governance Framework

A strong culture of ethics, integrity and accountability forms the foundation of our governance framework. Through well-defined policies, codes and controls, we promote responsible business practices, safeguard stakeholder interests and ensure compliance with applicable laws and regulations.

Ethics and Integrity

We are committed to fostering an environment where ethical behavior, honesty and transparency guide every decision and action. By embedding these values across the Bank, we strengthen trust, encourage accountability and support sustainable value creation.

Code of Conduct

Our Code of Conduct establishes clear standards for ethical behavior, professional integrity and regulatory compliance for employees across the Bank. Complementing this, a dedicated Code of Conduct and Ethics for Directors and Senior Management reinforces expectations around leadership, accountability and governance. The framework supports:

- Ethical and responsible decision making
- Early identification and resolution of ethical concerns
- A culture of transparency and accountability
- Safe and confidential reporting of misconduct or unethical behavior

Whistleblower Mechanism

The Bank's Whistleblower Framework provides a secure and confidential channel for reporting unethical conduct, misconduct, or policy violations. The mechanism safeguards whistleblowers against retaliation and encourages the timely reporting of concerns, enabling appropriate investigation and corrective action.

This mechanism also provides direct access to the Chairman of the Audit Committee of the Board, in exceptional and appropriate cases when the Whistleblower is not satisfied with the resolution of the complaint. Effective implementation of Whistle Blower Mechanism reinforces our commitment to transparency, accountability and ethical conduct across the Bank.

Customer Privacy and Data Protection

Protecting customer information remains a key priority. We implement stringent safeguards, including secure data management practices, encryption protocols and privacy controls. This helps ensure the confidentiality and security of customer data while complying with applicable data protection requirements.

Information Technology and Cybersecurity

Our technology governance framework is supported by comprehensive cybersecurity policies, controls and monitoring mechanisms. These are designed to protect critical systems and information assets. These measures help preserve the confidentiality, integrity and availability of data while enhancing resilience against evolving cyber threats.

As digital and AI adoption accelerates, maintaining trust, resilience, and security is essential to our strategy for intellectual capital. The Bank keeps investing in scalable, resilient technology infrastructure focused on reliability, availability, and operational continuity. Modern architecture, auto-scaling features, and a mobile-first approach enable smooth customer experiences across digital touchpoints.

Fraud Risk and Asset Quality Management

The Bank maintains strong controls and monitoring frameworks to identify, prevent and mitigate fraud risks. In parallel, structured processes are also put in place to oversee asset quality and manage non-performing assets effectively, thus supporting financial stability and prudent risk management.

ESG Governance

The Bank has established a comprehensive ESG governance framework to ensure effective oversight, accountability, and integration of environmental, social, and governance considerations across its operations.

Guided by a Board-approved ESG Policy, the Board of Directors oversees ESG matters through the Board-level CSR and ESG Committee, which provides strategic direction and reviews the implementation of ESG initiatives, policies, and disclosures. Supporting this oversight, the Executive-level CSR and ESG Committee, comprising representatives from key functional departments, is responsible for executing, monitoring, and coordinating ESG-related activities across the Bank. Senior Management and Functional Heads further drive the implementation of ESG practices and reporting requirements at operational levels.

This multi-tiered governance structure promotes cross-functional collaboration, continuous monitoring, and informed decision-making, thus enabling the Bank to effectively manage sustainability-related risks and opportunities while advancing its long-term ESG objectives.

Message from the Lead Independent Director

As the Bank advances on its growth journey, we remain steadfast in our commitment to ensuring that strong governance standards continue to underpin every aspect of our progress.

Dr Harshavardhan R
Lead Independent Director

Dear Stakeholders,

As we continue to strengthen our position and deliver sustainable growth, the Board remains committed to providing effective oversight and ensuring that the highest standards of governance are maintained across the organization.

Our Board reflects a strong balance of independence and executive leadership, with Independent Directors comprising 78% of its composition and Whole-time Directors contributing valuable management experience. The diverse professional backgrounds of our Directors enrich Board deliberations and enable thoughtful guidance on the opportunities and challenges facing the Bank. Independent Directors, through their varied expertise, continue to play a vital role in shaping the Bank's strategic direction and governance framework.

This commitment to independent oversight is further reflected in the fact that 72% of the Board-level Committees are chaired by Independent Directors. During FY 2025-26, the Independent Directors met twice to review the effectiveness of the Board and its governance processes. Together, we remain focused on upholding ethical conduct, transparency, accountability, and the long-term interests of all stakeholders.

As the Bank advances on its growth journey, we remain steadfast in our commitment to ensuring that strong governance standards continue to underpin every aspect of our progress.

Glimpse of the 106th Annual General Meeting

Leading Transformation. Sustaining Momentum.

B Ramesh Babu
Managing Director & CEO

B Sankar
Executive Director

Chandrasekaran M S
Chief Operating Officer

Immanuel Gnanaraj Daniel
Chief Human Resources Officer

Ramshankar R
Chief Financial Officer

V S R A Kumar Ravutu
OSD

Nitin Rangaswami A
Head Retail Assets

Jatla Sivaramakrishna
Chief Risk Officer

Vinoth Kumar S
Head Branch Channel Retail Assets

Ravi S
Head Agricultural Banking Group

Gopal S T
Head Retail Liabilities

Mohan Kumar G
Chief Compliance Officer

Saravanan S
Chief Information Technology Officer

Ganesan R
Head Internal Audit

Vijayakumar P V
Head Operations

Muthu Kumar K P
Head Commercial Banking Group

Vippala Ramachandra Reddy
Head Treasury

Ravinder Aggarwal
Head Corporate & Institutional Group

Excellence Recognized. Trust Reinforced.

Named Best Small Indian Bank by Business Today for the third consecutive year

Recognized as India's Leading Private Sector Bank (Mid) at the 8th edition of the Dun & Bradstreet BFSI & Fintech Summit 2026

MSME Bank of the Year - Private - Winner, Presented by Assocham

Best SME Lending - Runner-Up

Best Digital Financial Inclusion - Runner-Up

Best IT Risk Management - Runner-Up

Presented by IBA

Best Bank – Winner, Private Sector Bank (Mid Size)

Best Performance on Asset Quality Winner-Private Sector Bank (Mid Size)

Presented by Indian Chamber of Commerce (ICC)

Cybersecurity Team of the Year - Winner

Cybersecurity Transformation of the Year - Winner

Cybersecurity Incident Response Maturity - Special Prize

Cybersecurity Compliance Champion - Special Prize

CISO Elevator Pitch - Special Mention for Our Cyber Risk Scoring Model

Presented by IBA

Best Private Sector Bank National Level (Large Category)

Best Private Sector Bank Branch in Kerala

Presented by State Forum of Bankers' Clubs Kerala (SFBCK)

Asianet News Healthcare Awards 2025
Best CSR Activity

Making Banking Convenient

Trichy KK Nagar - Udayanpatti

Kurnool Nandyal Checkpost

Mumbai - Godbunder Road

Madurai - Chinthamani

Neelambur

Vadlapudi

Pallikaranai

Madurai - Kochadai

Melapalayam

Sarpavaram

Pune - Sahakar Nagar

Chennai - Tondiarpet

Chennai - Pattabiram

Corporate Information

REGISTERED AND CENTRAL OFFICE

CIN: L65110TN1916PLC001295
No. 20, Erode Road, Vadivel Nagar,
L.N.S., Karur - 639002
Phone: 04324-269000
Email: kvb_sig@kvb.bank.in
Website: www.kvb.bank.in

JOINT STATUTORY CENTRAL AUDITORS

M/s Kalyaniwalla & Mistry LLP,
Chartered Accountants, Mumbai

M/s Varma & Varma,
Chartered Accountants, Kochi

SECRETARIAL AUDITORS

S.A.E & Associates LLP
Company Secretaries, Chennai

COMPANY SECRETARY AND COMPLIANCE OFFICER

Srinivasarao Maddirala

REGISTRAR AND SHARE TRANSFER AGENT

M/s MUFG Intime India Private Limited
(Formerly Link Intime India Private Limited)

Unit: The Karur Vysya Bank Limited
(**ISIN:** INE036D01028)
"Surya" 35 Mayflower Avenue,
Behind Senthil Nagar,
Sowripalayam Road,
Coimbatore - 641028,
Tamil Nadu
Tel: 0422-2314792, 4958995,
2539835, 2539836
Email: investor.helpdesk@in.mpms.mufg.com
Website: www.in.mpms.mufg.com
CIN: U67190MH1999PTC118368

SENIOR DEPUTY GENERAL MANAGERS

Lakshmana Murthy P
Ramasamy G V
Murali V
Sridhar D
Joseph Antony Arul Raj S
Ramu S
Satish Kumar K
Malpani Bhavesh Hariprasad

DEPUTY GENERAL MANAGERS

Akbar Dorai D
Monica Sharma
Chakkaravarthy N
Venkata Kirankumar B
Shanmugavel S
Krishnan V
Hema S
Suryanarayana Murthy K
Giridharan S
Janarthanan P
Anandalakshmi S
Ramesh Nerella
Saravanan G
Deepak Bhan
Prasanta Kumar Rout
Ravichandran K
Ravindran N
Srinivasan D
Muthukumar L
Manoj Kumar Malhotra
Dronadula Sreedhar
Thamaraikannan K
Senthil Kumar S
Tadinada R Krishna
Kalyani T
Ravindra Kumar Trivedi
Sujata Nair
Gokulakrishnan N
Murali Krishna N
Srinivasarao T S S S M S
Sundarapandian S
Rajkumar D
Jaya Sekhar

DIRECTORS' REPORT

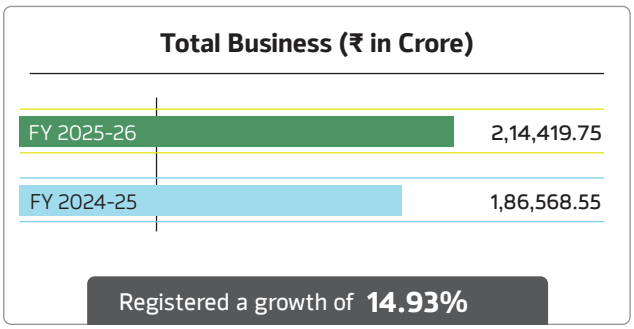
To the Members,

The Board of Directors of your Bank takes great pleasure in presenting the 107th Annual Report on the Bank's business and operations, along with the audited financial statements for the Financial Year (FY) ended 31st March 2026.

KEY PERFORMANCE INDICATORS

Your Bank has achieved significant growth across all areas of operations and delivered a strong performance during the FY 2025-26, reflecting the effectiveness of the strategies implemented over the past few years. The highlights of the performance for the FY 2025-26 are outlined below:

PARTICULARS	31ST MARCH 2026 (₹ in Crore)	31ST MARCH 2025 (₹ in Crore)
Deposits	1,15,665.74	1,02,077.99
Advances	98,754.01	84,490.56
Investments	29,394.19	24,206.14
Total Income	13,158.67	11,507.59
Total Expenditure	9,083.69	8,295.26
Operating Profit	4,074.98	3,212.33
Net NPA	186.21	166.21
Net Profit	2,510.33	1,941.64



DEPOSITS

The Bank's Gross Deposits increased by ₹ 13,587.75 Crore to ₹ 1,15,665.74 Crore as on 31st March 2026, from ₹ 1,02,077.99 Crore as on 31st March 2025, registering a growth of 13.31%.

Term Deposits increased by ₹ 10,297.66 Crore to ₹ 84,543.88 Crore as on 31st March 2026, from ₹ 74,246.22 Crore as on 31st March 2025, registering a growth of 13.87%.

The Bank's CASA balances increased by ₹ 3,290.09 Crore to ₹ 31,121.86 Crore as on 31st March 2026, from ₹ 27,831.77 Crore as on 31st March 2025, registering a growth of 11.82%. The CASA balance as on 31st March 2026 comprised Savings Bank deposits of ₹ 21,983.70 Crore and Other Demand Deposits of ₹ 9,138.16 Crore. The CASA ratio of the Bank as on 31st March 2026 stood at 26.91%.

ADVANCES

During the year, your Bank's credit portfolio increased by ₹ 14,263.45 Crore to ₹ 98,754.01 Crore as on 31st March 2026, from ₹ 84,490.56 Crore as on 31st March 2025, registering a growth of 16.88%.

The growth in advances was primarily driven by the Retail and Agriculture segments. The composition of the advances portfolio reflects a continued shift towards a more granular and diversified mix.

The detailed break-up of the advances portfolio for the FY 2025-26 vis-à-vis FY 2024-25, along with comparative growth, is provided in the table below.

Classification of Advances Portfolio

PARTICULARS	31ST MARCH 2026 (₹ in Crore)	31ST MARCH 2025 (₹ in Crore)	Y-O-Y Growth %	Diversification Mix (%)
Commercial	34,279.03	30,729.51	11.55	35
Retail (Personal Banking)	26,196.86	20,896.00	25.37	26
Agriculture	24,783.78	20,818.50	19.05	25
Corporate	13,494.34	12,046.55	12.02	14
Total Advances	**98,754.01**	**84,490.56**	**16.88**	100

As on 31st March 2026, the Bank's Priority Sector Lending stood at ₹ 41,261.50 Crore, constituting 48.28% of its Adjusted Net Bank Credit (ANBC), as against the statutory requirement of 40%.

AGRICULTURE ADVANCES

Your Bank's Agriculture Advances stood at ₹ 24,784 Crore as on 31st March 2026. Further, Priority Sector advances to agriculture, in terms of RBI guidelines, were ₹ 17,861.48 Crore, constituting 20.90% of ANBC, as against the regulatory requirement of 18%. Average advances to Micro Enterprises and Weaker Sections stood at 10.95% and 12.43% of ANBC, respectively. The Bank has consistently achieved and surpassed all priority sector targets and sub-targets across all quarters of the year through focused lending strategies.

ASSET QUALITY

Your Bank has a dedicated vertical, the Credit Monitoring and Recovery Department, which oversees recovery functions and plays a pivotal role in maintaining the health and stability of the loan portfolio. In the face of economic fluctuations and market challenges, the Bank remains focused on effectively managing Non-Performing Assets (NPAs) to minimize risks and optimize recovery outcomes. High-value NPA accounts are handled through eight Asset Recovery Branches located across India, ensuring focused and effective recovery efforts. In addition, the Bank has engaged recovery agencies to support these branches in reaching customers and ensuring continuous follow-up.

The Bank's Gross NPAs increased by ₹ 102.11 Crore to ₹ 743.91 Crore as on 31st March 2026, from ₹ 641.80 Crore as on 31st March 2025. Correspondingly, Net NPAs increased marginally by ₹ 20 Crore to ₹ 186.21 Crore as on 31st March 2026, from ₹ 166.21 Crore as on 31st March 2025. In percentage terms, the Bank's asset quality remained stable, with Gross NPA and Net NPA ratios at 0.75% and 0.19% respectively, as against 0.76% and 0.20% in the previous year. Further, Bank's SMA30+ levels has been managed well and confined to 0.17% as against 0.30% of previous year.

GNPA	NNPA
0.75%	**0.19%**
PCR	**SMA 30+**
96.45%	**0.17%**

The Bank has undertaken focused recovery initiatives on a continuous basis, resulting in improved recovery performance over the past three years. The Provision Coverage Ratio (PCR) stood at 96.45%, reflecting a consistent strengthening trend over the last six years. The Bank remains committed to further enhancing asset quality by taking all necessary measures to curtail slippages and expedite recovery in existing SMA and NPA accounts.

The Bank has implemented a range of measures to minimize slippages and enhance recovery, including strengthening credit risk assessment processes, proactive monitoring systems, timely restructuring for stressed borrowers, engagement of specialized recovery agencies, utilizing a dedicated Early Warning Signal (EWS) tool, and streamlining of legal and recovery frameworks. These initiatives facilitate early identification of potential stress, prompt resolution actions, and improved recovery efficiency, thereby contributing to reduced slippages and enhanced recovery performance.

INVESTMENTS

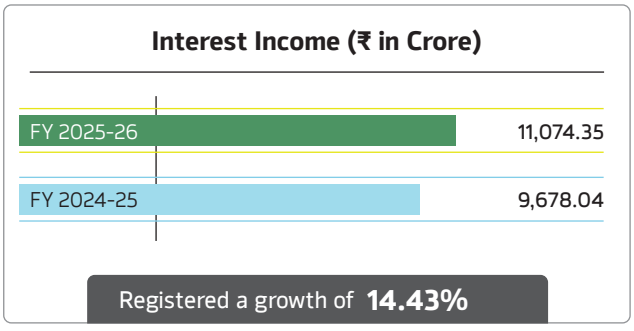
The Bank's Investment Portfolio stood at ₹ 29,394.19 Crore as on 31st March 2026, as against ₹ 24,206.14 Crore as on 31st March 2025, registering a year-on-year increase of 21.43%. The average investment for FY 2025–26 was ₹ 28,187 Crore. The composition of the investment portfolio remains aligned with the Bank's Investment Policy, with a focus on liquidity management, regulatory compliance, and income generation.

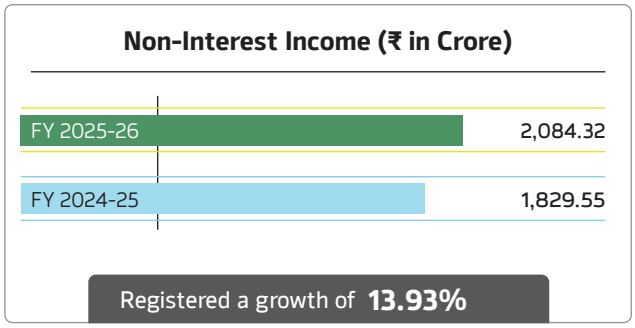
Interest income earned on investments during FY 2025-26 amounted to ₹ 1,883.92 Crore, compared to ₹ 1,622.47 Crore in FY 2024–25. Profit on sale of investments was ₹ 162.81 Crore during the year. To minimize volatility, the modified duration of the overall portfolio, including Held to Maturity (HTM) securities, was maintained at a prudent level of 3.83 years. The Bank maintained a comfortable liquidity position throughout the financial year.

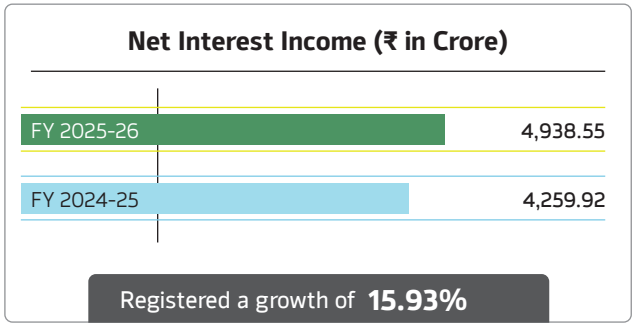
FOREIGN EXCHANGE TRANSACTIONS

The Bank's merchant turnover stood at ₹ 26,223 Crore for FY 2025-26, as compared to ₹ 25,136 Crore in the previous financial year. Export credit extended by the Bank amounted to ₹ 1,473 Crore during FY 2025-26, marginally higher than ₹ 1,467 Crore in FY 2024-25. Total income earned from foreign exchange transactions increased to ₹ 67.36 Crore during FY 2025-26 from ₹ 58.83 Crore in the previous year. This comprised exchange profit of ₹ 39.27 Crore and commission and other income of ₹ 28.09 Crore.

INCOME





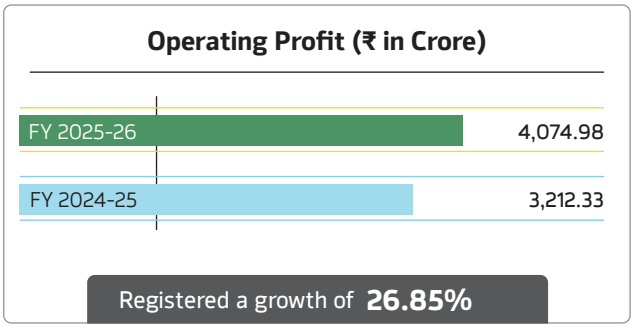


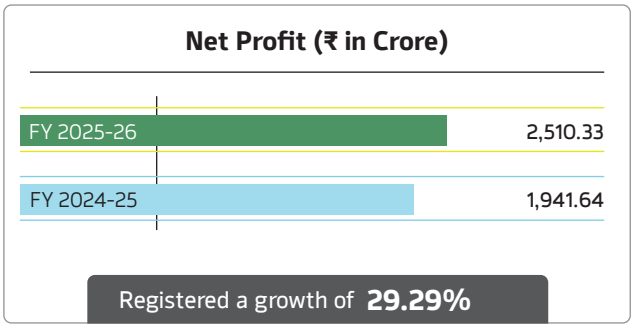
EXPENDITURE

Your Bank's interest expenditure increased by ₹ 717.68 Crore to ₹ 6,135.80 Crore during FY 2025–26, as compared to ₹ 5,418.12 Crore in FY 2024–25, in line with the growth in deposits over the previous year. Operating expenses increased to ₹ 2,947.89 Crore during FY 2025–26 from ₹ 2,877.14 Crore in the previous financial year, reflecting the Bank's continued focus on business expansion, technology initiatives, enhancement of digital capabilities, and strengthening of operations. The Bank continued to maintain a disciplined approach towards cost management through regular monitoring of operating and establishment expenses and implementation of effective expenditure control measures across the organization.

Your Bank continued to maintain a healthy margin profile during FY 2025-26 through effective management of funding costs and asset yields in spite of reduction in repo rates by 100 bps during the year. The Cost of Deposits reduced by 5 bps to 5.56% during the FY 2025-26 as compared to 5.61% for the FY 2024-25 and Yield on Advances stood at 10.02% as against 10.15% in the previous financial year. Yield on Investments improved by 7 bps to 6.68% from 6.61% in the previous financial year. Due to reduction in Cost of Deposits, the Spread between Yield on Funds and Cost of Funds improved marginally to 3.37%, with Yield on Funds at 8.93% and Cost of Funds at 5.56%, compared to 3.32% in the previous financial year. Accordingly, Bank's Net Interest Margin (NIM) improved by 2 bps to 4.11% during FY 2025-26 from 4.09% in the previous financial year.

PROFIT





Bank Surpasses **₹ 2,500** Crore in Profit, Marking a Historic Milestone

APPROPRIATIONS

The Net Profit of ₹ 2,510.33 Crore along with ₹ 11.74 Crore brought forward from the previous financial year, aggregating to ₹ 2,522.07 Crore, was appropriated as follows:

Appropriation – Transfer to Reserves	Amount (₹ in Crore)
Statutory reserve	627.60
Capital reserve	9.55
Investment reserve	Nil
Investment Fluctuation reserve	31.13
Special reserve	59.85
General reserve	1526.00
Balance carried to Balance sheet (including proposed dividend of ₹ 251.33 Crore)	267.94

DIVIDEND

Your Bank has formulated a Dividend Distribution Policy in accordance with the requirements of Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR"), and the directions issued by the Reserve Bank of India. The objective of the Policy is to maintain an equitable balance between rewarding shareholders through dividends and retaining adequate funds to support the Bank's future growth, in line with the dividend payout matrix prescribed under the extant RBI guidelines. The Policy is available on the Bank's website at: https://www.kvb.bank.in/docs/dividend-distribution-policy.pdf.

Accordingly, considering the Bank's capital position and the permissible payout, the Board of Directors has recommended a dividend of ₹ 2.60/- per equity share of face value ₹ 2/- each (130%) for the FY 2025–26. The Bank has fixed 24th July 2026 as the record date for determining the shareholders eligible for the dividend on equity shares. The proposed dividend is in accordance with the Bank's Dividend Distribution Policy and is subject to the approval of the shareholders at the ensuing 107th Annual General Meeting (AGM) and receipt of necessary regulatory/statutory approvals, if any.

In accordance with Accounting Standards 4 - Contingencies and Events Occurring after the Balance Sheet date notified under the Companies (Accounting Standards) Rules 2021, the proposed dividend amounting to ₹ 251.33 Crore has not been shown as an appropriation from the Profit and Loss account for the year ended 31st March 2026 and correspondingly not reported under Other Liabilities and Provisions as at 31st March 2026 (is reported under balance of profit).

SHARE CAPITAL

As on 31st March 2026, the Bank's Authorized Share Capital stood at ₹ 250 Crore, comprising 125 Crore equity shares of face value ₹ 2/- each. During FY 2025–26, the Bank increased its authorized capital from ₹ 200 Crore (100 Crore equity shares of face value ₹ 2/- each) to ₹ 250 Crore (125 Crore equity shares of face value ₹ 2/- each).

During FY 2025-26, the shareholders of the Bank approved the issuance of Bonus shares at the 106th AGM of the Bank held on 21st August 2025. Accordingly, the Bank issued 16,11,85,653 equity shares of face value ₹ 2/- each, out of which 16,10,35,439 equity shares were allotted to eligible shareholders, and 1,50,214 equity shares were kept in abeyance, corresponding to existing abeyance shares. Further, Bank has allotted 4,86,121 equity shares of face value ₹ 2/- each to the employees who exercised their options under KVB ESOS 2011 Scheme and KVB ESOS 2018 Scheme, during the financial year under review.

Post issuance and allotment of the aforesaid equity shares, the Issued Share Capital increased from ₹ 1,61,14,46,944 to ₹ 1,93,47,90,492, comprising 96,73,95,246 equity shares of face value ₹ 2/- each, and the Paid-up Share Capital increased from ₹ 1,61,02,49,318 to ₹ 1,93,32,92,438, comprising 96,66,46,219 equity shares of face value ₹ 2/- each. Other than the above, there was no change in the capital structure of the Bank during the year under review.

The Bank's Net Owned Funds increased to ₹ 14,107.87 Crore as on 31st March 2026, from ₹ 11,929.54 Crore in the previous financial year.

EARNINGS PER SHARE/BOOK VALUE

The Bank's Earnings Per Share (Basic) stood at ₹ 25.98 for the financial year 2025–26, as against ₹ 20.10 of the previous year. Consequent to the issuance of bonus shares during FY 2025-26, the previous year's EPS has been restated in accordance with the Accounting Standards. The Book Value of shares was ₹ 145.95 (includes proposed Dividend) per equity share of face value ₹ 2/- each (fully paid up) as on 31st March 2026, as against previous year position of ₹ 148.17 per equity share of face value ₹ 2/- each (fully paid up). The decrease in Book Value is primarily due to the impact of bonus shares issuance during FY 2025–26.

DEBT INSTRUMENTS & CREDIT RATING

The Bank did not issue any debt instruments during the year under review. The details of the credit ratings obtained during the period are provided below:

Particulars	Rating Agency	Rating	Rating Action	Date of Revision
Certificate of Deposit Programme for ₹ 5,000 Crore	ICRA	[ICRA] A1+	Reaffirmed	13.06.2025
Certificate of Deposit Programme for ₹ 10,000 Crore (Enhanced from ₹ 5,000 Crore)	ICRA	[ICRA] A1+	Reaffirmed/ Assigned for enhanced amount	19.06.2025
Certificate of Deposit Programme for ₹ 10,000 Crore	ICRA	[ICRA] A1+	Reaffirmed	16.09.2025
		[ICRA] A1+	Reaffirmed	11.12.2025
		[ICRA] A1+	Reaffirmed	09.03.2026
Issuer Rating	ICRA	[ICRA] AA (Stable)	Reaffirmed	19.06.2025
Certificate of Deposit Programme for ₹ 5,000 Crore	CRISIL	CRISIL A1+	Reaffirmed	20.05.2025
		CRISIL A1+	Reaffirmed	25.09.2025
Short Term Fixed Deposit of ₹ 12,000 Crore	CARE	CARE A1+	Reaffirmed	16.12.2025
Fixed Deposit		CARE AA (Stable)	Reaffirmed	16.12.2025

As per rating agency schedule:

ICRA A1+ / CARE A1+ / CRISIL A1+ : Securities with this rating are considered to have very strong degree of safety regarding timely payment of financial obligations and carry lowest credit risk.

ICRA AA / CARE AA : Issuers/securities with this rating are considered to have high degree of safety regarding timely servicing of financial obligations and carry very low credit risk.

CAPITAL ADEQUACY

The Bank's Capital Adequacy Ratio (CAR) stood at 18.76% as on 31st March 2026, in accordance with Basel III norms. This is well above the regulatory requirement of 11.50%, comprising a minimum capital requirement of 9% and a Capital Conservation Buffer of 2.50%, as prescribed by the Reserve Bank of India.

SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Your Bank does not have any Subsidiaries or Associates/Joint Ventures for the financial year ended 31st March 2026.

MANAGEMENT DISCUSSION AND ANALYSIS

Pursuant to provisions of the Regulation 34(2)(e) of SEBI LODR, the Management Discussion and Analysis Report for the year forms part of this Annual Report.

NETWORK OF BRANCHES

The selection of new branch and office locations is undertaken through a strategic approach focused on identifying high-potential areas. To assess the viability of prospective centres, the Bank conducts a detailed analysis leveraging data from various sources and platforms. Additionally, inputs from location-based surveys conducted by Divisional Offices provide valuable on-ground insights. By integrating these inputs, the Bank carefully shortlists locations for opening new branches and offices, ensuring that its expansion strategy remains aligned with the growth potential of each center.

Your Bank has added 13 Branches (Regular Branches – 5, Lite Branches - 8) and 9 Offices viz. Telangana North Divisional Office, ED-Secretariat, Central Financial Intelligence and Surveillance Unit, Open Market Channel (OMC)-Vadodara, OMC-Coimbatore, OMC-Kanpur, OMC-Hyderabad, OMC-GOA and OMC-Hubli during FY 2025-26.

Your Bank has 901 Branches as on 31st March 2026. During the year under review, your Bank has installed 151 new Automated Teller Machines (ATM) at new and existing locations, 76 Bunch Note Recycler Machines (BNRM) and 127 Self Service Passbook Kiosks. As of 31st March 2026, 1,538 Automated Teller Machines (ATM), 675 Bunch Note Recycler Machines (BNRM) and 397 Self-Service Passbook Kiosks are providing uninterrupted Banking services to customers.

Branch Distribution

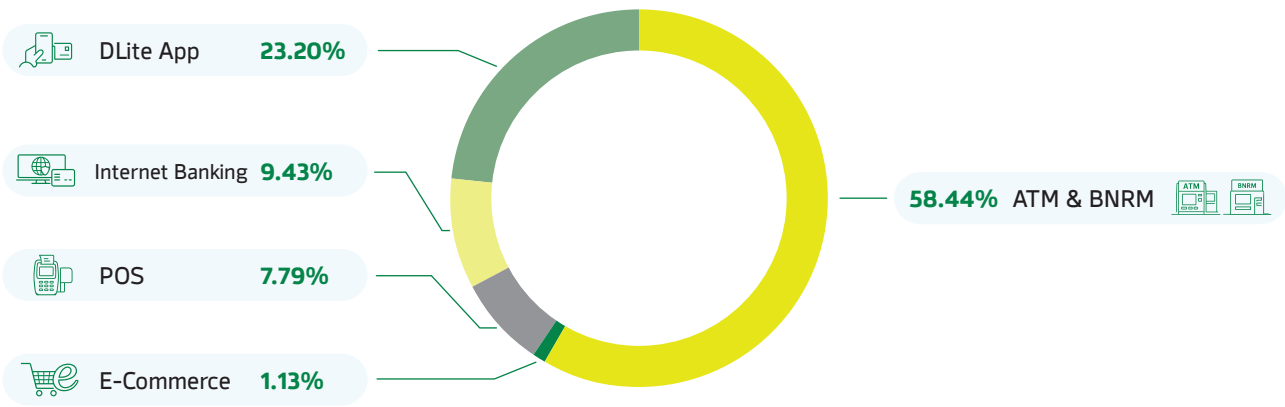
Metro	Urban	Semi-Urban	Rural
229	181	354	137

Total: 901 Branches

Alternative Delivery Channels

397	1,538	675	8,802
Self-Service Passbook Kiosks	ATMs	BNRMs	POS Machines

Classification of Transactions through Alternate Channels during FY 2025-26



CURRENCY CHEST

As on 31st March 2026, your Bank has eight Currency Chests across different locations in Tamil Nadu, Andhra Pradesh, Telangana and Karnataka to ensure adequate supply of cash to branches and ATMs within their respective regions, in adherence to the Reserve Bank of India's (RBI) Clean Note Policy. Currency Chests also assist branches in maintaining cash within prescribed retention limits, thereby facilitating smooth operations. During the year, the Bank also conducted soiled note exchange melas and undertook distribution of coins through Currency Chest-linked branches, further supporting currency management initiatives.

FINANCIAL INCLUSION

Financial inclusion refers to efforts to make financial products and services accessible and affordable to all individuals and businesses, regardless of their personal net-worth or company size. Financial inclusion is an effort to make everyday financial services available to more of the world's population at a reasonable cost. It aims to ensure that the poor and marginalized people make the best use of their money and attain financial education.

Your Bank has undertaken several initiatives and reached the underserved segment of society and extended its focused financial services through 156 Bank Mitras in rural villages, 3 Bank Mitras in urban locations including 39 Ultra Small Branches. The Bank Mitra use Business Correspondent (BC) devices for providing banking services to the customers.

Your Bank continues to provide basic financial products including Basic Savings Bank Deposit Account (BSBDA), Social security schemes of Insurances viz., Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY), Pradhan Mantri Suraksha Bima Yojana (PMSBY) and Pension product viz., Atal Pension Yojana (APY) and thereby support the Government in implementation of various social welfare schemes. The Bank has made 1,19,417 fresh enrollments under PMJJBY, 2,75,197 fresh enrollments under PMSBY and 30,440 enrollments under APY during the financial year.

Pradhan Mantri Jan Dhan Yojana (PMJDY)

Your Bank has opened 76,056 PMJDY accounts during the year. The balances outstanding in the PMJDY accounts as on 31st March 2026, was ₹ 44.91 Crore. The Bank has issued 76,056 Rupay Debit Cards under PMJDY accounts during the year. Micro ATM devices are provided to Bank Mitras for facilitating payments, which are enabled for accepting Aadhaar enabled Payment system (AePs)/Third Party deposit, Balance enquiry, Mini statement. Bank Mitras have carried out ₹ 3.80 Lakh transactions, amounting to ₹ 51.29 Crore during the year under report which includes Direct Benefit Transfer/ Old Age Pension/Viksit Bharat Schemes transactions.

Micro Credit

Your Bank provides credit facilities to Joint Liability Groups (JLG) to meet the credit needs of the poor. As on 31st March 2026, the Bank has 83,882 JLG loans with outstanding of ₹ 183.22 Crore.

Financial Literacy

Financial Literacy campaigns are intended to provide basic banking knowledge to people across various corners of the Society. Your Bank has been in the forefront in creating awareness to the rural masses on the financial services and products through the Financial Literacy Campaigns. During FY 2025-26, your Bank has conducted 417 financial literacy campaigns in Rural, Semi Urban/Urban areas, including RBI Financial Literacy Week Campaign 2026.

TECHNOLOGY INITIATIVES

Your Bank has consistently demonstrated a strong inclination toward adopting emerging trends, technological advancements, and innovative practices. Long-term initiatives are initially undertaken as study projects and, upon establishing their technical feasibility, are transformed into structured action plans for implementation, thereby enhancing value for customers. The Bank has been progressively integrating Artificial Intelligence (AI) and Machine Learning (ML) into its operations to strengthen decision-making, augment risk assessment frameworks, and elevate customer service. These technologies enable the delivery of personalized banking experiences while optimising operational efficiency and workflows.

Your Bank has implemented the following customer centric projects during the FY 2025-26:

- **Interoperable Card less Cash Withdrawal**

  The Bank has introduced Interoperable Card-less Cash Withdrawal at select ATMs, providing customers with enhanced convenience and security. This service allows customers to withdraw cash without the need for a physical ATM card. This service that facilitates participating Bank's customers who are live on UPI, to withdraw cash from any participating Banks' ATMs (enabled for UPI-ATM) without using their card.

  To utilize this service, customers shall simply scan a dynamic QR code displayed on the ATM screen and authorize the transaction using their UPI PIN. Each

transaction permits withdrawals of up to ₹ 10,000. The entire process is facilitated by the UPI and NPCI systems, helping to significantly reduce the risk of common ATM frauds such as card skimming.

- **Corporate Mobile Banking**

  KVB Corp Mobile Banking App is designed to address the diverse banking requirements of corporate users by offering a wide range of features. In addition to core functionalities such as account management and transaction services, the app includes other utilities that support day-to-day business operations of the corporate customers. The application is built with a sleek, minimalistic user interface that prioritizes content clarity and ease of navigation, ensuring a seamless user experience.

- **Enhancement in GST payment through UPI**

  The Bank has implemented a convenient and secure solution for taxpayers to meet their Goods and Services Tax (GST) obligations. Taxpayers are now able to pay their GST liabilities directly through the official GST portal (gst.gov.in) by utilizing Unified Payments Interface (UPI) applications. Supported UPI apps include widely used platforms such as BHIM. This enhancement streamlines the tax payment process, offering users the ability to complete transactions swiftly and securely from their mobile devices.

- **Digital Account Opening (Paperless & Video KYC Enabled)**

  The Bank continued to enhance its digital onboarding capabilities by strengthening the paperless account opening process integrated with Video KYC (V-KYC). Customer can seamlessly initiate account opening through digital channel using Aadhaar based e-KYC enabling faster data authentication of customer information. Further, the Bank enabled secure V-KYC slot booking and real time video verification allowing customers to complete identity validation conveniently without visiting branches, these initiatives accelerated customer onboarding, improved operational efficiency, reduced processing time and to secure seamless and technology driven banking services.

- **Improved mobile and internet banking performance by providing Value-added service to customers**

  The bank enhanced the performance, scalability and reliability of its mobile and internet banking platforms by deploying technology upgrades and introducing value added digital services. This improvement resulted in higher transaction processing efficiency and increased platform stability.

- **Strengthened grievance tracking and resolution through centralized monitoring dashboard**

  To strengthen governance, service monitoring management processes were integrated with a centralized monitoring dashboard that provides real time tracking, workflow visibility, analytics driven insights, and faster issue resolution.

- **Enabled 24x7 digital services with improved uptime and Disaster Recovery (DR) readiness**

  The Bank ensured the availability of digital services through improved uptime management, infrastructure optimization, proactive monitoring and enhanced DR readiness. This initiative reinforced the Bank focus on resilient, secure and future ready technology systems.

INFORMATION SECURITY

The Board of Directors and Senior Management recognize the risks associated with implementing new information technology and digital transformation initiatives to enhance customer service. To address these risks, your Bank had established the Information Security Group (ISG), led by a Chief Information Security Officer (CISO) who is a specialist in managing information and cyber security risks to safeguard the bank's information assets.

The ISG has been formed to protect the bank's information assets—including systems, data, and networks—from both internal and external threats. This is achieved through the implementation of robust security controls, policies, and technologies that are aligned with regulatory standards and industry frameworks. The ISG's responsibilities cover a broad range of activities, such as developing and enforcing information security policies, ensuring compliance with regulations, Security Operations Center (SOC) monitoring, incident management, application and cloud security, data protection, endpoint and network security, threat intelligence and monitoring, cyber forensics, vulnerability management, and conducting security assessments. The group is also in the process of adopting advanced approaches like Artificial Intelligence, Machine Learning, and zero trust models to further strengthen the Bank's security posture.

The CISO is responsible for defining the Bank's information security strategy and reports directly to the Chief Risk Officer. Key duties include overseeing security governance, risk management, policy development, continuous security monitoring, cyber incident response, and ensuring that

the Bank complies with all applicable laws and Reserve Bank of India (RBI) regulations related to cybersecurity. The CISO's office remains dedicated to adapting to the evolving threat landscape by leveraging skilled personnel, effective processes, and advanced technology.

Your Bank has maintained ISO/IEC 27001 certification since 2018, demonstrating compliance with the globally recognized standard for information security management. In accordance with this certification, the CISO office has established and documented Information Security Management System (ISMS) procedures, including formal processes for change management and incident management. In case of security issues, the Bank conducts a Root Cause Analysis (RCA) to identify the underlying issues and implements corrective measures to resolve any weaknesses, if discovered. Additionally, the Bank adheres to best practices by setting baseline standards for its IT systems.

Your Bank's ISMS reinforces not only the Confidentiality, Integrity and Availability of information but also other security principles such as Authenticity, Non-Repudiation and Accountability. Thus, your Bank's ISMS ensures the following objectives:

- Safety and privacy of sensitive customer and Bank's information.
- Prevent IT Assets and Information System from Unauthorized Access.
- Protect the Data / IT Systems from threats such as Phishing, Ransomware and other malware, malicious actors targeting cloud services and integrated systems in multiple locations over the Internet and zero-day attacks.
- Timely availability of Data / IT Systems to the authorized users.

The Bank has implemented several controls to prevent or detect data breaches, including:

- Perimeter security controls such as network firewalls, web application firewalls, network intrusion prevention, network segregation, network behavior analysis and anomaly detection systems.
- Privileged access management control.
- Host-based intrusion prevention systems to automatically detect and prevent known vulnerabilities.
- 24x7 security monitoring to identify unusual security events in the Bank's IT environment and timely incident response actions.
- Periodic management and Board oversight to review control effectiveness and strengthen controls.

To provide awareness on recent trends in Information Security and understanding on the crucial role in safeguarding the data, Bank has been arranging Virtual trainings, Cyber awareness workshops, Phishing campaigns, awareness Email and SMS, etc., to its employees and also circulating the awareness Email and SMS to its customers.

CHANGE IN NATURE OF BUSINESS

There was no change in the nature of business of the Bank during the financial year under review.

SYSTEM FOR INTERNAL FINANCIAL CONTROL AND ITS ADEQUACY

Your Bank uses computerized solutions comparable to those of new-generation private sector banks to meet all customer banking needs. It has established adequate infrastructure to process day-to-day transactions efficiently. The Bank operates on "Flexcube," a Core Banking Solution (CBS) widely used by several leading banks in the country. The platform is configured with well-defined internal financial controls, including maker-checker requirements and appropriate access credentials. Automation of interest, charges, and accounting entries further strengthens these controls. In addition, periodic IT audits of the CBS help ensure compliance with regulatory and mandatory requirements. The Bank also uses dedicated reporting software supported by appropriate systems and protocols, which are reviewed regularly to ensure clear and accurate business reporting. Standardized operating procedures for monitoring account operations support effective internal controls, while a separate monitoring team helps prevent and detect fraud and errors. Regulatory and mandatory compliance is overseen by a dedicated team that follows defined procedures to implement approved policies and maintain disciplined financial reporting. Together, these systems provide the Bank with a robust framework of internal control over financial reporting.

The Bank has Board-approved policies covering key banking activities such as lending, investment, and borrowing, supported by a clearly defined hierarchy of officials with sanctioning authority. The Inspection & Audit Department and Risk Management Department periodically review internal controls, procedural compliance, and credit assessment protocols.

Internal Financial controls of the branches are verified by the Statutory Branch Auditors during their branch audit and covered in their report. Joint Statutory Central Auditors of the Bank audit the internal controls over financial reporting of the Bank and submit a separate report containing the salient features of their observations to the Board of Directors.

RISK MANAGEMENT

Risk is inherent in all banking activities, and the Bank recognizes that effective risk management is fundamental to achieving sustainable growth and financial stability. The Bank has established a robust, multi-layered risk management framework to systematically identify, assess, measure, monitor, and mitigate risks through well-defined processes supported by advanced information technology systems.

The overarching objective of the Bank's risk management framework is to optimize the risk–return trade-off while operating within the Board-approved Risk Appetite Statement. An independent Risk Management function ensures comprehensive coverage of risks across all business lines through policies and procedures duly approved by the Board of Directors. The function adopts both quantitative and qualitative methodologies to proactively identify emerging vulnerabilities at both transaction and portfolio levels.

The Bank continues to enhance its risk measurement and management capabilities through ongoing refinement of models, strengthening of data architecture, and automation of risk processes. These initiatives are aimed at ensuring regulatory compliance, improving risk transparency, and enabling optimal capital allocation to achieve superior risk-adjusted returns.

The Board of Directors retains ultimate responsibility for oversight of the risk management framework and periodically reviews the Bank's risk profile to ensure alignment with the defined risk appetite. To facilitate focused governance, the Board has delegated oversight responsibilities to the Board-level Risk Management and Asset Liability Management Committee (RM & ALM Committee). This Committee monitors the implementation of the risk governance framework and adherence to risk policies and processes.

At the executive level, specialized committees—including the Credit Risk Management Committee, Market Risk Management Committee, Operational Risk Management Committee, and Asset Liability Management Committee oversees respective risk domains. These Committees regularly evaluate the effectiveness of risk management practices and provide strategic guidance. Proceedings of these committees are reported to the RM & ALM Committee of the Board for review and direction.

The Risk Management Department plays a central role in reviewing all key policies of the Bank to ensure adequate incorporation of risk management considerations. The Bank has instituted a comprehensive suite of risk management policies, including those covering Credit Risk, Market Risk, Liquidity Risk, Operational Risk, Strategic Risk, Reputational Risk, Risk Culture, Integrated Risk Management, Stress Testing, and the Internal Capital Adequacy Assessment Process (ICAAP).

The Bank's risk management approach encompasses end-to-end risk lifecycle management, including identification, assessment, measurement, monitoring, control, mitigation, and reporting of risks across all business segments. The strategy is anchored in a clear articulation of risk appetite, reflecting the Bank's capacity and willingness to assume risk under both normal and stressed conditions.

All material risks arising from the Bank's operations are subject to continuous monitoring and are managed through a well-defined control environment to ensure timely mitigation.

The Bank remains adequately capitalized, with a Capital to Risk Weighted Assets Ratio (CRAR) of 18.76% as at 31st March 2026. The capital base provides a strong buffer to absorb unexpected losses that may arise despite prudent risk management practices. Based on the current assessment, there are no material risks that pose a threat to the Bank's going concern status.

VIGIL MECHANISM/WHISTLE-BLOWER POLICY

The Bank has put in place a 'Whistle Blower Policy' in compliance to the provisions of Regulation 4(2)(d)(iv) of the SEBI LODR, the Companies Act, 2013 and SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended, from time to time. This policy also incorporates suggestions of the Protected Disclosure Scheme for Private Sector Banks instituted by the Reserve Bank of India. The Bank's Whistleblower Policy is in synchronization with all statutory and regulatory guidelines on Vigil Mechanism.

Through the Whistleblower Policy / Vigil Mechanism, the Bank encourages an open and transparent system of working and dealing amongst its stakeholders to make or report any disclosures under this Policy, without any fear of reprisal, retaliation, discrimination or harassment of any kind.

Under the Whistleblower Policy, the employees are free to report violations of applicable laws & regulations and Code of Conduct. The objective of the policy is to pre-emptively identify any untoward events with the help of the employees and to take timely corrective measures before they become incidents. This mechanism also provides adequate safeguards against victimization of employees who avail this mechanism and provides for direct access to the Chairman of the Audit Committee of the Board, in exceptional cases when the Whistleblower is not satisfied with the resolution of the complaint. During FY 2025-26, 8 complaints were received under this mechanism and there were no instances of escalations made to the Chairman of the Audit Committee. The Audit Committee of the Board reviews the complaints received through the Whistleblower mechanism on a quarterly basis.

The Bank is encouraging all its stakeholders to share the details of any kind of unlawful/unethical instances/practices noticed on the part of any employee, in order to take appropriate action upon review. Further, the Bank is ensuring that the details shared under this mechanism are kept confidential and protection is available to the Whistleblower. Periodical training and awareness sessions are being conducted for the employees on the importance of Whistleblower mechanism.

The details of the Whistleblower policy is made available on the website of the Bank at https://www.kvb.bank.in/docs/whistle-blower-policy.pdf.

The Bank has a robust Vigilance Mechanism which provides guidance on managing the Fraud Risk. Cases detected / reported are investigated and appropriate process refinements and systemic corrections are implemented to avert similar incidents in future. Various mitigation measures and surveillance mechanisms are employed to combat both internal and external frauds. Regular sensitization programs for employees on various frauds and prevention techniques foster an atmosphere of vigil.

The Bank is committed to raising employee awareness about modus operandi of recent frauds through, email channel under tag line "Beware... Be Aware...!". The Preventive Vigilance workshops, curated by the Vigilance Department, elucidates the gaps exploited by fraudsters to perpetrate frauds against Banks. This program also imparts strategies to avert such frauds. Additionally, Fraud prevention meetings under the tag line "Watchful eyes, Honest ways" are regularly conducted for branches to familiarize the employees with the various modus operandi of trending frauds and their preventive measures. Surprise visits of identified branches / divisions are conducted on a monthly basis to ensure that vigil mechanism is in place.

Vigil at KVB: The stakeholders are encouraged to voice their concerns by way of Whistleblowing and may raise their concerns at pds@kvb.bank.in.

DISCLOSURES PERTAINING TO THE SEXUAL HARASSMENT OF WOMEN AT THE WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The details related to Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 are furnished in the Corporate Governance Report that forms part of this Annual Report.

COMPLIANCE WITH MATERNITY BENEFIT ACT, 1961

The Bank has complied with the applicable provisions of Maternity Benefit Act, 1961.

RELATED PARTY TRANSACTIONS

All transactions entered into by the Bank with related parties are in a repetitive nature, carried out in the ordinary course of business and on an arm's length basis. Omnibus approval was obtained from the Audit Committee for such repetitive transactions, and the same are reviewed on a periodic basis. The Bank's policy on Related Party Transactions is available at https://www.kvb.bank.in/docs/related-party-transactions-policy.pdf.

During the year, your Bank has not entered into any materially significant transactions with the related parties, which could lead to potential conflict of interest. Therefore, pursuant to Section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014, there are no related party transactions to be reported under Section 188(1) of the Companies Act, 2013 and Form AOC-2 is not applicable to the Bank.

AUDIT COMMITTEE RELATED DISCLOSURE UNDER SUB-SECTION 8 OF SECTION 177 OF THE COMPANIES ACT, 2013

Your Bank has constituted a Board-level Audit Committee in accordance with the requirements of the Companies Act, 2013, SEBI LODR and the guidelines issued by the Reserve Bank of India, as amended from time to time. The Board has accepted all the recommendations made by the Audit Committee. The details of the composition of the Audit Committee are disclosed in the Corporate Governance Report forming part of this Annual Report.

DISCLOSURE RELATED TO DETAILS OF DEPOSITS ACCEPTED UNDER RULE 8(5)(V) OF COMPANIES (ACCOUNTS) RULES, 2014

Being a Banking company, the disclosures required as per Rule 8(5)(V) of Companies (Accounts) Rules, 2014, read with Section 73 and 74 of the Companies Act, 2013 are not applicable.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

Pursuant to Section 186 (11) of the Companies Act, 2013, the provisions of Section 186 of the Companies Act, 2013, except sub-section (1), do not apply to a loan made, guarantee given or security provided, or any investment made by a Banking Company in the ordinary course of business. Hence, the particulars of loan and guarantees as required under Section 134(3)(g) of the Companies Act, 2013 are not required to be disclosed. The particulars of investments made by the Bank are disclosed in the Financial Statements as per the applicable provisions of the Banking Regulation Act, 1949.

AUDITORS

Joint Statutory Central Auditors

In terms of Section 139 of the Companies Act, 2013 read with Section 30(1A) of the Banking Regulation Act, 1949, it is proposed to re-appoint, M/s. Kalyaniwalla & Mistry LLP, Chartered Accountants (Firm Registration No. 104607W/ W100166) and M/s. Varma & Varma, Chartered Accountants (Firm Registration No. 004532S) as Joint Statutory Central Auditors of the Bank (for the third year of the three year term), who are retiring at the conclusion of the ensuing 107th Annual General Meeting (AGM), subject to the approval of Reserve Bank of India and shareholders of the Bank. The Bank has received consent from the Auditors on their reappointment and confirmation to the effect that they are not disqualified to be reappointed as the Auditors of the Bank in terms of the provisions of the Companies Act, 2013 and the rules made thereunder.

Accordingly, the Board of Directors have recommended to the shareholders, the reappointment of M/s. Kalyaniwalla & Mistry LLP, Chartered Accountants (Firm Registration No. 104607W/ W100166) and M/s. Varma & Varma, Chartered Accountants (Firm Registration No. 004532S) as Joint Statutory Central Auditors of the Bank, to hold office from the conclusion of the ensuing 107th AGM till the conclusion of the next AGM. Fee payable to Joint Statutory Central Auditors is proposed at ₹ 1.40 Crore (Rupees One Crore and Forty Lakh only) plus applicable taxes and out of pocket expenses with a cap of 10% of fees for the FY 2026-27, subject to the approval of Reserve Bank of India and shareholders of the Bank.

Members are requested to consider the re-appointment of M/s. Kalyaniwalla & Mistry LLP, Chartered Accountants (Firm Registration No. 104607W/ W100166) and M/s. Varma & Varma, Chartered Accountants (Firm Registration No. 004532S) as Joint Statutory Central Auditors of the Bank.

Pursuant to the Regulation 33(1)(d) of the SEBI LODR, the Joint Statutory Central Auditors have confirmed that they are subjected to the peer review process of the Institute of Chartered Accountants of India (ICAI) and that they hold a valid certificate issued by the Peer Review Board of ICAI.

Independent Auditors' Report

The Joint Statutory Central Auditors of the Bank viz., M/s. Kalyaniwalla & Mistry LLP, Chartered Accountants (Firm Registration No. 104607W/W100166) and M/s. Varma & Varma, Chartered Accountants (Firm Registration No. 004532S), have audited the accounts of the Bank for FY 2025-26 and their Report forms part of this Annual Report. Pursuant to Section 143(3)(i) of the Companies Act, 2013, the Joint Statutory Central Auditors have also reported on the adequacy and operating effectiveness of the internal financial controls system over financial reporting, which has been enclosed as "Annexure A" to Independent Auditor's Report.

There are no qualifications, reservations or adverse remarks made by the Joint Statutory Central Auditors in their report for FY 2025-26.

Secretarial Auditor

In line with Section 204 of the Companies Act, 2013 and Regulation 24A of the SEBI LODR, shareholders of the Bank approved the appointment of M/s S.A.E. & Associates LLP, Company Secretaries, (Firm Registration No. L2018TN004700) in 106th AGM of the Bank held on 21st August 2025 for undertaking the Secretarial Audit of the Bank for a period of five years from FY 2025-26 to FY 2029-30 with a remuneration of ₹ 2,25,000/- plus applicable taxes and out of pocket expenses for FY 2025-26 with 10% increase in last drawn fees every year thereafter till FY 2029-30.

Secretarial Audit and Secretarial Compliance Report

M/s. S.A.E. & Associates LLP, Company Secretaries (Firm Registration No. L2018TN004700), undertook the Secretarial Audit of the Bank for FY 2025–26 pursuant to the provisions of Section 204 of the Companies Act, 2013 and Regulation 24A of the SEBI LODR. The Secretarial Audit Report for the FY 2025-26 is annexed to this report as **Annexure – I**.

There are no qualifications, reservations or adverse remarks made by the Secretarial Auditor in their report for the FY 2025-26.

Further, in terms of aforesaid provisions, the Bank has obtained Secretarial Compliance Report, from the Secretarial Auditor of the Bank on compliance of all applicable SEBI Regulations and circulars/guidelines issued thereunder and the copy of the same was submitted to Stock Exchange within the stipulated timeline.

Implementation of Indian Accounting Standards (Ind AS)

As per the RBI guidelines, the Bank has been submitting Proforma Ind AS financial statement to RBI on a Half yearly basis. RBI has issued final guidelines on 27th April 2026 Reserve Bank of India (Commercial Banks -Asset Classification, Provisioning and Income Recognition) Directions, 2026, effective from 1st April 2027.

The Bank has initiated necessary measures towards implementation of the new framework, including assessment of systems, processes and data requirement for compliance with the RBI directions. The Bank will continue to closely monitor further regulatory updates and clarifications in this regard.

Further details are given in Schedule 18 – Notes to Account of the Balance Sheet.

REPORTING OF FRAUDS BY AUDITORS

During FY 2025–26, one of the frauds identified by the Bank and duly reported to the Reserve Bank of India (RBI), with necessary corrective actions taken, was reported by the Joint Statutory Central Auditors to the Central Government under Section 143(12) of the Companies Act, 2013 read with the NFRA Guidelines dated 23rd June 2023. Other than the above, no fraud was reported by the Joint Statutory Central Auditors under the said provisions during the review period.

Further, no fraud was reported by the Secretarial Auditor under the said provisions during the review period.

COMPLIANCE WITH SECRETARIAL STANDARDS

During FY 2025-26, your Bank is in compliance with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

STATUTORY DISCLOSURES

Disclosures relating to conservation of energy, technology absorption and foreign exchange earnings and outgo, pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Rule (8)(3) of the Companies (Accounts) Rules, 2014 are detailed as under:

Conservation of Energy

Your Bank has undertaken various energy efficiency improvement initiatives for energy conservation at its branches / offices by installing LED lights in a phased manner. VRF (Variant Refrigerant Flow) AC units have been installed in back offices across various cities to save electricity by energy conservation technology. Your Bank owns a 850 kW Wind Turbine Generator in Govindanagaram, Theni District, Tamilnadu and the said windmill has generated 8,81,599 units during the year under review. Bank is utilizing the power generated by Wind Turbine for its Central office at Karur and Divisional Office at Chennai.

Roof top solar power plant has been installed at our Bank's own buildings at Trichy Divisional Office (38 kW), Namakkal Main branch (15 kW) and Batlagundu branch building (7.50 kW) for utilization of renewable energy during the year under review. In addition to the above, your Bank has installed roof top solar power plant at Hyderabad Divisional Office (38 kW). The total generation from Roof top solar power plant is 1,02,470 units from the said four locations during the year under review.

Your Bank has made a capital investment of ₹ 42,71,971/- on LED Lights and ₹ 44,85,042/- towards installation of roof top solar power plant during FY 2025-26.

Technology Absorption

Your Bank has always used information technology extensively to deliver quality service to its customer, for more details please refer the section on Technology Initiatives that forms part of this report.

Foreign Exchange Earnings and Outgo

Your Bank continuously supports and encourages the country's export efforts through its export financing operations. The details on foreign exchange earnings and outgo are furnished in the Foreign Exchange Transactions section that forms part of this report.

MATERIAL EVENTS THAT HAVE OCCURRED AFTER THE BALANCE SHEET DATE

There are no material events/changes and commitments, which affect the financial position of the Bank between the end of the financial year of the Bank and the date of the Directors' Report.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS

During FY 2025-26, no significant and material orders were passed by the Regulators or Courts or Tribunals against the Bank which impacts its going concern status and Bank's operations in future.

MAINTENANCE OF COST RECORDS

Being a Banking Company, your Bank is not required to maintain cost records as per sub-section (1) of Section 148 of the Companies Act, 2013.

ANNUAL RETURN

The Annual Return for the financial year ended 31st March 2026, as required under Section 92 (3) and Section 134(3)(a) of the Companies Act, 2013 is available on the Bank's website at https://www.kvb.bank.in/investor-corner/annual-general-meeting/annual-return/.

DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (31 OF 2016) DURING THE YEAR ALONG WITH THEIR STATUS AS AT THE END OF THE FINANCIAL YEAR

There is no application or proceeding against the Bank under Insolvency and Bankruptcy Code, 2016 during FY 2025-26.

However, Bank has been filing cases in NCLT under IBC, 2016 as a part of its recovery mechanism and the status of the cases as at the end of FY 2025-26 is furnished as below:

S. No	Particulars	No of Cases	Book balance (₹ in Crore)	Status
1^	Cases filed by KVB against the Corporate Debtors under IBC	4	181.51	Under CIRP & Liquidation
2	Cases filed by KVB against Individual Guarantors of the Corporate Debtors	22	463.40	Filed and pending

^There are 48 other claims filed with NCLT under IBC by other Lenders/ Operational Creditors, involving ₹ 1,010.46 Crore, in which the Bank has submitted claims as one of the creditors.

DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF

Being a Banking Company, the aforesaid provision is not applicable to the Bank.

PARTICULARS OF EMPLOYEES

The information as required under Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 are annexed to this report as **Annexure – II**.

EMPLOYEE STOCK OPTION SCHEME

Your Bank has formulated and adopted Employee Stock Option Schemes to provide a platform to employees for participating in the ownership of the Bank and in its long-term growth. Bank uses stock options as a compensation tool to attract and retain critical talent and encourage employees to align individual performances with that of Bank's objectives. In order to ensure sustainable progress and to aid next journey of Bank's growth path, attracting, retaining, and rewarding talent is essential. Bank aims to attract, retain, develop talent pipeline and align employees' long-term interests with the Bank's strategic objectives. To support this alignment and given the limited number of stock options available in the existing ESOP Schemes for the current talent pool's requirements, introduction of 'Karur Vysya Bank - Employees Stock Option Scheme 2025' ("KVB-ESOP-2025/ Scheme") was proposed during the review period and the same was approved by the shareholders in the AGM held on 21st August 2025. Currently, the Bank has the following Schemes in compliance with the provisions of SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("SEBI SBEB & SE Regulations") erstwhile SEBI (Share Based Employee Benefits) Regulations, 2014.

- Karur Vysya Bank Employees Stock Option Scheme 2011 ("KVB-ESOS-2011").
- Karur Vysya Bank Employees Stock Option Scheme 2018 ("KVB-ESOS-2018").

- Karur Vysya Bank Employees Stock Option Scheme 2025 ("KVB-ESOS-2025").

During the period under review, your Bank has granted to the tune of 1,03,541 options under KVB-ESOS-2018 to Shri B Ramesh Babu, MD & CEO and other Senior Management towards their variable pay as a part of non-cash component for the performance period FY 2024-25. The said variable pay is in accordance with Bank's Compensation policy read with Reserve Bank of India (Commercial Banks - Governance) Directions, 2025. Further, consequent to the issue of bonus shares during FY 2025-26, appropriate adjustments have been made in the respective pool of the Scheme and in the options granted where such options remain unvested.

Pursuant to Regulation 13 of SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, ("SEBI SBEB & SE") Bank's Secretarial Auditors, M/s S.A.E. & Associates LLP, Company Secretaries, has certified that the Bank's above mentioned Schemes have been implemented in accordance with the Resolutions passed by shareholders for 2011 & 2018 Schemes and SEBI SBEB & SE Regulations. The disclosures as required under the said regulation are available on Bank's website at https://www.kvb.bank.in/investor-corner/other-disclosures/esos-disclosures/.

TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

Pursuant to Sections 124 and 125 of the Companies Act, 2013, read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules'), dividends remaining unclaimed for a period of seven years and all shares in respect of which dividends have not been claimed for the last seven consecutive years are liable to be transferred to the Investor Education and Protection Fund ('IEPF'). This requirement does not apply to shares in respect of which there is a specific order of a Court, Tribunal, or Statutory Authority restraining the transfer of such shares. Further details are provided in the Corporate Governance Report forming part of this Annual Report.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Your Bank's commitment to social responsibility traces back to its Articles of Association drafted in 1916, which provided for setting aside one percent of the annual profits towards a "Charity Account" to support the health and education needs of the underprivileged. More than a century later, the Bank continues to uphold this enduring legacy through its contemporary Corporate Social Responsibility (CSR) initiatives.

The Bank's view on CSR is not merely as a statutory obligation, but as a strategic commitment towards creating sustainable and inclusive value for communities. Guided by its CSR Policy and in compliance with Section 135 of the Companies Act, 2013, read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Bank continues to undertake initiatives that contribute meaningfully to social development and environmental sustainability. A dedicated CSR Committee of the Board oversees the planning, execution, monitoring, and governance of CSR programmes, ensuring transparency, accountability, and alignment with the Bank's broader values and objectives.

During the year under review, the Bank spent ₹ 40.65 Crore towards CSR initiatives across key areas prescribed under Schedule VII of the Companies Act, 2013. The Bank's CSR interventions are focused on Education, Skill Development, Healthcare and Sanitation, Environmental Sustainability, and Art & Culture. Through these initiatives, the Bank aims to foster inclusive growth, strengthen community well-being, support sustainable development, and preserve the country's cultural heritage.

The Bank remains committed to driving meaningful change at the grassroots level through carefully designed and monitored programs that create long-term social impact. Details of the CSR Policy, composition of the CSR Committee, CSR expenditure, and other disclosures form part of **Annexure - III** to this Report.

ENVIRONMENTAL, SOCIAL, AND GOVERNANCE (ESG)

Your Bank recognizes Environmental, Social, and Governance (ESG) principles as a core pillar of responsible banking and sustainable value creation. Sustainability is not viewed as a compliance obligation but as a strategic imperative shaping our decision-making, operations, and stakeholder engagement.

The Bank emphasize on robust governance, environmental stewardship, and social responsibility underpins sustained financial performance while advancing a resilient and inclusive growth trajectory. ESG considerations are systematically integrated into our business strategy and enhancing long-term institutional resilience.

To reinforce these initiatives, a dedicated ESG function has also been institutionalized to facilitate policy alignment, and coordination of sustainability-related initiatives across the organization.

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING (BRSR)

In terms of Regulation 34(2)(f) of the SEBI LODR Regulations, 2015 read with applicable SEBI circulars issued from time to time, Business Responsibility and Sustainability Reporting (BRSR) is applicable to the top 1,000 listed entities by market capitalization with effect from FY 2022-23.

Your Bank remains committed to sound governance, accountability, and sustainability-related disclosures and has been publishing the BRSR from FY 2021-22 on a voluntary basis. In line with the applicable regulatory requirements, the Bank has published the BRSR disclosure for FY 2025-26, which is annexed to this Report as **Annexure - IV**. The Bank has also undertaken Reasonable Assurance of applicable BRSR Core disclosures in accordance with the applicable regulatory requirements, with a view to enhancing the reliability and credibility of such disclosures.

BOARD MEETINGS

The Board of the Bank is constituted in accordance with the provisions of the Companies Act, 2013, the Banking Regulation Act, 1949, and the SEBI LODR, maintaining an appropriate balance between Executive and Non-Executive Directors, along with majority representation of Independent Directors to ensure effective governance. The Board meets at regular intervals to discuss and decide on Bank's business policy and strategy, apart from other items of business. During the year under review, Thirteen Board Meetings were conducted, and the prescribed periodicity for holding such meetings was complied with. The schedule of the meetings of the Board is circulated in advance to the Members of the Board. Details of the composition of Board, Meetings held and attendance of the Directors at such Meetings are provided in the Corporate Governance Report which forms part of this Annual Report.

BOARD EVALUATION

Pursuant to Section 134(3)(p) of the Companies Act, 2013, Regulation 17(10) of SEBI LODR and other applicable regulations, Board has carried out annual evaluation of its own performance (Board as a whole), Committees of the Board, Non-Executive Independent Directors including Chairperson and MD & CEO. Further Independent Directors in their separate Meeting have carried out evaluation of Board as a whole and Non-Executive Non-Independent Directors. The manner of evaluation conducted for the FY 2025-26 is furnished in the Corporate Governance Report that forms part of this Annual Report.

CHANGES IN BOARD OF DIRECTORS OF THE BANK

Changes in Board of Directors of the Bank during the review period and till the date of this report are presented below;

Appointment

Dr Mythili Vutukuru (DIN: 10371961)

Dr Mythili Vutukuru was co-opted as an Additional Director of the Bank under "Non-Executive Independent Director" category by the Board in its meeting held on 24th September 2025, subject to the approval of the shareholders of the Bank.

In terms of Regulation 17 (1C) of SEBI LODR, the listed entity shall ensure that approval of shareholders is obtained for appointment of a person on the Board of Directors at the next general meeting or within a period of three (3) months from the date of appointment, whichever is earlier.

Accordingly, the appointment of Dr Mythili Vutukuru as Non-Executive Independent Director of the Bank, for a period of three (3) years with effect from 24th September 2025 to 23rd September 2028, not liable to retire by rotation, was placed before the shareholders of the Bank for their approval through Postal Ballot having remote e-voting process and the same was approved by shareholders of the Bank on 20th December 2025.

Dr Mythili Vutukuru is an accomplished professor and researcher in the broad area of computer systems, with expertise in operating systems, computer networking, virtualization, and cloud computing. She is a Professor in the Department of Computer Science and Engineering at IIT Bombay. She is one of the Members of Standing Committee on Technology (SCOT) at NSE Clearing Ltd (NCL).

She is a person of integrity and has relevant skills, experience and expertise, representing Majority Sector in the areas of Information Technology, Business Management, Payment & Settlement Systems, Cyber Security and MSME.

Re-Appointment

Dr Meena Hemchandra (DIN: 05337181) was re-appointed as Non-Executive Independent Director of the Bank for the second term of five (5) years with effect from 26th May 2025, not liable to retire by rotation, pursuant to the approval of shareholders through postal ballot having remote e-voting process on 17th May 2025. Further, Reserve Bank of India accorded its approval for the re-appointment of Dr Meena Hemchandra as Part-Time Chairperson of the Bank vide letter dated 9th May 2025 for a second term of three years effect from 25th July 2025.

Shri Murali Ramaswami (DIN: 08659944) was re-appointed as Non- Executive Independent Director of the Bank for second term of five (5) years effective from 14th June 2025, not liable to retire by rotation, pursuant to the approval of shareholders through postal ballot having remote e-voting process on 17th May 2025.

Shri B Ramesh Babu (DIN: 06900325) was re-appointed as Managing Director & Chief Executive Officer of the Bank for the third term of two (2) years with effect from 29th July 2026, not liable to retire by rotation. The said re-appointment was approved by the shareholders of the Bank vide resolution dated 17th April 2026 through postal ballot. Further, Reserve Bank of India accorded its approval for the reappointment of Shri B Ramesh Babu as Managing Director & Chief Executive Officer of the Bank vide letter dated 24th April 2026.

CA Dr Chinnasamy Ganesan (DIN: 07615862) was re-appointed as Non- Executive Independent Director of the Bank for second term of five years (5) effective from 25th April 2026, not liable to retire by rotation, pursuant to the approval of shareholders through postal ballot having remote e-voting process on 17th April 2026.

Opinion of the Board regarding integrity, expertise and experience (including the proficiency) of the Independent Director appointed during the year:

In the opinion of the Board, the Independent Directors appointed during the year possess requisite qualifications, proficiency, expertise, track record, integrity, independence, vast and rich experience in their respective domains. Independent Director who was appointed during the year has undertaken to comply with the requirements relating to the passing of online proficiency self-assessment test for Independent Director's Databank, within the timelines prescribed.

Retirement by rotation

Pursuant to section 152 of Companies Act, 2013, two-thirds of the total number of directors, excluding independent directors, are liable to determination by retirement of directors by rotation. Accordingly, Whole Time Directors/ Executive Directors and Non-Executive Non-Independent Directors are considered for this purpose, out of whom one-third are required to retire by rotation in accordance with the said provisions. As Whole Time Directors/Executive Directors are appointed for fixed tenure with approval of RBI, the Bank has generally proposed the re-appointment of Non-Executive Non-Independent Directors who are liable to retire by rotation. As the Bank currently does not have any Non-Executive Non-Independent Directors on its Board, Whole Time Directors/Executive Directors are being considered for retirement by rotation.

Accordingly, **Shri B Sankar (DIN: 08846754)**, Executive Director, retires by rotation at the ensuing 107th Annual General Meeting (AGM) and being eligible, offers himself for re-appointment in terms of Section 152 of the Companies Act, 2013. He was appointed as Whole Time Director designated as Executive Director of the Bank, for a period of three (3) years with effect from 12th March 2025 to 11th March 2028, pursuant to approval of RBI, and his appointment was subsequently approved by shareholders through postal ballot having remote e-voting process on 17th May 2025. Pursuant to his retirement by rotation, approval of the shareholders is requested for his re-appointment as Director of the Bank, as set out in the Notice of the ensuing 107th AGM, in compliance with the provisions of section 152 of Companies Act, 2013.

The brief profile and details in terms of Regulation 36 (3) of SEBI LODR and the Secretarial Standard on General Meetings, in respect of the Director seeking appointment/re-appointment has been annexed to the Notice of the ensuing 107th AGM and in the Corporate Governance Report that forms part of this Annual Report.

Retirement on completion of tenure

Shri J Natarajan (DIN: 02710776), Executive Director of the Bank demitted office at the close of office hours on 21st May 2025, consequent to completion of his tenure.

Shri K G Mohan (DIN: 08367265), Non-Executive Independent Director of the Bank demitted office at the close of office hours on 11th October 2025, consequent to completion of his tenure.

Shri R Ramkumar (DIN: 00275622), Non-Executive Non-Independent Director of the Bank demitted office at the close of office hours on 24th June 2026, consequent to completion of his eight (8) years tenure in terms of Section 10A(2A)(i) of the Banking Regulation Act, 1949.

KEY MANAGERIAL PERSONNEL

The changes in Key Managerial Personnel of the Bank during the review period and till the date of this report are briefed below:

Re-Appointment

Shri B Ramesh Babu (DIN: 06900325), Managing Director & Chief Executive Officer and a Key Managerial Personnel of the Bank, was re-appointed for a third term of two (2) years with effect from 29th July 2026.

Cessation

Shri J Natarajan (DIN: 02710776), Executive Director of the Bank and a Key Managerial Personnel demitted office at the close of office hours on 21st May 2025, consequent to completion of his tenure.

Shri Sudhakar K V S M, Chief Compliance Officer and a Key Managerial Personnel, was relieved from the office on 30th April 2025, consequent to his resignation.

Apart from the above, there were no changes in the Key Managerial Personnels as on the date of this report.

CRITERIA FOR DETERMINING QUALIFICATIONS, POSITIVE ATTRIBUTES FOR APPOINTMENT/ REAPPOINTMENT OF DIRECTORS

Pursuant to provisions of Section 178(3) of the Companies Act, 2013 and relevant guidelines of RBI, the Nomination and Remuneration Committee (NRC) formulated the criteria for determining qualifications, positive attributes and independence of a Director to adhere the various provisions and guidelines as detailed below:

- 'Fit and Proper' criteria as per Dr. Ganguly Committee Norms which stipulates age, qualification, experience, track record, integrity, etc., and various circular instructions and guidelines issued by Reserve Bank of India from time to time.
- Norms laid down by the Banking Regulation Act, 1949 as amended from time to time which stipulates substantial interest, sectorial representation as per Section 10A (2) (a), restrictions as per Section 16 and 20 of the Banking Regulation Act, 1949, etc.
- Disqualification/Conflict of Interest of Directors, and other norms as per the provisions of the Companies Act, 2013 and rules made thereunder from time to time.
- Criteria of Independence of a Director as per the provisions of the Companies Act, 2013 and rules made thereunder and other applicable provisions as amended from time to time.
- Applicable listing regulations as amended from time to time.
- Articles of Association of the Bank.
- Any other factors as the NRC may deem fit and in the best interest of the Bank and its stakeholders.

The terms and conditions of appointment of Independent Director are available on the website of the Bank at https://www.kvb.bank.in/docs/terms-and-conditions-of-appointment-of-independent-directors.pdf. Your Bank's Nomination and Remuneration Committee (NRC) oversees matters of succession planning of its Directors, Senior Management and also Key Managerial Personnel. The Board of the Bank ensures that proper plans are put in place for orderly succession of appointment to the Board and to Senior Management of the Bank including KMPs.

Policy on Remuneration of Directors

Your Bank has adopted a comprehensive Compensation Policy in line with the Reserve Bank of India (Commercial Banks – Governance) Directions, 2025, the provisions of the Companies Act, 2013, and the SEBI LODR, as amended from time to time. The Policy covers aspects of remuneration payable to the Board of Directors, Whole-time Directors / Chief Executive Officers / Material Risk Takers, Key Managerial Personnel, Control Function Staff, and all other employees. The Policy is available on the Bank's website at https://www.kvb.bank.in/docs/investor-compensation-policy.pdf.

DECLARATION BY INDEPENDENT DIRECTORS

Pursuant to Section 149(7) read with 149(6) of the Companies Act, 2013 and Regulation 25(8) read with Regulation 16(1)(b) of the SEBI LODR, all the Independent Directors of the Bank have provided the necessary declarations that they have met the criteria of independence laid down thereunder. As required under Schedule IV of the Companies Act, 2013, Board has reviewed the declarations submitted by the Independent Directors and opined that, they have fulfilled all the conditions specified in the Companies Act, 2013 and SEBI LODR, and are independent of the management.

FAMILIARISATION PROGRAMMES FOR INDEPENDENT DIRECTORS

The Independent Directors along with all other Directors are made familiar with their rights, roles and responsibilities in the Bank at the time of appointment and on a recurrent basis.

Pursuant to regulation 46 of SEBI LODR, details of familiarization programmes attended by all Directors including Independent Directors are provided at https://www.kvb.bank.in/docs/disclosure-on-familiarisation-programmes-for-board-of-directors.pdf. Other details on the same are also covered in Corporate Governance Report forming part of this Annual Report.

CORPORATE GOVERNANCE

The details on Corporate Governance standards followed by your Bank and the relevant disclosures as stipulated under SEBI LODR and the Companies Act, 2013 and the rules made thereunder are deliberated in Corporate Governance Report that forms part of this Annual Report. A certificate from M/s S.A.E. & Associates LLP, Company Secretaries, confirming compliance to the conditions of Corporate Governance as stipulated under SEBI LODR is annexed to Corporate Governance Report which forms part of this Annual Report.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(3)(C) of the Companies Act, 2013 with respect to the Directors' Responsibility Statement, it is hereby confirmed that:

a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

b) The Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Bank at the end of the financial year and of the profit and loss of the Bank for that period;

c) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Bank and for preventing and detecting fraud and other irregularities;

d) The Directors had prepared the annual accounts on a going concern basis;

e) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively; and

f) The Directors had laid down internal financial controls to be followed by the Bank and that such internal financial controls are adequate and were operating effectively.

AWARDS AND ACCOLADES

Your Bank received the following awards during FY 2025-26:

S. NO	NAME OF THE AWARD	AWARDED BY	CATEGORY
1	The Business Today (BT) - Banking & Economy Summit and Best Banks Awards 2026 (30th edition)	Business Today	Best Small Indian Bank of the year 2026 - 3 years in a row
2	18th edition of the BFSI & Fintech Summit 2026	Dun & Bradstreet	India's Leading Private Bank (Mid)
3	12th Global SME Excellence Awards 2025-26	Assocham	MSME Bank of the Year-Private - Winner
			Best SME Lending - Runner Up
4	Indian Chamber of Commerce (ICC) Banking awards	Indian Chamber of Commerce (ICC)	Best Bank -Winner-Private Sector Bank (Mid size)
			Best Performance on Asset Quality Winner-Private Sector Bank (Mid size)
5	4th IBA CISO Summit & Citations 2025	IBA	Cyber Security Team of the year-Winner
			Cyber Security Transformation of the year-Winner
			Cyber Security Incident Response Maturity-Special prize
			Cyber Security Compliance Champion-Special prize
			CISO Elevator Pitch-Special mention for our Cyber Risk Scoring Model
6	21st Annual Technology conference, Expo & Citations 2024- 25	IBA	Best Digital Financial Inclusion- Runner Up
			Best IT Risk Management - Runner Up
7	17th SFBCK Banking Excellence and Businessman of the Year Awards, 2024-25	State Forum of Bankers' Clubs Kerala (SFBCK)	Best Private Sector Bank National Level (Large Category)
			Best Private Sector Bank Branch in Kerala
8	Asianet News Healthcare Awards 2025	Asianet News	Best CSR Activity on Healthcare

ACKNOWLEDGEMENTS

The Board of Directors takes this opportunity to place on record its sincere appreciation to the Government of India, the Reserve Bank of India, the Securities and Exchange Board of India (SEBI), the Ministry of Corporate Affairs (MCA), National Stock Exchange of India Limited, BSE Limited, Rating Agencies, Statutory Auditors, Secretarial Auditors, the various State Governments and Union Territories, and other regulatory authorities in India for their continued guidance and unwavering support.

The Board also places on record its sincere appreciation to the Bank's valued shareholders, esteemed customers, all other stakeholders, and well-wishers for their continued faith, confidence, and patronage, and looks forward to their ongoing support in the years ahead.

Your Board also extends its profound gratitude to the other Auditors, Lawyers, and other financial institutions for their valuable support and acknowledges the dedicated efforts and contribution of the Bank's staff towards the Bank's overall performance during the year. The Board looks forward to their continued commitment and cooperation in achieving the Bank's future goals.

For and on behalf of the Board of Directors

Dr Meena Hemchandra
(DIN: 05337181)
Non-Executive Independent (Part-time) Chairperson

B Ramesh Babu
(DIN: 06900325)
Managing Director & Chief Executive Officer

Place: Karur
Date: 07th July 2026

Annexure I

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2026

To

The Members,

THE KARUR VYSYA BANK LIMITED

No.20, Erode Road, Vadivel Nagar,

L.N.S., Karur - 639002.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by The Karur Vysya Bank Limited (hereinafter called **the Bank**). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Bank's books, papers, minute books, forms and returns filed and other records maintained by the Bank and also the information provided by the Bank, its officers, agents and authorised representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Bank has, during the audit period covering the financial year ended on 31st March 2026 complied with the statutory provisions listed hereunder and also that the Bank has proper board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Bank for the financial year ended 31st March 2026 according to the provisions of:

(i) The Companies Act, 2013 ("the Act") and the rules made thereunder (as amended from time to time);

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder (as amended from time to time);

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder (as amended from time to time);

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (as amended from time to time). The Bank does not have any Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time;

b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time;

c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time;

d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended from time to time;

e) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time;

f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 2025, as amended from time to time, regarding the Companies Act, 2013 and dealing with client; (Not applicable as the Bank is not registered as a Registrar to an issue and as a Share transfer agent)

g) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018, as amended from time to time;

h) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 as amended from time to time; (Not applicable to the Bank during the Review Period)

i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 as amended from time to time; (Not applicable to the Bank during the Review Period).

j) The Securities and Exchange Board of India (Bankers to the Issue) Regulations, 1994 as amended from time to time.

(vi) following other applicable laws:

a) The Banking Regulation Act, 1949 and Rules, Notifications and Circulars issued by Reserve Bank of India from time to time;

b) The Reserve Bank of India Act, 1934 to the extent applicable and Master Circulars, Notifications and Guidelines and other directions pertaining to Commercial Banking issued by Reserve Bank of India (RBI) from time to time;

c) The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (as amended from time to time);

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by the Institute of Company Secretaries of India relating to Meetings of the Board of Directors (SS-1) and General Meetings (SS-2).

(ii) The Listing Agreements entered into by the Bank with National Stock Exchange of India Ltd.

During the period under review the Bank has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that

(i) The Board of Directors of the Bank is duly constituted with proper balance of Whole-time Directors (MD & CEO and Executive Director), Non-Executive Directors, Independent Directors and Woman Directors. During the period under review

a) Dr Meena Hemchandra was re-appointed as Non-Executive Independent Director for second term of five years from 26th May 2025 to 25th May 2030 vide postal ballot resolution passed on 17th May 2025.

b) Dr Meena Hemchandra was re-appointed as Non-Executive (Part-time) Chairperson for second term of three years from 25th July 2025 to 24th July 2028 vide RBI Letter dated 9th May 2025.

c) Shri Murali Ramasami was re-appointed as Non-Executive Independent Director for second term of five years from 14th June 2025 to 13th June 2030 vide postal ballot resolution passed on 17th May 2025.

d) Consequent to RBI Approval Shri B Sankar was appointed as an Additional Director in category of Whole-Time Director designated as Executive Director for a period of three years from the date of taking charge i.e., 12th March 2025. Thereafter his appointment was approved by the shareholders vide postal ballot resolution passed on 17th May 2025.

e) Shri J Natarajan, Whole-Time Director designated as Executive Director, completed his tenure at the close of office hours on 21st May 2025.

f) Shri R Ramkumar, Non-Executive Non-Independent Director retired by rotation at the annual general meeting held on 21st August 2025 and was re-appointed.

g) Dr Mythili Vutukuru was appointed as an Additional Director (Independent) with effect from 24th September 2025. Thereafter vide postal ballot resolution passed on 20th December 2025 she was appointed as Non-Executive Independent Director for a period of 3 years with effect from 24th September 2025.

h) Shri K G Mohan, Non-Executive Independent Director completed his tenure at the close of office hours on 11th October 2025.

i) Shri Ramesh Babu was re-appointed as Managing Director & CEO for the third term of two years with effect from 29th July 2026 to 28th July 2028, vide postal ballot resolution passed on 17th April 2026.

j) CA Dr Chinnasamy Ganesan was re-appointed as Non-Executive Independent Director for the second term of five years with effect from 25th April 2026 to 24th April 2031, vide postal ballot resolution passed on 17th April 2026.

k) Shri R Ramkumar, Non-Executive Non-Independent Director completed his tenure at the close of office hours on 24th June 2026.

The changes in the composition of the Board of Directors that took place during the period under review, as mentioned above, were carried out in compliance with the provisions of the Act.

(ii) Adequate notice is given to all Directors to schedule the Board Meetings; notice, agenda and detailed notes on agenda were sent at least seven days in advance and shorter consent was obtained wherever required, and a system exists for seeking and obtaining further information and clarifications on the agenda items before and at the meeting for meaningful participation at the meeting. Decisions of the Board/Committee meetings are in consensus and results are recorded in minutes with suggestions / directions, if any, made in respect of any agenda item.

(iii) Based on the compliance system prevailing in the Bank, and after carrying out test checks of the relevant records and documents maintained by the Bank, we, further report that, there are adequate systems and processes commensurate with the size and operations of the Bank to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

(iv) We further report that the Bank has responded to communication received from various statutory / regulatory authorities including initiating actions for corrective measures, wherever found/deemed necessary.

We further report that during the audit period:

(i) The Bank had allotted 4,86,121 equity shares under KVB ESOS 2011 and KVB ESOS 2018 on various dates to employees of the Bank which includes 55,986 equity shares to Shri B Ramesh Babu, MD & CEO and 42,691 equity shares to Shri J Natarajan, Former Executive Director (for the position held as President & COO).

(ii) In terms of the RBI approval vide letter DOR.GOV. No.S6766/08.41.001/2025-26 dated December 02, 2025, the Nomination and Remuneration Committee of the Bank in its Meeting held on December 05, 2025 has granted 52,017 options at an exercise price of ₹ 247.03 under KVB ESOS 2018 Scheme to Shri B Ramesh Babu, MD & CEO of the Bank, as a part of non-cash component of variable pay for the performance period FY 2024-2025.

(iii) The Bank has received renewal of authorisation from RBI for Import of gold/silver for the financial year 2026-2027 (renewed for the period up to March 31, 2029).

(iv) During the audit period, the Bank has increased its authorised capital to ₹ 250 crores (125 crores equity shares of ₹ 2 each) at its Annual General Meeting held on 21st August 2025.

(v) At the annual general meeting held on 21st August 2025, the shareholders approved to create, grant, offer, issue and allot securities under Karur Vysya Bank Employee Stock Option Scheme – 2025.

(vi) During the audit period, the shareholders at the 106th Annual General Meeting held on August 21, 2025, approved issue of shares by way of bonus in the proportion of one share for every five shares held and the same were allotted to eligible members at the meeting of the Board of Directors held on 28th August 2025.

(vii) Consequent to Bonus issue made by the Bank in the ratio of 1:5 during FY 2025-26, appropriate adjustments were made to the respective ESOP (KVB ESOS 2011, KVB ESOS 2018 and KVB ESOS 2025) pools outstanding options and exercise price to provide for effect of Bonus Issue.

For **S.A.E & Associates LLP**
Company Secretaries

Sri Vidhya Kumar, Partner
FCS. No. 11114, C.P. NO. 20181
FRN: L2018TN004700
Peer Review Certificate No. 2822/2022
UDIN: F011114H000768244

Place: Chennai
Date: 07th July 2026

To

The Members,

THE KARUR VYSYA BANK LIMITED

No.20, Erode Road, Vadivel Nagar,

L.N.S., Karur - 639002.

Our Secretarial Audit Report of even date is to be read along with this letter.

1. It is the Management's Responsibility to maintain secretarial records, and to devise proper systems to ensure compliance with the provisions of all applicable laws, rules regulations & standards & to ensure that the systems are adequate and operate effectively. Our examination was limited to the verification of procedures on test basis.
2. Our responsibility as the Secretarial Auditor is to express an opinion on these secretarial records, systems, standards, and procedures based on our audit.
3. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
4. We have not verified the correctness and appropriateness of financial records and books of accounts of the Bank.
5. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Bank nor of the efficacy or effectiveness with which the management has conducted the affairs of the Bank.

For **S.A.E & Associates LLP**
Company Secretaries

Sri Vidhya Kumar, Partner
FCS. No. 11114, C.P. NO. 20181
FRN: L2018TN004700
Peer Review Certificate No. 2822/2022
UDIN: F011114H000768244

Place: Chennai
Date: 07th July 2026

Annexure II

Disclosure pursuant to sub-section 12 of Section 197 of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

The ratio of the remuneration of each director to the median employee's remuneration and other details in terms of sub-section 12 of Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

Sl No	Requirements	Disclosure	
I	The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year 2025-26;	Dr Meena Hemchandra Non-Executive Independent (Part-time) Chairperson	2.47x
		Shri B Ramesh Babu MD & CEO	47.03x
		Shri R Ramkumar Non-Executive Non-Independent Director	0.53x
		Dr Harshavardhan R Non-Executive Independent Director	0.53x
		Shri Murali Ramaswami Non-Executive Independent Director	0.53x
		CA Dr Chinnasamy Ganesan Non-Executive Independent Director	0.53x
		Shri R Vidhya Shankar Non-Executive Independent Director	0.53x
		Smt Srimathy Sridhar Non-Executive Independent Director	0.53x
		Dr Mythili Vutukuru [1] Non-Executive Independent Director	1.02x
		Shri B Sankar Executive Director	10.35x
		Shri J Natarajan [2] Executive Director	17.25x
		Shri K G Mohan [3] Non-Executive Independent Director	1.00x
		[1] Appointed on 24th September 2025 *[2] Demitted office on 21st May 2025, consequent to completion of tenure.* *[3] Demitted office on 11th October 2025, consequent to completion of tenure.*	

Note:

a) 'x' denotes the median remuneration of employees for the financial year 2025-26.

b) Pursuant to approval of the RBI and shareholders of the Bank, Non-Executive Independent (Part-time) Chairperson is entitled to receive the fixed remuneration of ₹ 30 Lakh per annum w.e.f. 25th July 2025.

c) During the financial year 2026-27, upon approval of the Financial Results for the FY 2025-26, the fixed remuneration to Non-Executive Directors [excluding Non-Executive (Part-Time) Chairperson] for the FY 2025-26 has been paid. The fixed remuneration paid is in proportion to the tenure of the Directors on the Board during the year.

d) The ratio of remuneration for Non-Executive Directors including Non-Executive (Part-Time) Chairperson is calculated after considering the payment of fixed remuneration for FY 2025-26. The payment of sitting fees for attending Board/Committee(s) was not considered for this calculation.

Sl No	Requirements	Disclosure	
II	The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year 2025-26;	Shri B Ramesh Babu MD & CEO	18.77%*
		Dr Meena Hemchandra Non-Executive Independent (Part-time) Chairperson	7.62%
		Shri B Sankar Executive Director	#
		Shri R Ramshankar GM & CFO	-16.61%^
		Shri Srinivasarao Maddirala Company Secretary	-6.57%^
	**The overall increase in the remuneration of the MD & CEO for FY 2025–26 is due to an increase in base salary, payment of variable pay, and ESOP vesting.* *# Shri B Sankar was appointed as Executive Director of the Bank effective 12th March 2025 and there was no increase in Remuneration during FY 2025-26.* *^ The remuneration for the CFO and Company Secretary in FY 2025–26 was decreased compared to FY 2024–25, as the previous year included perquisites arising from the exercise of ESOPs.* *There was no revision in the fixed remuneration of Non-Executive Directors, other than the Non-Executive (Part-Time) Chairperson, during FY 2025–26.* *Shri J Natarajan, Former Executive Director of the Bank has been excluded from the above calculations as he demitted office on 21st May 2025.*		
III	The percentage increase in the median remuneration of employees in the financial year;	-0.22% During FY 2024–25, the Bipartite Settlement was implemented with arrears effective from 01st November 2022, resulting in a higher median remuneration for the year, which in turn led to a decrease in FY 2025–26.	
IV	The number of permanent employees on the rolls of company;	9,845	
V	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	1. The Average percentage increase in the remuneration paid to Non-Managerial Personnel is 8.87%. There has been increase in Non-Managerial remuneration due to addition of Manpower, increase in base remuneration and inclusion of perquisites. 2. The Average percentage increase in the remuneration paid to Managerial Person is 17.97%. Managerial remuneration has increased due to increase in base remuneration, variable pay, and the inclusion of perquisites from ESOP vesting of managerial persons. Further, there are no exceptional circumstances.	
VI	Affirmation that the remuneration is as per the remuneration policy of the company.	The Bank has Board approved Compensation Policy, which is in line with the RBI Guidelines. We Affirm that the remuneration paid to employees is as per the Compensation Policy of the Bank.	

VII. Details pursuant to Rule 5(2) of the Companies (Appointment & Remuneration of Managerial Personnel) Amendment Rules, 2014.

Five employees employed throughout the year were in receipt of remuneration ₹ 1.02 Crore per annum or more, and One employee employed for the part of financial year 2025-26 who are in receipt of remuneration of ₹ 8.50 Lakh per month or more.

Statement containing particulars of top ten employees pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this Report. Further, the Report and the Accounts are being sent to the Members excluding the aforesaid statement. In terms of Section 136 of the Act, the said statement will be open for inspection upon request by the Members. Any Member interested in obtaining a copy of the same may write to the Company Secretary at kvb_sig@kvb.bank.in.

None of the employees hold (himself or along with his spouse and dependent children) more than two percent of the Equity Shares of the Bank.

General Note: Remuneration paid to employees includes salary paid, taxable reimbursements, Bank Contribution towards pension, PF, NPS and other taxable perquisites (Includes ESOP) for financial year 2025-26.

Annexure III

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. Brief outline on CSR Policy of the Company

The CSR Mission statement of the Bank states - "To contribute to the social and economic development of the community and to establish itself as a responsible corporate citizen. KVB realizes that CSR of the Bank is not just compliance, but it is a strategic and wholesome approach towards the Planet, People and Profit. The Bank understands that well-meaning and well implemented CSR will bring about some relief to larger issues that are of social and environmental in nature". The Bank is well involved in programs of larger ramifications whereby its projects on education, skill development, environmental sustainability and healthcare contribute substantially for the betterment of society and the community.

2. Composition of CSR Committee

Sl. No.	Name of the Director	Designation/ Nature of Directorship	No. of meetings of CSR Committee Held during the year	No. of meetings of CSR Committee attended during the year
1.	Shri B Ramesh Babu, Chairman of the Committee	Managing Director & Chief Executive Officer	4	4
2	Dr Meena Hemchandra	Non-Executive Independent (Part-time) Chairperson	4	4
3.	Shri R Ramkumar $	Non-Executive Non-Independent Director	2	2
4.	Shri Murali Ramaswami	Non-Executive Independent Director	4	4
5.	Dr Harshavardhan R *	Non-Executive Independent Director	2	2
6.	Shri B Sankar #	Executive Director	2	2

$ Member of the Committee from 9th October 2025

** Member of the committee till 8th October 2025*

 # Member of the Committee from 22nd May 2025 to 8th October 2025

3. Provide the web link where Composition of CSR Committee, CSR Policy and CSR Projects approved by the Board are disclosed on the website of the Company

Composition of CSR Committee - https://www.kvb.bank.in/CSR/

CSR Policy - https://www.kvb.bank.in/docs/csr_policy.pdf

CSR Projects approved by the Board - https://www.kvb.bank.in/docs/csr-annual-action-plan-25-26.pdf

4. Provide the details of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable.

During the period under review, Bank had two projects falling under the said purview of impact assessment.

i) Provision of Digital X-Ray Machine to the Cancer Institute, Chennai.

The Bank has made a meaningful contribution towards improving healthcare for individuals, particularly those suffering from cancer. Through its support to the Cancer Institute, Chennai the bank has enabled access to quick diagnosis & quality treatment and rehabilitation of the cancer affected persons.

ii) Provision of Robotic Arm Assisted Equipment for Orthopedic Surgery to Sree Vasavi Trust to be used in Vasavi Hospital, Bengaluru, Karnataka. By donating robotic-arm surgical technology to Bengaluru's Vasavi Hospital, the Bank and Vasavi Trust are making advanced orthopedic care and faster recovery more accessible to the community.

Further in line with the CSR Policy of the Bank, any project carried out by the Bank directly or through implementing agencies, with a budget of ₹ 50 Lakh and above, where not less than 12 months have elapsed after the completion of the execution of the Project, shall be subject to Impact assessment by the Bank. During the period under review the Bank has two such projects falling under the said requirement as per the policy.

i) Provision of medical equipment and UV water Plant to Government Medical College Hospital, Karur.

Government Medical College Hospital, Karur which caters thousands of in-patients and out-patients daily, is witnessing a steady increase in patient volume. To support the growing demand, the bank has made a meaningful contribution by providing high-end medical equipment and UV purified water plant to enable quality treatment to the community at a cost of ₹ 61 Lakh.

ii) My Dream School - Modern education project in 15 rural government schools, Coimbatore.

The Bank has supported a project for government school students that promotes holistic development through a unique educational approach. This initiative aims to foster a greater interest in learning, improve attendance, and significantly reduce school dropout rates.

Impact assessment reports on the above projects are available at https://www.kvb.bank.in/CSR/csr-impact-assessment/

5	(a)	Average net profit of the Company as per section 135 (5):	₹ 20,39,98,23,737.33
	(b)	Two percent of average net profit of the Company as per section 135(5) :	₹ 40,79,96,474.75
	(c)	Surplus arising out of the CSR Projects or programs or activities of the previous financial year	NIL
	(d)	Amount required to be set off for the financial year, if any :	₹ 14,85,646.47
	(e)	Total CSR obligation for the financial year [(b)+(c)-(d)]	₹ 40,65,10,828.28

6	(a)	Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project).	₹ 40,06,87,258.56
	(b)	Amount spent on administrative overheads	₹ 51,08,539.72
	(c)	Amount spent on impact assessment, if applicable	₹ 7,15,030.00
	(d)	Total amount spent for the financial year [(a)+(b)+(c)]	₹ 40,65,10,828.28

(e) CSR amount spent or unspent for the Financial Year

Total Amount Spent for the Financial Year (in ₹)	**Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135**		**Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135**		
	Amount	**Date of transfer**	**Name of the Fund**	**Amount**	**Date of transfer**
11,60,40,829.22	29,04,69,999.06*	30th March 2026	NA	NA	NA

**Amount transferred to Unspent CSR account pertains to ongoing projects.*

(f) Excess amount for set-off, if any:

S. No	**Particulars**	**Amount (in ₹)**
(i)	Two percent of average net profit of the Company as per sub-section (5) of section 135 *	40,65,10,828.28
(ii)	Total amount spent for the Financial Year	40,65,10,828.28
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	NIL
(iv)	Surplus arising out of the CSR projects or programs or activities of the previous Financial Years, if any	NIL
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	NIL

**After setting off the exceeded budget ₹ 14,85,646.47 of FY 2024-25*

7. Details of Unspent CSR amount for the preceding three Financial Years.

S. No	Preceding Financial Year	Amount transferred to unspent CSR account under section 135 (6) (in ₹)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in ₹)	Amount spent in the financial year (in ₹)	Amount transferred to any fund specified under schedule VII as per section 135 (6), if any		Amount Remaining to be spent in succeeding financial years (in ₹)	Deficiency, if any
					Amount (in ₹)	Date of Transfer		
1	2024-2025	25,43,60,167.25	25,43,60,167.25	15,55,90,389.57	0.00	-	98,769,777.68	NIL
2	2023-2024	10,33,01,594.12	3,77,31,627.50	2,43,75,179.50	0.00	-	1,33,56,448.00	NIL
3	2022-2023	6,97,70,762.60	78,00,000.00	78,00,000.00	0.00	-	0.00	NIL

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

   No

9. Specify the reason(s), if the Company failed to spend two per cent of the average net profit as per section 135(5):

   The Company has spent two per cent of the average net profit as per section 135(5)

B Ramesh Babu
(DIN: 06900325)
Managing Director & Chief Executive Officer
Chairman of the CSR Committee

Karur Vysya Bank
Smart way to bank

Annexure IV

Business Responsibility and Sustainability Report

FY 2025-26

Business Responsibility and Sustainability Report

Our Approach to Responsible Business

The Bank believes that responsible business conduct forms the foundation of sustainable value creation. As a financial institution, responsibilities extend beyond delivering financial performance to creating positive outcomes for stakeholders, fostering an inclusive and supportive workplace for employees, supporting environmental stewardship, and contributing to the economic and social progress of the communities served.

Opportunities for growth are pursued with discipline in decision-making and consistency in value delivery, recognizing that long-term success can only be achieved through transparency, accountability, and responsible business practices.

The principles of Environmental, Social and Governance (ESG) are embedded within the broader commitment to responsible banking. These principles influence risk management, customer and employee engagement, and operational practices. Sustainability is not treated as a standalone initiative or parallel agenda; it is an integral part of the way business is conducted.

During the reporting period, the Bank strengthened the foundations of responsible business practices by refining internal processes and building organizational capabilities to address evolving stakeholder expectations and regulatory developments. These efforts reflect the belief that long-term success can only be achieved through transparency, accountability, prudent decision-making, and an unwavering commitment to ethical conduct. Progress across ESG priorities further demonstrates the commitment to translating principles into meaningful action and measurable outcomes.

Guided by the National Guidelines on Responsible Business Conduct (NGRBC), which underpin the Business Responsibility and Sustainability Reporting (BRSR) framework, responsibility is embedded across all aspects of operations. An inclusive, safe and empowering workplace for employees, effective management of environmental footprint, and delivery of sustainable value to customers and communities remain central to this approach.

Effective governance remains central to this approach. Oversight of the Bank's sustainability agenda is provided by the Board-level CSR & ESG Committee, which offers strategic direction on ESG priorities and monitors progress against established objectives. Supported by the management team and cross-functional stakeholders, this governance framework helps integrate sustainability considerations into business decisions and reinforces accountability across the organization. During the year, the Bank further strengthened its governance practices through the appointment of a Lead Independent Director and enhanced gender diversity on the Board, reinforcing its commitment to effective oversight, independent judgement, inclusive leadership and sound corporate governance.

Our actions are guided by a robust ESG Policy that articulates the principles of responsible banking and provides a framework for managing environmental and social considerations. As part of this commitment, the Bank maintains an Exclusion List that establishes clear boundaries for activities considered inconsistent with our values and sustainability objectives. By defining what we choose not to finance, we reinforce our commitment to responsible lending, prudent risk management and the promotion of sustainable economic development. The Bank also continued to support inclusive growth through its efforts towards advancing financial inclusion and extending credit to priority sectors, reflecting our purpose of enabling broader economic participation and shared prosperity. Further, in alignment with the Reserve Bank of India's Framework for Acceptance of Green Deposits, the Bank continued its Green Deposit initiatives and channelled the proceeds towards financing eligible green activities that contribute to environmentally responsible development, while also assessing and reporting the environmental impact of such allocations in accordance with the applicable framework.

Environmental stewardship remains an important aspect of our responsible business journey. During the reporting period, the Bank continued its efforts to improve resource efficiency and reduce the environmental impact of its operations through initiatives focused on renewable energy adoption and energy efficiency. The Bank expanded the number of branches operating on solar energy, reaffirming its commitment to progressively strengthening the use of renewable energy across its operations and advancing its environmental objectives.

Transparency and accountability are fundamental to maintaining stakeholder confidence. The Bank prepares its disclosures in accordance with the requirements of Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, read with the SEBI Master Circular (HO/49/14/14(7)2025-CFD-POD2/I/3762/2026), dated January 30, 2026. The Bank has also voluntarily aligned its reporting "with reference to" Global Reporting Initiative (GRI) Standards. Together, these frameworks enable us to provide stakeholders with meaningful, reliable and decision-useful information on our sustainability performance.

During the reporting period, the Bank further strengthened the credibility of its disclosures through independent assurance of its BRSR Core indicators by M/s. SGS India Pvt Ltd., in line with the BRSR Core framework prescribed by SEBI Master Circular (HO/49/14/14(7)2025-CFD-POD2/I/3762/2026), dated January 30, 2026. This external assurance reinforces stakeholder confidence in the reliability, accuracy and robustness of the Bank's sustainability disclosures.

The Bank's ESG performance is subject to independent assessment by SEBI-registered ESG Rating Providers (ERPs) based on publicly available information. Under the subscriber-pay model, the rating agencies arrive at their assessment through independent evaluation frameworks. During the reporting period, CRISIL ESG Ratings assigned an ESG rating of 68 to the Bank based on an assessment of publicly available disclosures. Recognizing the value of these independent perspectives, the Bank subsequently subscribed to CRISIL's detailed scoring rationale to gain deeper insights into its performance across various sub-parameters.

The Bank was also independently assessed under other external ESG assessment frameworks based on publicly available information, receiving an NSE ESG Rating of 74 and an ESG Risk AI Rating of 70. Collectively, these external assessments provide valuable insights that support the refinement of internal processes, enhancement of disclosures and the continuous strengthening of the Bank's ESG maturity in line with evolving stakeholder's expectations.

74

NSE ESG Rating

70

ESG Risk AI Rating

68

CRISIL ESG Rating

The Bank remains committed to embedding the principles of responsible business across our operations by advancing environmental stewardship, fostering inclusive growth, upholding the highest standards of governance and enhancing the quality of our disclosures to create enduring value for all our stakeholders.

INTRODUCTION:

The Bank's Business Responsibility and Sustainability Report (BRSR) is prepared in accordance with Regulation 34(2)(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, read with the SEBI Master Circular (Circular No. HO/49/14/14(7)2025-CFD-POD2/I/3762/2026), dated January 30, 2026 and the SEBI Guidance Note on BRSR. The report provides prescribed disclosures on the Bank's performance across the nine principles of responsible business conduct in the format prescribed under the BRSR framework.

SECTION A
General Disclosures 140

SECTION B
Management and Process Disclosures 154

SECTION C
Principle-wise Performance Disclosures 160

Principle 1
Businesses should conduct and govern themselves with integrity and in a manner that is ethical, transparent and accountable. 160

Principle 2
Businesses should provide goods and services in a manner that is sustainable and safe. 165

Principle 3
Businesses should respect and promote the well-being of all employees. 168

Principle 4
Businesses should respect the interests of and be responsive towards stakeholders. 176

Principle 5
Businesses should respect and promote human rights. 179

Principle 6
Businesses should respect and make efforts to protect and restore the environment. 184

Principle 7
Businesses should engage responsibly and transparently with public and regulatory bodies. 195

Principle 8
Businesses should promote inclusive growth and equitable development. 197

Principle 9
Businesses should engage with and provide value to consumers responsibly. 202

SECTION A: GENERAL DISCLOSURES

Overview

The General Disclosures provide an overview of the Bank's business profile, operational footprint, workforce, and governance practices. The Bank offers a comprehensive range of banking products and services to retail, commercial, and corporate customers through its extensive branch network. These disclosures reflect the Bank's commitment to responsible business conduct and transparency in operations.

Key Highlights

- **901** Branches
- Presence across **20 States & 2 UTs**
- **9883** Total employee strength
- **28%** Female employees
- **30%** Women representation at Board level

I. Details of the listed entity

Sl. No	Required Information	
1	Corporate Identity Number (CIN) of the Listed Entity	L65110TN1916PLC001295
2	Name of the Listed Entity	THE KARUR VYSYA BANK LIMITED
3	Year of incorporation	1916
4	Registered office address	No.20, Erode Road, Vadivel Nagar, L.N.S., Karur - 639002, Tamil Nadu
5	Corporate address	No.20, Erode Road, Vadivel Nagar, L.N.S., Karur - 639002, Tamil Nadu
6	E-mail	kvb_sig@kvb.bank.in
7	Telephone	04324-269441
8	Website	www.kvb.bank.in
9	Financial year for which reporting is being done	2025-26
10	Name of the Stock Exchange(s) where shares are listed	National Stock Exchange
11	Paid-up Capital	₹ 1,93,32,92,438.00
12	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Shri Chandrasekaran M S, Head of Business Responsibility and Sustainability Reporting, Chief General Manager and Chief Operating Officer. Telephone No: +914324-269000, Email Id: coo@kvb.bank.in
13	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	On a standalone basis
14	Name of Assessment or Assurance Provider	M/s. SGS India Pvt Limited
15	Type of Assessment or Assurance obtained	BRSR Core Reasonable Assurance

II. Products/Services

16. Details of business activities (accounting for 90% of the turnover):

Sl. No	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Banking and Financial Services	The Bank provides a wide range of Banking and Financial Services, including Retail banking, Commercial banking, Corporate banking, and treasury operations.	100%

17. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

Product / Service	NIC Code	% of total Turnover contributed
Banking Services	64191	100%

III. Operation

18. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	Not Applicable	Branches – 901 Offices - 39	940
International	Not Applicable	0	0

19. Market Served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	20 – States 2 – Union Territory
International (No. of Countries)	NIL

b. What is the contribution of exports as a percentage of the total turnover of the entity?

The Bank does not have any export operations, and accordingly, there is no contribution from exports to the total turnover of the entity during FY 2025-26. Hence, the percentage contribution of exports to the total turnover is not applicable.

c. A brief on types of customers

Our products and services are designed to cater to a diverse customer base, in accordance with the regulatory framework prescribed by the Reserve Bank of India (RBI). Our key customer segments include:

Resident Indians: Individuals residing in India availing banking, financial, and investment services.

Non-Resident Indians (NRIs): Indian citizens residing overseas seeking banking and investment solutions for managing their financial interests in India.

Sole Proprietorships: Individual business owners requiring banking, credit, and financial management solutions to support their operations.

Partnership Firms: Business entities established by two or more partners requiring financial services to facilitate business growth and operational efficiency.

Corporate Entities: Companies seeking comprehensive banking, treasury, financing, and transaction banking solutions.

Trusts: Entities established for charitable, religious, educational, or other purposes, requiring specialised banking and financial management services.

Clubs and Societies: Associations and institutions requiring customised banking solutions to manage their financial activities and member-related transactions.

Additionally, the Bank serves customers through Demat and trading services, enabling seamless participation in capital markets. It also promotes long-term financial security by facilitating enrolment in government-backed pension schemes such as the National Pension System (NPS) and Atal Pension Yojana (APY). Recognising the unique requirements of senior citizens, the Bank offers dedicated products, services, and support mechanisms to enhance accessibility, convenience, and financial well-being.

IV. Employees

20. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

Sl. No	Particulars	Total (A)	Male		Female	
			No.(B)	% (B/A)	No.(C)	% (C/A)
	Employees					
1	Permanent (D)	9,845	7,105	72.17%	2,740	27.83%
2	Other than Permanent (E)	38	20	52.63%	18	47.37%
3	Total employees (D+E)	9,883	7,125	72.09%	2,758	27.91%
	Workers					
4	Permanent (F)	0	0	0	0	0
5	Other than Permanent (G)	0	0	0	0	0
6	Total workers (F+G)	0	0	0	0	0

Note "PERMANENT EMPLOYEES" includes Employees in Officers Cadre, Clerical Cadre and Subordinate Staff Cadre as on 31.03.2026.

b. Differently abled Employees and workers:

Sl. No	Particulars	Total (A)	Male		Female	
			No.(B)	% (B/A)	No.(C)	% (C/A)
	Differently Abled Employees					
1	Permanent (D)	10	8	80%	2	20%
2	Other than Permanent (E)	0	0	0%	0	0%
3	Total differently abled employees (D+E)	10	8	80%	2	20%
	Differently Abled Workers					
4	Permanent (F)	0	0	0	0	0
5	Other than Permanent (G)	0	0	0	0	0
6	Total differently abled workers (F+G)	0	0	0	0	0

21. Participation/Inclusion/Representation of women:

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	10	3	30%
Key Management Personnel *	7	0	0

Note:

The Managing Director & CEO and the Executive Director are included under both the Board of Directors and Key Managerial Personnel (KMP).

*The above number of Key Managerial Personnel includes Shri J. Natarajan, Executive Director, who demitted office on 21 May 2025 consequent to completion of term, and Shri Sudhakar K. V. S. M., Chief General Manager & Chief Compliance Officer, who was relieved on 30 April 2025 consequent to resignation.

22. Turnover rate for permanent employees and workers (Disclose trends for the past 3 years)

	FY 2025-26 (Turnover rate in current FY)			FY 2024-25 (Turnover rate in previous FY)			FY 2023-24 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	13.31%	9.62%	12.28%*	14.96%	10.74%	13.77%	11.76%	7.63%	10.58%
Permanent Workers	-	-	-	-	-	-	-	-	-

Note: *Turnover rate for permanent employees calculated based on the BRSR guideline - "*Persons leaving the employment of the entity shall include those who leave the entity voluntarily or due to dismissal, termination, retirement or death in service*".

V. Holding, Subsidiary and Associate Companies (Including Joint Ventures)

23. a. Name of holding / subsidiary / associate companies / joint ventures

Sl. No	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
Not Applicable				

VI. CSR details

24.

(i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No)

Yes

(ii) Turnover (in ₹)

1,31,58,67,09,504.30

(iii) Net worth (in ₹)

1,37,01,79,39,030.43

VII. Transparency and Disclosure Compliances

25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the tool Guidelines on Responsible Business Conduct:

	Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)
	Communities	Yes https://www.kvb.bank.in/docs/grievance-redressal-policy.pdf
	Investors (other than shareholders)	Yes Investors' grievances are redressed either directly by the Investor Relations cell of the bank or through the Bank's Registrar and Share Transfer Agent, M/s MUFG Intime Time India Private Limited, Coimbatore. Complaints received on the SCORES/ODR Portal (a centralized web-based complaint redressal system of SEBI) are attended to within the timelines.
	Shareholders	Yes Investors' grievances are redressed either directly by the Investor Relations cell of the bank or through the Bank's Registrar and Share Transfer Agent, M/s MUFG Intime Time India Private Limited, Coimbatore. Complaints received on the SCORES/ODR Portal (a centralized web-based complaint redressal system of SEBI) are attended to within the timelines.
	Employees and workers	Yes. The Bank has 2 internal portals KVB SAMADAN and HRD Assist, accessible through its intranet portal. These platforms facilitate the reporting and resolution of employee grievances
	Customers	Yes. https://www.kvb.bank.in/docs/grievance-redressal-policy.pdf
	Value Chain Partners	Yes Expenses Management Cell (emc@kvb.bank.in) The Bank is having centralized payment systems where the value chain partners lodge their grievances
	Other (Complaints received from Individuals whose customer IDs are not disclosed / traceable (Example: BNPL customers, FASTAG customers, NON KVB Customers) were grouped under the other category)	Yes https://www.kvb.bank.in/docs/grievance-redressal-policy.pdf

FY 2025-26 Current Financial Year			FY 2024-25 Previous Financial Year		
Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
0	0	-	0	0	-
0	0	Nil	0	0	Nil
6	0	Resolved	4	0	Resolved
6	1	Nil	32	4	Nil
8952	590	*Out of 8952 complaints, 5061 complaints pertain to Unauthorized Financial Transactions (UFT)	5833	229	Nil
0	0	Nil	0	0	-
759	22	Nil	544	8	NA

26. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its Financial implications, as per the following format

Sl. No	Material issue identified	Indicate whether Risk or opportunity (R/O)	Rationale for identifying the risk / opportunity
1	Brand Reputation		**Rationale for the Risk:** If Brand Reputation is not effectively managed, it can lead to loss of stakeholder trust, negative media and social media backlash, and reduced customer acquisition and retention. This can also impact market confidence, slow growth, weaken competitiveness, and increase regulatory scrutiny
			Rationale for the Opportunity: Brand reputation is a key driver of stakeholder trust, customer acquisition, and long-term business growth. Effective management of the Bank's brand enhances credibility, strengthens customer confidence, and creates opportunities for business expansion and market differentiation .
2	Financial Performance		**Rationale for the Opportunity:** By leveraging its core strengths in RAM verticals; as well as Risk-managed capital deployment, the Bank continues to generate stable financial returns while expanding into emerging sectors aligned with sustainability and inclusive growth
3	Digitalization		**Rationale for the Opportunity:** Digitalization is the Strategy adopted by bank for providing superior customer experience and seamless transactions. Bank will be offering Digital Products, Payments and Process Re-engineering & Innovation through various Digital Channels in both organic and inorganic ways, Thereby increasing the revenue and reducing the cost.
4	Customer Experience & Satisfaction		**Rationale for the Risk:** Inadequate customer experience or ineffective grievance resolution may lead to customer dissatisfaction, reputational risk, customer attrition, and potential regulatory concerns.
			Rationale for the Opportunity: Conversely, delivering seamless banking experiences and effectively resolving customer grievances enables KVB to strengthen customer loyalty and enhance service quality across physical and digital channels.

Opportunity Risk

In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
The Bank adopts a proactive communication and reputation management approach through consistent stakeholder engagement, transparent disclosures, media monitoring. Regular brand-building initiatives and customer feedback assessments help safeguard and strengthen the Bank's reputation	Negative Positive
	Positive
	Positive
The Bank mitigates customer experience and satisfaction risks through continuous enhancement of digital capabilities, process simplification, customer feedback mechanisms, and robust grievance redressal systems. Regular monitoring of service quality, timely resolution of customer complaints, and customer-centric product and service innovations enable the Bank to strengthen customer trust and improve overall customer experience.	Negative Positive

Sl. No	Material issue identified	Indicate whether Risk or opportunity (R/O)	Rationale for identifying the risk / opportunity
5	Regulatory and Statutory Compliance		**Rationale for the Risk:** Banking is a highly interconnected, systemic sector. A single compliance failure such as a lapse in Anti-Money Laundering (AML) or Know Your Customer (KYC) protocols directly threatens the financial ecosystem. Regulators possess the immediate power to halt a bank's growth, suspend digital onboarding, or restrict credit offerings, making it a critical threat to business continuity and stakeholder trust.
			Rationale for the Opportunity: Maintaining an immaculate regulatory track record gives a bank a distinct competitive edge. It acts as a ""governance premium"" that allows the bank to secure fast-tracked regulatory approvals for innovative digital products and branch expansions. Furthermore, top-tier global ESG funds heavily prioritize strong governance, meaning superior compliance acts as a magnet for low-cost, institutional capital.
6	Cyber Security and Data Privacy		**Rationale for the Risk:** Cyber Security and Data Privacy are critical to safeguarding the Bank's information assets, ensuring compliance with regulations stipulated by regulators and maintaining customer trust. Any failure in these areas may result in data breaches, financial loss, regulatory penalties, and reputational damage.
			Rationale for the Opportunity: Conversely, a strong cyber security framework enhances resilience, protects sensitive data, and strengthens stakeholder confidence.
7	Business Ethics		**Rationale for the Risk:** Non-adherence to business ethics may result in regulatory non-compliance, reputational damage, financial loss, and fraud.
			Rationale for the Opportunity: Effective management of business ethics strengthens governance practices, ensures regulatory compliances and enhances reputation.

Opportunity Risk

In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
Because banking regulations are legally binding and non-negotiable, the bank's primary strategic approach is Mitigation, paired with a proactive sub-strategy of Adaptation for upcoming regulatory/statutory shifts. The Mitigation Strategy: The bank deploys a strict, multi-tiered internal control framework known as the Three Lines of Defense. • The first line consists of frontline business units enforcing rules during daily transactions. • The second line is the dedicated Compliance and Risk Management department setting policies. • The third line is an independent Internal Audit team. This framework is further reinforced by implementing automated RegTech (Regulatory Technology) to eliminate human error in transaction monitoring, alongside conducting mandatory ethics and compliance training for 100% of the workforce. The Adaptation Strategy: The bank utilizes a continuous "Horizon Scanning" methodology. Specialized compliance teams actively monitor draft regulations, consultation papers from central banks, and changing global ESG mandates to plan the bank's internal IT infrastructure and policies before new laws officially come into effect.	Negative Positive
Implementation of a robust information security framework aligned with regulatory guidelines including continuous monitoring through SOC, deployment of security controls, periodic vulnerability assessments and penetration testing, incident response mechanisms, Third party & employee awareness programs and various regular audits/compliance reviews.	Negative Positive
Periodic internal audits, whistle blower mechanism, investigations of ethical violations and reporting to ACB.	Negative Positive

Sl. No	Material issue identified	Indicate whether Risk or opportunity (R/O)	Rationale for identifying the risk / opportunity
8	Transparency & Fair Disclosures		**Rationale for the Risk:** Lack of transparency or inadequate disclosure can lead to regulatory non-compliance, reputational damage, erosion of market capitalization due to loss of stakeholder trust and uninformed decision-making by investors and other stakeholders. **Rationale for the Opportunity:** Transparency and fair disclosure create an opportunity to strengthen market trust, which directly improves fundraising ability and supports sustainable business growth.
9	Fraud Risk Management		**Rationale for the Risk & Opportunity:** Fraud Risk is identified as material risk as it protects customer funds, preserves trust, limits financial and operational losses, meets regulatory and supervisory expectations, supports sound governance and enables resilience in a digital & evolving threat landscape.
10	Financial Inclusion		**Rationale for the Risk:** Challenges such as technology disruptions, network connectivity issues, cybersecurity threats, authentication failures may impact the seamless delivery of banking services, particularly in underserved and remote geographies. Such disruptions may affect customer experience. **Rationale for the Opportunity:** Expanding banking services to unbanked and underbanked populations presents significant opportunities to enhance financial inclusion, broaden the customer base, increase deposit mobilisation, and strengthen the Bank's presence in rural and semi-urban markets.

Opportunity Risk

In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
Ensures timely, accurate and consistent disclosure of material information, strong internal controls, regulatory compliance and transparent stakeholder communication to maintain trust and accountability.	Negative Positive
The Bank is guided by a comprehensive enterprise-wide Fraud Risk Management Policy which is duly approved by the Board of Directors, to ensure a top-down approach. Additionally, an organizational structure has been defined for implementation, monitoring and review of Fraud Risk Management. This approach is designed with emphasis on the following, • Governance Framework for Fraud Risk Management • Prevention of Frauds • Early Detection of FRAUDS – framework for EARLY Warning Signals (EWS) and Red Flagging of Accounts (RFA) • Framework for Identification of Frauds and Assessment • Classification, Reporting and Follow up of Frauds • Closure of Fraud cases Reported to RBI • Others - Cheque related frauds/Legal Audit of title documents/ARC sale / Penal measures/accounts under Resolution / Role of Auditors and • Approved Standard Operating Procedures are in place for effective management of Fraud related Incidents	Negative
The Bank mitigates risks associated with Business Correspondent operations through the use of multi-network SIMs, enhanced biometric or facial authentication or IRIS scanners. Awareness programmes for Business Correspondents to prevent fraudulent activities, including money mule accounts.	Negative Positive

Sl. No	Material issue identified	Indicate whether Risk or opportunity (R/O)	Rationale for identifying the risk / opportunity
11	Corporate Governance		**Rationale for the Risk & Opportunity:** Corporate governance is considered as a material risk and opportunity because governance practices influence regulatory compliance, ethical conduct, transparency, accountability and stakeholders trust. Weak governance can result in legal, financial, reputational consequences and increased cost of capital thereby creating difficulty in fund raising, while strong governance enhances investor confidence, improves risk management, supports sustainable growth and contributes to long term value creation.
12	Talent Attraction & Retention		**Rationale for the Risk:** The banking sector faces intense competition for skilled talent, particularly in digital banking, technology, cybersecurity, risk management, compliance, and customer relationship functions. Inability to attract, develop, and retain qualified employees may lead to higher attrition, skill shortages, increased recruitment costs, loss of institutional knowledge, reduced employee engagement, operational inefficiencies, and challenges in executing strategic and regulatory priorities. **Rationale for the Opportunity:** A strong employer value proposition and effective talent management practices enable the Bank to attract and retain high-performing employees, build critical future-ready skills, enhance customer service, strengthen innovation and digital transformation capabilities, improve productivity, and support sustainable business growth. A motivated and skilled workforce also strengthens organizational resilience, risk management, and the Banks reputation.
13	Product Design & Innovation		**Rationale for the Opportunity:** Continuous innovation in banking products and services enables the Bank to address evolving customer needs, enhance competitiveness and expand market reach. Innovative and customer-centric solutions support digital adoption, financial inclusion and stronger customer engagement.
14	Climate Change		**Rationale for the Risk & Opportunity:** Climate change may pose physical and transition risks to the Bank's operations, customers and credit portfolio. It also presents opportunities to improve resource efficiency and support green finance initiatives.
15	ESG Oversight		**Rationale for the Risk & Opportunity:** Evolving ESG regulatory and reporting requirements, coupled with increasing stakeholder expectations, present risks if not effectively managed, while creating opportunities to enhance stakeholder confidence, improve transparency and support long-term value creation.

Opportunity Risk

In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
Key measures include establishing Independent and competent Board of Directors, implementing strong internal controls and compliance mechanisms, conducting regular risk assessments and audits and ensuring adherence to applicable regulatory requirements. The Bank also fosters a culture of integrity through comprehensive code of conduct, periodic ethics training to employees and secure whistle blower channels. Continuous monitoring of governance practices, transparent stakeholder communication and regular review of policies and procedures. This improves investor confidence, credit rating and reliability on the Bank's financial position as well.	Negative Positive
The Bank addresses talent-related risks through strategic workforce planning, campus and lateral hiring, succession planning, internal talent mobility, competitive compensation, employee engagement initiatives and continuous learning and leadership development programmes. These measures support employee retention, workforce productivity, customer experience and long-term business growth.	Negative Positive
	Positive
The Bank integrates climate-related considerations into its risk management processes, promotes resource efficiency, and supports green finance initiatives.	Negative Positive
The Bank has established governance mechanisms, including oversight by the Board-level CSR & ESG Committee, periodic review of ESG matters, and integration of ESG considerations into relevant policies, processes and disclosures.	Negative Positive

SECTION B:
MANAGEMENT AND PROCESS DISCLOSURES

Overview

The Management and Process Disclosures outline the Bank's governance framework for responsible business conduct. The Bank has established Board-approved policies aligned with the NGRBC principles, supported by Board-level oversight through dedicated CSR and ESG committees. These governance structures enable systematic implementation, monitoring, and periodic review of environmental, social, and governance practices across the Bank's operations.

Key Highlights

- Board-approved policies aligned with NGRBC principles
- Board-level CSR and ESG Committee

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions			P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes											
1	a	Whether your entity's policy/ policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
	b	Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
	c	Web Link of the Policies, if available	https://www.kvb.bank.in/regulatory-disclosures/fair-practices-banking-codes-overview/banking-codes-policies/ https://www.kvb.bank.in/sustainability-esg/								
2		Whether the entity has translated the policy into procedures. (Yes / No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
3		Do the enlisted policies extend to your value chain partners? (Yes/No)	No	No	No	No	No	No	No	Yes	Yes
4		Name of the national and international codes/certifications/ labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	GRI standard	GRI standard	GRI standard	GRI standard	GRI standard	GRI Standard, IGBC Geen Existing Building Certification: Platinum Certification	GRI standard	GRI Standard, CSR disclosures under Section 135 of the Companies Act, 2013, read with Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended	GRI standard, ISO 27001, ISO 27701 PCI DSS

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9

5	Specific commitments, goals and targets set by the entity with defined timelines, if any.	The Bank's sustainability and responsible banking commitments are defined through our Board-approved ESG Policy and related policies and frameworks, which collectively guide the integration of environmental, social, and governance considerations into our business operations, lending practices, and governance processes. These commitments include: • Integration of ESG considerations into lending and investment decisions, supported by an ESG Policy that includes an exclusion list prohibiting financing of activities with adverse environmental or social impact. • Deployment of funds mobilized under the Green Deposits Framework in accordance with the approved Green Finance Framework, towards eligible environmental activities • Compliance with Priority Sector Lending requirements prescribed by the RBI. • Commitment to promoting inclusive banking by expanding access to formal financial services in line with the Bank's financial inclusion objectives and regulatory framework. • Commitment towards efficient use of natural resources, including energy, water, and waste, with emphasis on reducing environmental footprint across operations and facilities • Maintenance of a safe, inclusive, and ethical workplace environment supported by policies on POSH compliance, human rights principles, and non-discrimination • Strengthening of cyber security, information security, and data privacy practices in line with applicable regulatory requirements and internal standards • Commitment to transparent ESG disclosures through statutory and voluntary reporting mechanisms and periodic review of ESG-related practices The Bank will continue to strengthen its sustainability and responsible banking practices through the effective implementation of these commitments, while periodically reviewing its policies and frameworks to align with evolving regulatory requirements, stakeholder expectations, and business priorities.
6	Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	During the reporting period, the Bank continued to integrate sustainability across its business operations, with focus on environmental performance, financial inclusion, responsible lending practices, governance strengthening, employee welfare, and information security, in line with its approved policies and regulatory requirements. The key performance highlights are as follows: • The Bank ensured that financing activities covered under the ESG Policy exclusion list were excluded from its lending operations during the reporting period. • Funds mobilized under the Green Deposits Framework were deployed in accordance with the approved Green Finance Framework towards eligible environmental activities. Post-deployment impact assessments were conducted for eligible projects to evaluate environmental outcomes. • The Bank remained compliant with Priority Sector Lending requirements prescribed by the RBI. • Financial inclusion performance was demonstrated through 76,056 PMJDY accounts opened, 119,417 enrolments under PMJJBY, 275,197 enrolments under PMSBY, and 30,440 enrolments under APY during the reporting period. The Bank continued to support financial inclusion and credit access to priority segments, including lending to small and marginal farmers, MSMEs, and weaker sections in line with regulatory requirements. • The Bank conducted 417 Financial Literacy Campaigns, impacting 5,774 beneficiaries. • During the reporting period, the Bank continued to operate its 850 kW windmill facility at Theni and rooftop solar installations at the Trichy Divisional Office (38 kW), Hyderabad Divisional Office (38 kW), and Namakkal Main Branch (15 kW). The Bank further expanded its renewable energy capacity with the installation of a 7.5 kW rooftop solar system at the Batlagundu Branch. The Central Office at Karur had obtained IGBC Platinum certification in the previous year, and the process of obtaining IGBC Green Interior certification for 10 branches was initiated during the reporting period. • The Bank strengthened governance practices through the designation of an existing Independent Director as Lead Independent Director and maintained Board composition with 30% women directors. • Employee-related performance indicators reflected continued focus on inclusion and welfare, with women employees constituting approximately 28% of the workforce. All employees were covered under insurance benefits. The Bank continued to uphold workplace safety and ethical standards, including compliance with POSH requirements. No complaints were reported under the POSH framework during the reporting period. • Cyber security, information security, and data privacy controls were maintained in line with applicable regulatory requirements and internal standards. No data breaches were reported during the reporting period.

Governance, leadership and oversight

7	Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)	The Bank reaffirms its commitment to responsible banking and the integration of Environmental, Social and Governance (ESG) considerations into its decision-making and oversight processes. The Board-level CSR & ESG Committee provides oversight of the Bank's responsible business practices and ESG-related initiatives, ensuring alignment with applicable regulatory requirements and the Bank's long-term objectives. The Bank's approach to responsible business is anchored in its ESG Policy framework, which sets out principles for responsible lending and exclusions, and supports the integration of environmental and social considerations into business conduct. During the reporting period, the Bank continued to make progress in advancing its responsible banking practices through initiatives relating to financial inclusion, environmental stewardship, governance, employee well-being, and responsible finance, in line with its strategic priorities and regulatory expectations. The Bank recognizes that the evolving ESG landscape, increasing stakeholder expectations, and emerging regulatory developments require continuous strengthening of governance, data management, and responsible banking practices, and remains committed to addressing these areas through a structured and progressive approach. The Bank remains committed to strengthening its responsible business practices and enhancing disclosures in line with evolving regulatory requirements and stakeholder expectations.
8	Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (yes).	Shri Chandrasekaran M S, Head of Business Responsibility and Sustainability Reporting, Chief General Manager and Chief Operating Officer.
9	Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	Yes The CSR & ESG Committee of the Board oversees ESG-related matters, including providing strategic direction and monitoring implementation and reporting. Refer to the Page No. 289 of the Integrated Annual Report for the detailed composition and Terms of Reference of the CSR & ESG Committee.

10. Details of Review of NGRBCs by the Company:

Subject of Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	Board of Directors									Annually								
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	All policies of the Bank are reviewed and approved by the Board. Prior to submission for approval by the Board/ Committees of the Board, all policies are vetted by the Risk and Compliance departments to ensure adherence to applicable regulatory and statutory requirements.									Annually								

11 Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency

P1	P2	P3	P4	P5	P6	P7	P8	P9
Yes	Yes	Yes	-	-	Yes	-	-	Yes
M/s. Deloitte has carried out an independent assessment/ evaluation of the working of the Compliance Policy	M/s. CareEdge Advisory has carried out an independent assessment/ evaluation of the working of the ESG Policy.	M/s. CareEdge Advisory has carried out an independent assessment/ evaluation of the working of the ESG Policy.			M/s. CareEdge Advisory has carried out an independent assessment/ evaluation of the working of the ESG Policy.			M/s. PWC has carried out an independent assessment/ evaluation of the working of the Cyber Security Policy & Information Security Policy.

Note: The policies have been reviewed by M/s. CareEdge Advisory and they have mapped the existing policies and procedures against the requirements of BRSR and accordingly suggested the improvements to bridge it with the BRSR requirements.

12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:

a.	The entity does not consider the principles material to its business (Yes/No)	Not Applicable
b.	The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	
c.	The entity does not have the financial or/human and technical resources available for the task (Yes/No)	
d.	It is planned to be done in the next financial year (Yes/No)	
e.	Any other reason (please specify)	

NGRBC Principles		List of Policies
P1	Businesses should conduct and govern themselves with integrity, and in a manner that is ethical, transparent, and accountable	• Compliance Policy, • KYC/AML Policy, • Fraud Risk Management Policy, • Vigilance Policy, • Protected Disclosure Scheme (Whistle Blower), • Corporate Governance Policy, • Related Party Transaction Policy, • Code of Ethics Policy, • Vendor Code of Conduct, • Policy on criteria for determining Materiality of events
P2	Businesses should provide goods and services in a manner that is sustainable and safe	• New Product / Service Approval Policy, • Policy on Outsourcing of IT Services,
P3	Businesses should respect and promote the well-being of all employees, including those in their value chains	• HRD Policy, • Recruitment Policy, • Compensation Policy (HR), • Mandatory Leave Policy, • POSH / Anti-Harassment Policy, • Code of Ethics Policy
P4	Businesses should respect the interest of and be responsive to all its stakeholders	• MSME Credit and Rehabilitation Policy, • Customer Relation Policy, • Policy Guidelines on Sale of Third Party Products,

NGRBC Principles		List of Policies
P5	Businesses should respect and promote human rights	• Human Rights Policy, • Diversity Equity & Inclusion (DEI) Policy, • HRD Policy, • Anti-Harassment Policy, • Vendor Code of Conduct
P6	Businesses should respect and make efforts to protect and restore the environment	• Environmental Social & Governance (ESG) Policy, • Policy on Green Deposits & Framework for Green Financing, • Policies supporting paperless/digital operations • Policy of Relief Measures by Bank in Areas affected by Natural Calamities
P7	Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent	• Communication Policy
P8	Businesses should promote inclusive growth and equitable development	• MSME Credit and Rehabilitation Policy, • Priority Sector Lending Policy, • CSR Policy
P9	Businesses should engage with and provide value to their customers in a responsible manner.	• Customer Rights Policy, • Grievance Redressal Policy, • Customer Protection / Liability Policy, • Compensation Policy – Customer, • Information Security Policy, • Cyber Security Policy, • IT Policy, • Business Continuity & Disaster Recovery Policy

SECTION C:
PRINCIPLE WISE PERFORMANCE DISCLOSURE

The Principle-wise Disclosures present the Bank's approach, initiatives, and performance across the nine principles of responsible business conduct, covering key environmental, social, governance, and customer-related aspects. The section comprises Essential Indicators, which are mandatory disclosures prescribed under the BRSR framework, and Leadership Indicators, which are voluntary disclosures demonstrating the Bank's practices beyond the mandatory disclosure requirements.

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PRINCIPLE 1

Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Overview

The Bank's approach to responsible business is anchored in ethical conduct, transparency, and accountability. Through well-defined policies, regular training and awareness programmes, and robust governance mechanisms, the Bank promotes compliance and responsible business conduct across the organization. The absence of conflict-of-interest-related complaints and penalties involving Key Managerial Personnel and Board members reflects the Bank's commitment to high standards of governance and ethical practices.

Key Highlights

- **99.88%** Employees covered under training and awareness programmes
- **Zero** Conflict of Interest complaints
- **Nil** penalties on KMPs and Board members

Essential Indicators

1. Percentage coverage by training and awareness programs on any of the Principles during the financial year:

Segment	Total number of training and awareness programs held	Topics / principles covered under the training and its impact	% age of persons in respective category covered by the awareness programs
Board of Directors	7	The Board of Directors underwent training programs on topics including Program on Cyber Attacks, Response Management & Digital Forensics, Certification Program in IT & Cyber Security for Board Members, Program for Non-Executive Directors of Bank, SIBOS 2025, Conference on Data Protection and Data Privacy, Virtual Program on KYC/ AML for Board of Directors of Banks, NBFCs and FIs, Virtual Program on Governance and Assurance for Directors on the Banks, Financial Institutions and NBFCs	100
Key Managerial Personnel	15	Key Managerial Personnel participated in wide range of training including Microsoft 365 Copilot Program, Workshop on Strategy Building and Effective Board Presentation, Program for Company Secretaries and Secretaries to the Boards of Banks, Financial Institutions & NBFCs, Virtual Conference on Draft IRAC Norms on ECL based Provisioning and Standardized Approach for Credit Risk for Commercial Banks, 53rd National Convention of Company Secretaries, SIBOS 2025, Certification Program in IT & Cyber Security for Board Members, FIBAC 2025, Data Centric Security Awareness Program for Business Leaders and HODs, Conference of Chief Financial Officers of Banks, FIs & NBFCs-New Challenges, Aarogya - Wellness Drives Success, Webinar on SEBI (LODR) 2.0 - Elevating Governance and Driving Sustainable Growth, Virtual Training Program on Cyber Security Awareness for Executives, Ethics, Cyber Security.	100
Employees other than BoD and KMPs*	1366	Please refer to the Page No. 68 of Integrated Annual Report for trainings on employees	99.88
Workers	-	-	-

Note: Part Time Employees are excluded from trainings

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the Financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

	Monetary				
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In ₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	Nil	Nil	0	Nil	Nil
Settlement	Nil	Nil	0	Nil	Nil
Compounding fee	Nil	Nil	0	Nil	Nil

	Non- Monetary			
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	-	-	-	-
Punishment	-	-	-	-

Note: The above disclosure has been made based on the materiality criteria prescribed under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. During FY 2025-26, neither the Bank nor its Directors and Key Managerial Personnel were subject to any material fines, penalties, settlements, compounding fees, imprisonment or punishment by any regulatory, enforcement or judicial authority.

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
Not Applicable	

4 Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Yes.

To uphold the highest standards of corporate governance, the Bank has instituted a comprehensive, Board-approved Code of Conduct. This foundational document serves as a guiding framework for ethical business conduct and responsible decision-making across the organisation, explicitly mandating:

Anti-Corruption and Anti-Bribery Compliance: The Bank has adopted a zero-tolerance approach towards fraud, bribery, corruption, and unethical financial practices, ensuring that all operations are conducted with integrity, accountability, and transparency. The policy is available on Bank's Intranet.

The Bank has also established a Whistle Blower Mechanism that enables employees and other stakeholders to report concerns relating to unethical conduct, corruption, bribery, fraud, or violations of applicable laws and internal policies. Awareness and sensitisation programmes on vigilance, ethics, and fraud prevention are conducted periodically to reinforce a culture of integrity across the organisation.

Link: https://www.kvb.bank.in/docs/whistle-blower-policy.pdf

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Directors	Nil	Nil
KMPs	Nil	Nil
Employees	Nil	Nil
Workers	Nil	Nil

6. Details of complaints with regard to conflict of interest:

	FY 2025-26 (Current Financial Year)		FY 2024-25 (Previous Financial Year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	NA	Nil	NA
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	Nil	NA	Nil	NA

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

Not Applicable

8. Number of days of accounts payables (Accounts payable *365) / Cost of goods/services procured) in the following format:

	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Number of days of accounts payables	31	34

9. Open-ness of business

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	-	NA
	b. Number of trading houses where purchases are made from	-	NA
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	-	NA
Concentration of Sales	a. Sales to dealers/ distributors as % of total sales	-	NA
	b. Number of dealers / distributors to whom sales are made	-	NA
	c. Sales to top 10 dealers/distributors as % of total sales to dealers / distributors	-	NA

Parameter	Metrics	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Shares of RPTs in	a. Purchases (Purchases with related parties/ total purchases)	0.02	0.02
	b. Sales (Sales to related parties/ total sales)	0	NA
	c. Loans & advances (Loans & advances given to related parties / total loans and advances)	0	NA
	d. Investments (Investments in related parties / total investments made)	0	NA

Note:

Figures are provided in Crore.

During the period under review transaction with related parties, are not material and are in repetitive nature, carried out at arm's length basis, in the ordinary course of business. Omnibus approval is obtained from Audit Committee in compliance with requirements of the Companies Act, 2013, the SEBI (LODR) Regulations 2015, and RBI Circulars as applicable, reviewed on quarterly basis.

During the reporting period, the bank has made certain purchases from the related parties in the ordinary course of business and the same is being reflected under the head "purchases".

Also the bank has waived certain service charges for the related parties in the ordinary course of banking business in line with other customers. As BRSR prescribed Related Party Transaction (RPT) format does not provide a separate head for concessions or waivers of service charges, this item is not reflected in the said table.

As per SEBI Master Circular HO/49/14/14(7)2025-CFD-POD2/I/3762/2026 dated 30th January 2026, Listed banking companies are not required to provide the disclosures with respect to related party transactions involving loans, inter-corporate deposits, advances, or investments made or given. Being a banking company, the loans and advances given to related parties fall under the purview of ordinary course of Business of the Bank. Hence, the details of the same is not provided.

Leadership Indicators

1. Awareness programs conducted for value chain partners on any of the Principles during the Financial year:

Total number of awareness programs held	Topics / principles covered under the training	% age of value chain partners covered (by value of business done with such partners) under the awareness programs

The Bank has conducted awareness and training programmes for value chain partners on the following topics. To further strengthen this approach, the Bank is in the process of formalising a structured training framework, including the methodology for determining the percentage of value chain partners covered under the awareness programmes (by value of business done with such partners).

- Mobile Usage Risks and Prevention
- Cyber Hygiene, Social Engineering, and AI-Cyber Awareness
- Phishing & Social Engineering Awareness,
- Password Management & Multi-Factor Authentication (MFA),
- Email Security & Safe Internet Practices,
- Secure Remote Working Practices and Reporting Security Incidents & Red Flags.
- Awareness and training programs on fraud prevention covering the Case studies, Compliance on KYC/AML, need for transaction monitoring etc., were conducted during the financial year

2 Does the entity have processes in place to avoid/ mage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same

Yes. The bank has a policy on the Code of Conduct & Ethics for Directors and Senior Management. The policy is available on the bank's website.
https://www.kvb.bank.in/docs/code-of-conduct-and-ethics-for-directors-and-senior-management.pdf

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PRINCIPLE 2

Businesses should provide goods and services in a manner that is sustainable and safe

Overview

The Bank integrates sustainability considerations into its operations through investments in technology that enhance operational efficiency and support improved environmental and social performance. Sustainability considerations are embedded in the Bank's Procurement Policy through the incorporation of sustainable sourcing principles, promoting responsible procurement practices across its operations.

Key Highlights

- **11.35%** CapEx invested in technologies supporting environmental and social performance
- **7.46 lakh** pages saved through digital initiatives
- **Procurement Policy** incorporating sustainable sourcing principles

Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively

	Current Financial Year	Previous Financial Year	Details of improvements in environmental and social impacts
R & D	-	-	-
Capex	11.35 %	8.30%	The Bank continued its investments in renewable energy initiatives, including rooftop solar installations at owned premises and branches, as well as the adoption of electric vehicles (EVs), contributing to improved energy efficiency, reduced greenhouse gas emissions, and a lower environmental footprint. The Bank's continued investment in solar power initiatives, supported its efforts to reduce Scope 2 emissions and promote the use of cleaner sources of energy across its operations. Investments in ATMs, cash deposit machines, online banking, mobile banking, kiosks, and other digital banking infrastructure helped reduce paper consumption and improve operational efficiency. Environmentally, these initiatives contributed to lower resource consumption and reduced paper waste. Socially, these technology-driven investments enhanced customer convenience, improved access to banking services, reduced financial barriers, and supported greater financial inclusion, particularly for customers in underserved and rural areas.

2 a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

Yes

b. If yes, what percentage of inputs were sourced sustainably?

The Bank has procedures in place for sustainable sourcing and integrates environmental, social and governance considerations into its procurement practices. Preference is accorded, wherever feasible, to suppliers and service providers that demonstrate responsible business practices and comply with applicable regulatory requirements.

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for

(a)	Plastics (including packaging)	Not Applicable
(b)	E-waste	Not Applicable
(c)	Hazardous waste	Not Applicable
(d)	Other waste	Not Applicable

Leadership Indicators

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

NIC Code	Name of Product / Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide the web-link.
Life Cycle Assessment (LCA) is not applicable to the Bank's products and services					

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Name of Product / Service	Description of the risk / concern	Action Taken
Life Cycle Assessment (LCA) is not applicable to the Bank's products and services		

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate input material	Recycled or re-used input material to total material	
	FY 2025-26 Current Financial Year	FY 2024-2025 Previous Financial Year
Given the nature of the Bank's operations as a financial services institution, the use of recycled or reused input materials is not material to its service delivery and, accordingly, this disclosure is not applicable.		

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

	FY 2025-26 Current Financial Year			FY 2024-25 Previous Financial Year		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	Not Applicable, considering the nature of the Bank's operations					
E-waste						
Hazardous waste						
Other waste						

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
As a financial services institution, the Bank does not manufacture or sell physical products or associated packaging materials. Accordingly, the disclosure relating to reclaimed products and their packaging materials is not applicable.	

PRINCIPLE 3

Businesses should respect and promote the well-being of all employees, including those in their value chains

Overview

The Bank recognizes that employee well-being is fundamental to building an engaged and resilient workforce. Through comprehensive employee benefits and well-being initiatives, the Bank fosters an inclusive and supportive workplace that promotes employee health, well-being, and engagement.

Key Highlights

- **100%** Employees covered under insurance benefits
- **100%** Return-to-work rate after maternity leave
- **98.94%** Employees trained on skill upgradation

Essential Indicators

1 a Details of measures for the well-being of employees:

Category	Total (A)	% of employees covered by									
		Health Insurance		Accident Insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent employees											
Male	7,105	7,105	100%	7,105	100%	-	-	7105	100%	0	0%
Female	2,740	2,740	100%	2,740	100%	2,740	100%	-	-	0	0%
Total	**9,845**	**9,845**	**100%**	**9,845**	**100%**	**2,740**	**27.83%**	**7105**	**72.17%**	**0**	**0%**
Other than Permanent employees											
Male	20	20	100%	20	100%	-	-	0	0%	0	0%
Female	18	18	100%	18	100%	18	100%	-	-	0	0%
Total	**38**	**38**	**100%**	**38**	**100%**	**18**	**47.36%**	**0**	**0%**	**0**	**0%**

b Details of measures for the well-being of workers:

Category	Total (A)	% of workers covered by									
		Health Insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent workers											
Male											
Female						NA					
Total											
Other than Permanent workers											
Male											
Female						NA					
Total											

c Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format –

	FY 2025-26 Current Financial Year	FY 2024-25 Previous Financial Year
Cost incurred on well-being measures as a % of total revenue of the Company	0.67%	0.74%

2. Details of retirement benefits, for Current FY and Previous Financial Year.

Benefits	FY 2025-26 Current Financial Year			FY 2024-25 Previous Financial Year		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	20.03%	NA	Y	20.78%	NA	Y
Gratuity	100%	NA	Y	99.86%	NA	Y
ESI	NA	NA	-	NA	NA	-
Others - NPS	79.89%	NA	Y	79.09%	NA	Y

3 Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard

Yes

The bank understand the importance of accessibility for all individuals, which is why the majority of our branches are located in commercial premises that are either on the ground floor or equipped with elevators and the necessary infrastructure to support those with disabilities. At our central office, we have ensured that our facilities are welcoming and accommodating, featuring wheelchair-accessible areas, a designated sick room, parking facility and accessible restrooms. We are committed to creating an inclusive environment for everyone

4 Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes

To uphold the highest standards of corporate governance, the Bank has instituted a comprehensive, Board-approved Code of Conduct. This foundational document serves as our guiding framework, explicitly mandating.

Equal Opportunity and Inclusion: A strict commitment to fostering a diverse and respectful workplace, prohibiting discrimination or harassment based on race, gender, religion, age, or background. The policy is available on Bank's Intranet.

5 Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100	100	-	-
Female	100	100	-	-
Total	100	100	-	-

6 Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	Not Applicable
Other than Permanent Workers	Not Applicable
Permanent Employees	Yes, The Bank has an exclusive application viz. "KVB SAMADHAN" for staff Grievance Redressal for both permanent and other than permanent employees relating to conditions of service including pay, customary benefits, leave allotment, managerial decision, harassment at workplace etc. The same can be filed by an aggrieved employee in the said portal. On submission of grievance, a complaint number will be generated by the system and acknowledged by HRD. The concerned Staff Grievance Redressal Officer at Central Office ensures to resolve the matter within 10 days. That Apart, HRD portal also has the provision to register their grievance.
Other than Permanent Employees	Yes, The Bank has an exclusive application viz. "KVB SAMADHAN" for staff Grievance Redressal for both permanent and other than permanent employees relating to conditions of service including pay, customary benefits, leave allotment, managerial decision, harassment at workplace etc. The same can be filed by an aggrieved employee in the said portal. On submission of grievance, a complaint number will be generated by the system and acknowledged by HRD. The concerned Staff Grievance Redressal Officer at Central Office ensures to resolve the matter within 10 days. That Apart, HRD portal also has the provision to register their grievance.

7 Membership of employees and worker in association(s) or Unions recognized by the listed entity:

Category	FY 2025-26 Current Financial Year			FY 2024-25 Previous Financial Year		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D / C)
Total Permanent Employees	9,845	5,469	55.55%	9,765	5,557	56.91%
Male	7,105	3,824	53.82%	6,998	3,886	55.53%
Female	2,740	1,645	60.04%	2,767	1,671	60.39%
Total Permanent Workers						
Male			NA			
Female						

8. Details of training given to employees and workers:

Category	FY 2025-26 Current Financial Year					FY 2024-25 Previous Financial Year				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. F	% (F/D)
Employees										
Male	7,125	3,832	53.78%	7,096	99.59%	7,082	2,353	33.23%	7,024	99.18%
Female	2,758	1,872	67.88%	2,682	97.24%	2,784	1,167	41.92%	2,700	96.98%
Total	**9,883**	**5,704**	**57.72%**	**9,778**	**98.94%**	**9,866**	**3,520**	**35.68%**	**9,724**	**98.56%**
Workers										
Male										
Female					NA					
Total										

*Total Employee Headcount includes housekeeping staff, who are not within the scope of the skill upgradation program.

9. Details of performance and career development reviews of employees and worker:

Category	FY 2025-26 Current Financial Year			FY 2024-25 Previous Financial Year		
	Total (A)	No.(B)	% (B/A)	Total (C)	No.(D)	% (D/C)
Employees						
Male	7,125	6,800	95.44%	7,082	6,774	95.65%
Female	2,758	2,543	92.20%	2,784	2,645	95.01%
Total	**9,883**	**9,343**	**94.54%**	**9,866**	**9,419**	**95.47%**
Workers						
Male	NA					
Female						
Total						

10 Health and safety management system:

a.	**Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?**	Yes The Bank has implemented occupational health and safety practices across its Branches & Offices.
b.	**What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?**	The Bank identifies workplace-related hazards and assesses associated risks through ongoing operational practices across our branches and offices. Periodic inspection of branch and office premises to identify potential safety hazards. Fire safety checks and inspection of electrical equipment to ensure operational safety. Preventive maintenance of electrical systems and HVAC systems to reduce risk of failures. Review of workplace ergonomics. Monitoring of security surveillance systems and access control arrangements across locations. Observations arising from these reviews are addressed by the respective branches or offices through appropriate corrective and preventive actions to mitigate identified risks and strengthen workplace safety.
c.	**Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)**	NA As the disclosure refers to "workers," it is clarified that the Bank does not have a separate category of workers.
d.	**Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)**	Yes

11 Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY 2025-26 Current Financial Year	FY 2024-25 Previous Financial Year
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	Nil	Nil
	Workers	Nil	Nil
Total recordable work-related injuries	Employees	Nil	Nil
	Workers	Nil	Nil
No. of fatalities	Employees	Nil	Nil
	Workers	Nil	Nil
High consequence work-related injury or ill-health (excluding fatalities)	Employees	Nil	Nil
	Workers	Nil	Nil

12 Describe the measures taken by the entity to ensure a safe and healthy workplace.

The Bank undertakes the following various measures to ensure a safe, secure, and healthy workplace across its branches, offices, and operational locations.

- Workplace accessibility measures, including maintenance of adequate lighting and ventilation, accessibility facilities, where applicable/feasible, to support employee well-being and safe movement within premises.
- Fire safety measures, including provision and maintenance of smoke detection systems, fire alarm systems, and fire extinguishers, to enhance fire prevention and response preparedness.
- Electrical safety measures, including provision of MCB/ELCBs, proper earthing systems, along with periodic inspection and preventive maintenance of electrical wirings, to mitigate risks of electrical faults and fire hazards.
- Housekeeping and slip/trip prevention measures, including maintenance of clean and obstruction-free premises, upkeep of staircases and emergency exits, and cable tray/cable management during infrastructure development and maintenance activities.
- Health and hygiene measures, including provision of safe drinking water facilities, hygienic sanitation arrangements, and rest areas for employees at branches and offices.
- CCTV surveillance systems and burglar alarm systems across branches and offices to enhance workplace security.
- Emergency preparedness training including mock drills are conducted.
- Display and maintenance of important emergency contact numbers at office locations, as applicable.

13 Number of Complaints on the following made by employees and workers:

	FY 2025-26 Current Financial Year			FY 2024-25 Previous Financial Year		
	Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	0	0	Nil	0	0	Nil
Health & Safety	0	0	Nil	0	0	Nil

14 Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	The Bank regularly inspects workplace safety and maintenance practices across its branches and offices. Periodic fire and safety drills and internal inspections are conducted to strengthen emergency preparedness and ensure safe and conducive working conditions. Corrective actions, wherever required, are implemented to maintain appropriate health and safety standards.
Working Conditions	

15 Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

Not Applicable

Leadership Indicators

1 Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).

Yes

2 Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

The Bank has established an internal mechanism to ensure adherence to these standards. At the time of vendor onboarding, a comprehensive contract is executed, incorporating clauses that mandate compliance with all applicable legal and regulatory requirements related to the engagement. In the event of any non-compliance or violation, the Bank reserves the right to terminate the contract and take appropriate action in accordance with the terms of the agreement.

3. Provide the number of employees / workers having suffered high consequence work related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2025-26 Current Financial Year	FY 2024-25 Previous Financial Year	FY 2025-26 Current Financial Year	FY 2024-25 Previous Financial Year
Employees	0	0	0	0
Workers	0	0	0	0

4 Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

Yes

The Bank provides transition assistance to the superannuated employees.

5. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	The Bank has not undertaken formal assessments of value chain partners on health and safety practices during the reporting year. Going forward, the Bank aims to progressively strengthen its engagement with key value chain partners and explore mechanisms for assessing and promoting adherence to appropriate health and safety standards, in line with its commitment to responsible and sustainable business practices.
Working Conditions	

6 Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

No significant risks or concerns relating to health and safety practices and working conditions of value chain partners were identified during the reporting period. Consequently, no corrective actions were required. The Bank will continue to engage with its value chain partners and strengthen its oversight mechanisms to promote responsible business practices across the value chain

PRINCIPLE 4

Businesses should respect the interests of and be responsive to all its stakeholders

Overview

The Bank follows a structured approach for stakeholder identification and engagement. Six key stakeholder groups—Employees, Customers, Investors/Shareholders, Regulatory Bodies, Communities, and Vendors—have been identified. Stakeholder engagement is undertaken through defined channels and periodic interactions.

Key Highlights

- **6** Stakeholder groups identified

1 Describe the processes for identifying key stakeholder groups of the entity:

The Bank identifies its key stakeholder groups through a structured process aligned with the **Account Ability AA1000 Stakeholder Engagement Standard (2015).**

The process involves:

(i) **Defining the scope and purpose** of stakeholder identification in line with business objectives and regulatory requirements;

(ii) **Identifying the stakeholder universe** through continuous engagement and internal consultations;

(iii) **Applying the principles of inclusivity, materiality, and responsiveness** to ensure all relevant groups influencing or impacted by the Bank's operations are considered;

(iv) **Mapping and prioritizing stakeholders** based on their level of influence, dependency, and relevance to key economic, environmental, and social issues; and

(v) **Validating and reviewing stakeholder groups** through periodic assessments to reflect evolving business priorities, regulatory changes, and stakeholder expectations.

Accordingly, the Bank has identified key stakeholder groups including employees, customers, investors/shareholders, regulatory bodies, communities, and vendors.

2 List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group

Sr. no	Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
1	Employees	No	Regular manager interactions, town halls, virtual connect sessions, employee engagement surveys, HR helpdesk and grievance mechanisms, training and development programs, performance review discussions, wellness initiatives, and internal communication platforms such as emails, intranet, and newsletters.	Continuous, periodic, and need-based through regular interactions, formal review processes, and grievance redressal mechanisms.	Employee development, training and upskilling, workplace well-being, career progression, employee engagement and resolution of work-related concerns and grievances.
2	Customers	Yes, particularly the following groups of customers: pensioners, women, senior citizens, people with special abilities, and beneficiaries of social security schemes.	SMS, Email, Whatsapp, Social Media and Website, Branch Notice Boards, Awareness Posters, Pamphlets in educating the customers about safe usage of Digital Banking Services, Call Centre.	Continuous and Need-Based	Safe usage of digital banking services, customer awareness, product and service offerings, customer experience and grievance redressal.
3	Investors/ Shareholders	No	E-mail, SMS, newspaper advertisement, Bank's official website, Investors meet, Annual Report, General meeting and Stock Exchanges intimation.	Quarterly, Half-yearly, Annually & Need basis	Ensure transparent and timely communication regarding the Bank's performance and strengthen shareholder engagement.
4	Regulatory bodies	No	Email, E-filling, Letter Telephone, one-on-one meetings, video conference	Quarterly, Half-yearly,Annually & As and when Need Basis	The Bank maintains continuous and constructive engagement with the regulators to ensure effective understanding and implementation of regulatory expectations, strengthen compliance risk management practices, and provide assurance on the Bank's commitment towards robust regulatory compliance and governance standards.
5	Communities	Yes	Need based interactions are conducted with stakeholders such as communities, NGOs and institutions	Need based	Promote inclusive growth and support education, healthcare, sanitation, livelihood development and financial inclusion, particularly for women, rural communities, farmers and economically weaker sections.
6	Vendors	No	In person, through letter, mail, and telephone communications.	Half yearly and at time of renewal of agreement	Review service quality, key risk indicators (KRIs), rate negotiations and promote responsible and accountable supply chain practices.

Leadership Indicators

1 **Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.**

The Bank follows a structured and consistent approach to stakeholder engagement and feedback collection, ensuring that stakeholder insights are effectively integrated into strategic decision-making. Feedback gathered through mechanisms such as annual customer satisfaction surveys is used to evaluate service quality and drive continuous improvement.

These insights are also periodically reviewed by the Board of Directors, supporting informed decision-making and enabling the development of new and enhanced products and services.

2 **Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.**

Yes. The Bank engages with its internal and external stakeholders to understand their expectations and concerns on environmental and social topics. Stakeholder inputs are considered as part of the Bank's materiality assessment to identify and prioritise material ESG topics, which are taken into account in the Bank's decision-making and business activities.

3 **Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.**

The Bank remains committed to advancing financial inclusion by enhancing access to affordable banking services and promoting financial literacy, particularly in rural and semi-urban communities. It provides doorstep banking services for senior citizens and other vulnerable customers to improve accessibility and convenience. During the year, the Bank conducted 417 Financial Literacy Campaigns, benefiting 5,774 participants.

The Bank continues to promote inclusive growth by extending its products, services and CSR initiatives to vulnerable and marginalised communities, including women beneficiaries, through interventions focused on financial inclusion, sanitation, healthcare, education, environmental sustainability, restoration of water bodies, tree plantation, development of community forests, and sustainable livelihood promotion through skill development programmes for women, youth and economically disadvantaged groups.

1 2 3 4 **5** 6 7 8 9

PRINCIPLE 5

Businesses should respect and promote human rights

Overview

The Bank is committed to promoting and protecting human rights through equitable workplace practices, employee awareness programmes, and effective grievance redressal mechanisms. The KVB SAMADHAN portal serves as a dedicated platform for employees to raise workplace-related grievances, while regular human rights training promotes awareness and responsible workplace practices.

Key Highlights

- **96.10%** Employees trained on Human Rights
- **100%** More than minimum wage compliance
- **Zero** POSH complaints
- **KVB SAMADHAN** Employee grievance portal

Essential Indicators

1. **Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:**

Category	FY 2025-26 Current Financial Year			FY 2024-25 Previous Financial Year		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
Employees						
Permanent	9,845	9,467	96.16%	9,765	8,887	91.01%
Other than permanent	38	31	81.58	101	83	82.18%
Total Employees	**9,883**	**9,498**	**96.10**	**9,866**	**8,970**	**90.92%**
Workers						
Permanent	NA	NA	NA	NA	NA	NA
Other than permanent	NA	NA	NA	NA	NA	NA
Total Workers	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2025-26 Current Financial Year					FY 2024-25 Previous Financial Year				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. F	% (F/D)
Employees										
Permanent	9,845	0	0	9,845	100%	9,765	0	0	9,765	100%
Male	7,105	0	0	7,105	100%	6,998	0	0	6,998	100%
Female	2,740	0	0	2,740	100%	2,767	0	0	2,767	100%
Other than permanent	38	0	0	38	100%	101	0	0	101	100%
Male	20	0	0	20	100%	84	0	0	84	100%
Female	18	0	0	18	100%	17	0	0	17	100%
Workers										
Permanent	NA									
Male										
Female										
Other than permanent										
Male										
Female										

Note: 57% of the total employees are covered under IBA pattern of pay structure and remaining 43% of employees covered under CTC pay structure and the same were much more than the minimum wages as prescribed by respective State government under Shops and Establishments Act/ Scheduled employment of respective state

3. Details of remuneration/salary/wages, in the following format:

a. Median remuneration / wages:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)*	6	20,00,000	3	20,00,000
Key Managerial Personnel#	7	89,77,844.00	-	-
Employees other than BoD and KMP	8060	10,10,699.84	3017	11,61,011.97
Workers	-	-	-	-

Note:

*Remuneration paid to Non-Executive Directors for the FY 2025-26 (including Shri K G Mohan, who have demitted office at the close of office hours on October 11, 2025) has been considered for Median Remuneration. Additionally, the Honorarium paid to Part-time Chairperson has also been included. However, sitting fees paid to Non-Executive Directors for attending Board/Committee meetings are not considered for this calculation.

#Managing Director & CEO, 2 Executive Directors, Chief Financial Officer, Company Secretary and 2 Chief General Managers are included in the definition of Key Managerial Personnel (KMP)

b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

	FY 2025-26 Current Financial Year	FY 2024-25 Previous Financial Year
Gross wages paid to females as % of total wages	24.83%	25%

4 Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

All grievances and issues related to human rights are addressed by the Staff Grievance Redressal Officer. Matters pertaining to sexual harassment are handled by the Internal Complaints Committee (ICC) in accordance with established procedures.

5 Describe the internal mechanisms in place to redress grievances related to human rights issues.

Yes, the Bank has established a grievance redressal mechanism, KVB SAMADHAN. Upon submission of a grievance, a unique complaint number is generated and acknowledged by the Human Resources Department. The designated Staff Grievance Redressal Officer at the Central Office ensures that the issue is resolved within a stipulated timeframe of 10 days.

6 Number of Complaints on the following made by employees and workers:

	FY 2025-26 Current Financial Year			FY 2024-25 Previous Financial Year		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	0	0	NA	1	Nil	ICC investigation completed. Disciplinary proceedings initiated.
Discrimination at workplace	0	0	NA	0	0	NA
Child Labor	0	0	NA	0	0	NA
Forced Labor/ Involuntary Labor	0	0	NA	0	0	NA
Wages	0	0	NA	0	0	NA
Other Human rights related issues	0	0	NA	0	0	NA

7 Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

	FY 25-26 Current Financial Year	FY 24-25 Previous Financial Year
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	0	1
Complaints on POSH as a % of female employees / workers	0	0.04
Complaints on POSH upheld	0	1

8 Mechanisms to prevent adverse consequences to the complaint in discrimination and harassment cases

The Bank has established an Internal Complaints Committee (ICC) to address issues related to discrimination and harassment. All complaints are handled with the highest level of confidentiality, ensuring a safe and respectful environment for employees.

9 Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes

10 Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labor	NIL
Forced/involuntary labor	NIL
Sexual harassment	NIL
Discrimination at workplace	NIL
Wages	NIL
Others – please specify	NA

11 Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 10 above.

NA

Leadership Indicators

1 Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.

Aggrieved employees may raise complaints related to human rights through the KVB SAMADHAN application. Upon submission, a unique complaint number is generated and acknowledged by the Human Resources Department. The designated Staff Grievance Redressal Officer at the Central Office ensures resolution of the matter within a stipulated timeframe of 10 days.

All grievances pertaining to sexual harassment in the workplace are addressed in accordance with the Bank's Sexual Harassment Policy.

2 Details of the scope and coverage of any Human rights due diligence conducted.

The Bank has several policies such as Human Rights Policy, Code of Ethics, Anti-Harassment Policy, Diversity-Equity- Inclusive Policy, Vendor Code of Conduct etc to uphold the values and principles of Human Rights. The Bank strives to adhere the relevant policies and regulations pertaining to human rights. The policy and its elements are universally applicable across the Bank, for all the employees, customers, and stakeholders.

The Bank envisages to create a working environment based on trust and transparency, where everyone can contribute at work without fear of discrimination or inequality. This also reflects the Banks ethos of customer focus, ethics, transparency, teamwork, and ownership.

The Bank has also an inbuilt mechanism for raising complaint regarding Human rights and its mitigating processes.

3 Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes

The bank follows RBI guidelines about the provision of ramps in the branches.

4 Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	The Bank outlines its expectations from vendors and service providers through its Vendor Code of Conduct, which promotes adherence to ethical business practices, human rights principles, fair labour standards, and compliance with applicable laws and regulations. While these expectations are communicated to value chain partners through the agreements, a formal assessment of value chain partners against these parameters is yet to be conducted.
Discrimination at workplace	
Child Labor	
Forced Labor/Involuntary Labor	
Wages	
Others – please specify	

5 Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

Not Applicable

1 2 3 4 5 **6** 7 8 9

PRINCIPLE 6

Businesses should respect and make efforts to protect and restore the environment

Overview

The Bank integrates environmental considerations into its operations through renewable energy adoption, efficient resource management, and sustainable infrastructure. Investments in renewable energy and resource efficiency, together with the IGBC Platinum-certified Green Central Office building, demonstrate the Bank's commitment to environmentally responsible operations and climate resilience.

Key Highlights

- **IGBC Platinum** Green Central Office building
- **~3068 GJ** units of renewable electricity consumed
- **209.02 tonnes** of waste recycled

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format: (GJ)

Parameter	FY 2025-26 Current Financial Year	FY 2024-25 Previous Financial Year
From renewable sources		
Total electricity consumption (A)	3,068.99	4,194.95
Total fuel consumption (B)	-	-
Energy consumption through other sources (C)	-	-
Total energy consumed from renewable sources (A+B+C)	**3,068.99 ***	**4,194.95**
From non-renewable sources		
Total electricity consumption (D)	1,13,066.42	1,04,481.15
Total fuel consumption (E)	7,131.50	7,340.40
Energy consumption through other sources (F)	-	-
Total energy consumed from non-renewable sources (D+E+F)	**1,20,197.92**	**1,11,821.55**
Total energy consumed (A+B+C+D+E+F)	**1,23,266.91**	**1,16,016.51**
Energy intensity per rupee of turnover (Total energy consumed / Revenue from operations)	0.0000009368	0.00000100817
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP)	0.000019054	0.00002050625
Energy intensity in terms of physical output (Total energy consumed / Full Time Equivalent)	12.47	11.88
Energy intensity (optional) – the relevant metric may be selected by the entity	-	-
Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency	M/s. SGS India Pvt Ltd	

Note: *The Bank operates a captive windmill located at Theni, Tamil Nadu, and the renewable power generated therefrom is utilized for captive consumption at the Central Office, Karur and Divisional Office, Chennai through the TANGEDCO grid, subject to applicable wheeling, banking and transmission loss mechanisms. Till FY 2024–25, renewable energy from the Bank's captive windmill was disclosed based on the units generated by the windmill. From FY 2025–26 onwards, renewable energy consumption has been considered based on actual renewable energy units adjusted against electricity consumption, including utilization of banked units. Further, renewable energy consumption during FY 2025–26 was lower owing to maintenance activities undertaken at the captive windmill. During FY 2025–26, the Bank expanded its rooftop solar capacity by commissioning an additional rooftop solar installation at Batlagundu, in addition to the existing installations at Namakkal, Hyderabad and Trichy.

To align with current year disclosure, previous year intensity is restated and presented in INR terms instead of INR crore for comparability.

PPP-adjusted revenue has been calculated using the IMF PPP conversion factor for India. As per the Industry Standards Note on BRSR Core, the same PPP conversion rate has been applied for intensity-based calculations for the current and previous financial years. The PPP rate considered for both years is 20.34 INR per international US$. (https://www.imf.org/external/datamapper/PPPEX@WEO/OEMDC)

2 Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

Not Applicable

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2025-26 Current Financial Year	FY 2024-25 Previous Financial Year
Water withdrawal by source (in kilolitres)		
(i) Surface water	-	-
(ii) Groundwater	-	-
(iii) Third party water	-	-
(iv) Seawater / desalinated water	-	-
(v) Water from municipal corporation	-	-
(vi) Water Bottles / Aquaguard (Ltr X number of bottles) (kL)	-	4,807.31
(vii) Others	1,18,515.87	1,17,652.05
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	**1,18,515.87**	**1,22,459.36**
Total volume of water consumption (in kilolitres)	**23,703.17**	**24,491.87**
Water intensity per rupee of turnover (Total water consumption / Revenue from operations)	0.00000018013	0.00000021283
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP)	0.00000366391	0.00000432901
Water intensity in terms of physical output (Total water consumption / Full Time Equivalent)	2.40	2.48
Water intensity (optional) – the relevant metric may be selected by the entity	-	-
Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency	M/s. SGS India Pvt Ltd	

Note:

In line with the Industry Standards Note on BRSR Core, water withdrawal has been calculated by multiplying the number of employees by the stipulated 45 litres per head per working day, with reference to the Central Ground Water Authority (CGWA) guidelines. Further, based on the Central Pollution Control Board (CPCB) report dated 24 December 2009, it has been assumed that 80% of the water withdrawn is returned to the sewage system, while the remaining 20% is considered as actual water consumption.

To align with current year disclosure, previous year intensity is restated and presented in INR terms instead of INR crore for comparability.

PPP-adjusted revenue has been calculated using the IMF PPP conversion factor for India. As per the Industry Standards Note on BRSR Core, the same PPP conversion rate has been applied for intensity-based calculations for the current and previous financial years. The PPP rate considered for both years is 20.34 INR per international US$. (https://www.imf.org/external/datamapper/PPPEX@WEO/OEMDC)

4. Provide the following details related to water discharged:

Parameter	FY 2025-26 Current Financial Year	FY 2024-25 Previous Financial Year
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water	NA	NA
- No treatment		
- With treatment – please specify level of treatment		
(ii) To Groundwater	NA	NA
- No treatment		
- With treatment – please specify level of treatment		
(iii) To Seawater	NA	NA
- No treatment		
- With treatment – please specify level of treatment		
(iv) Sent to third-parties	NA	NA
- No treatment		
- With treatment – please specify level of treatment		
(v) Others (Municipal Sewers)		
- No treatment	94,812.67	97,967.48
- With treatment – please specify level of treatment	NA	NA
Total water discharged (in kilolitres)	**94,812.67**	**97,967.48**
Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency	M/s. SGS India Pvt Ltd	

Note:

In line with the Industry Standards Note on BRSR Core, water withdrawal has been calculated by multiplying the number of employees by the stipulated 45 litres per head per working day, with reference to the Central Ground Water Authority (CGWA) guidelines. Further, based on the Central Pollution Control Board (CPCB) report dated 24 December 2009, it has been assumed that 80% of the water withdrawn is returned to the sewage system, while the remaining 20% is considered as actual water consumption.

5 Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

No. Owing to the nature of business, the Bank has not implemented a mechanism for Zero Liquid Discharge

6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2025-26 Current Financial Year	FY 2024-25 Previous Financial Year
NOx			
Sox			
Particulate matter (PM)			
Persistent organic pollutants (POP)		Not Applicable	
Volatile organic compounds (VOC)			
Hazardous air pollutants (HAP)			
Others – please specify			

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2025-26 Current Financial Year	FY 2024-25 Previous Financial Year
Total Scope 1 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Metric tonnes of CO_2 equivalent	944.40	543.92
Total Scope 2 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Metric tonnes of CO_2 equivalent	22,229.25	21,099.39
Total Scope 1 and Scope 2 emission intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)	Metric tonnes of CO_2 equivalent / ₹	0.0000001766	0.000000188
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)	Metric tonnes of CO_2 equivalent / USD	0.0000035929	0.00000382552
Total Scope 1 and Scope 2 emission intensity in terms of physical output (Total Scope 1 and Scope 2 GHG emissions / Full Time Equivalent)	Metric tonnes of CO_2 equivalent / FTE	2.35	2.22
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity		-	-
Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.		M/s. SGS India Pvt Ltd	

Note:

- Scope 1 emissions reported by the Bank include direct emissions from diesel consumption in DG sets, fuel consumed in owned vehicles, and fugitive emissions arising from refrigerant refilling in air-conditioning equipment owned by the Bank.
- Scope 2 emissions have been calculated based on the grid emission factors published by the Central Electricity Authority (CEA).
- To align with current year disclosure, previous year intensity is restated and presented in INR terms instead of INR crore for comparability.
- PPP-adjusted revenue has been calculated using the IMF PPP conversion factor for India. As per the Industry Standards Note on BRSR Core, the same PPP conversion rate has been applied for intensity-based calculations for the current and previous financial years. The PPP rate considered for both years is 20.34 INR per international US$. (https://www.imf.org/external/datamapper/PPPEX@WEO/OEMDC)

8 Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

S. No.	GHG Reduction Project	Details	Contribution towards GHG Reduction
1	**Captive Wind Energy Project**	The Bank operates an 850 kW Windmill at Govindanagaram, Theni District, Tamil Nadu. During FY 2025-26, the windmill generated 8,81,599 units of renewable electricity, of which 7,50,257 units were consumed for captive use at the Central Office, Karur and Divisional Office, Chennai through the TANGEDCO grid under wheeling and banking arrangements, after accounting for applicable transmission and banking losses.	Contributes to reduction of Scope 2 emissions by replacing grid electricity with renewable energy.
2	**Rooftop Solar Power Projects**	Rooftop solar installations at Trichy Divisional Office (38 kW), Hyderabad Divisional Office (38 kW), Namakkal Main Branch (15 kW) and Batlagundu Branch (7.5 kW). During FY 2025-26, these systems generated 1,02,470 units of renewable electricity.	Contributes to reduction of Scope 2 emissions through on-site renewable energy generation.
3	**Energy Efficiency Initiatives**	Installation of LED lighting systems across identified Bank premises to reduce lighting energy consumption.	Reduces electricity usage from lighting, contributing to lower Scope 2 emissions.
4	**Energy Efficiency Initiatives**	Installation of VRF air-conditioning systems at selected Bank premises.	Reduces electricity usage from HVAC systems, contributing to lower Scope 2 emissions.
5	**Electric Mobility**	Electric vehicle(s) have been introduced at the Central Office as part of the Bank's vehicle fleet. The EV(s) are charged using electricity generated from the Bank's captive renewable energy sources.	Supports reduction of direct emissions from the Bank's transportation fleet (Scope 1)

9. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2025-26 Current Financial Year	FY 2024-25 Previous Financial Year
Total Waste generated (in metric tonnes)		
Plastic waste (A)	-	-
E-waste (B)	99.97	62.97
Bio-medical waste (C)	-	-
Construction and demolition waste (D)	-	-
Battery waste (E)	109.05	111.84
Radioactive waste (F)	-	-
Other Hazardous waste (Oil-soaked cotton waste, DG filters, paint cans, chemical cans, paint residue, oil sludge, DG chimney soot, coolant oil and used oil). Please specify, if any. (G)	-	-
Other non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector) – Paper Waste	0.4*	-
Total (A+B + C + D + E + F + G + H)	**209.42**	**174.81**

Parameter	FY 2025-26 Current Financial Year	FY 2024-25 Previous Financial Year
Waste intensity per rupee of turnover (Total waste generated / Revenue from operations)	0.000000001591	0.00000000152
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP)	0.0000000323	0.00000003090
Waste intensity in terms of physical output (Total waste generated / Full Time Equivalent)	0.02	0.02
Waste intensity (optional) – the relevant metric may be selected by the entity	-	-
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	209.02	-
(ii) Re-used	-	-
(iii) Other recovery operations	-	-
Total	**209.02#**	**-**
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	-	-
(ii) Landfilling	-	-
(iii) Other disposal operations (through recyclers)	-	174.81
Total	**-**	**174.81**
Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency		M/s. SGS India Pvt Ltd

Note:

* The reported quantity of paper waste represents waste generated during FY 2025–26. As of the reporting date, the subsequent processing of the same had not been completed and will be undertaken through the Bank's established waste management mechanism.

Till FY 2024–25, waste recovered through buy-back arrangements and authorized vendors for further recycling was disclosed under "Other disposal operations (through recyclers)". From FY 2025–26 onwards, such quantities have been presented under "Total waste recovered through recycling" to more appropriately reflect the underlying waste management practice.

To align with current year disclosure, previous year intensity is restated and presented in INR terms instead of INR crore for comparability.

PPP-adjusted revenue has been calculated using the IMF PPP conversion factor for India. As per the Industry Standards Note on BRSR Core, the same PPP conversion rate has been applied for intensity-based calculations for the current and previous financial years. The PPP rate considered for both years is 20.34 INR per international US$. (https://www.imf.org/external/datamapper/PPPEX@WEO/OEMDC)

10 Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to mage such wastes

The Bank has incorporated e-waste management requirements as part of its IT Policy and follows defined procedures for the responsible disposal of electronic assets. The lifecycle of IT assets such as hardware is generally five years, after which the assets are disposed of through Original Equipment Manufacturers (OEMs) under buyback arrangements. In the case of IT peripherals and consumables, e-waste is disposed of through authorised e-waste recyclers and vendors in accordance with the Bank's IT Policy and applicable regulatory requirements. Batteries from UPS systems are returned to the Original Equipment Manufacturers (OEMs) under buyback arrangements to ensure environmentally sound disposal and recycling. And, the general waste generated at the Bank's operation is disposed of through local municipal authorities, as applicable.

11 If the entity has operations/offices in/around ecologically sensitive areas (such as National parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

Sl. No	Location of operations/offices	Type of operations	Whether the conditions of environmental approval/clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any
Not applicable, as the Bank does not operate offices in or near ecologically sensitive areas.			

12 Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current Financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Not Applicable. The bank had no projects falling under the purview of impact assessment in the reporting financial year.					

13 Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

Sl. No	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
Yes The Bank ensures full compliance with all relevant environmental laws, regulations, and guidelines in India.				

Leadership Indicators

1 Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

For each facility / plant located in areas of water stress, provide the following information:

(i) Name of the area

NA

(ii) Nature of operations

NA

(iii) Water withdrawal, consumption and discharge in the following format:

Parameter	FY 2025-26 Current Financial Year	FY 2024-25 Previous Financial Year
Water withdrawal by source (in kilolitres)		
(i) Surface water	NA	NA
(ii) Groundwater	NA	NA
(iii) Third party water	NA	NA
(iv) Seawater / desalinated water	NA	NA
(v) Others	NA	NA
Total volume of water withdrawal (in kilolitres)	**NA**	**NA**
Total volume of water consumption (in kilolitres)	**NA**	**NA**
Water intensity per rupee of turnover (Water consumed / turnover)	NA	NA
Water intensity (optional) – the relevant metric may be selected by the entity	NA	NA
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water	NA	NA
- No treatment	NA	NA
- With treatment – please specify level of treatment	NA	NA
(ii) Into Groundwater	NA	NA
- No treatment	NA	NA
- With treatment – please specify level of treatment	NA	NA
(iii) Into Seawater	NA	NA
- No treatment	NA	NA
- With treatment – please specify level of treatment	NA	NA
(iv) Sent to third-parties	NA	NA
- No treatment	NA	NA
- With treatment – please specify level of treatment	NA	NA
(v) Others	NA	NA
- No treatment	NA	NA
- With treatment – please specify level of treatment	NA	NA
Total water discharged (in kilolitres)	**NA**	**NA**

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

NA

2 Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	FY 2025-26 Current Financial Year	FY 2024-25 Previous Financial Year
Total Scope 3 emissions (Break-up of the GHG into CO_2, CH4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Metric tonnes of CO_2 equivalent	4910.19	-
Total Scope 3 emissions per rupee of turnover (Total Scope 3 emissions / Revenue from operations)	Metric tonnes of CO_2 equivalent / ₹	0.000000037	-
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity	-	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

No

Note: Scope 3 emissions reported above include Category 3 - Fuel and Energy Related Activities (not included in Scope 1 or Scope 2), and Category 5 - Waste Generated in Operations.

3 With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

Not Applicable, as the Bank does not have offices in/around ecologically sensitive area

4 If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

S. No.	Initiative Undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the Initiative
1	**Green Building Initiatives**	The Bank's Central Office Main Building is certified as an IGBC Platinum Green Building. IGBC Green Interior certification for 10 branches is under progress.	Improved energy efficiency, water conservation and sustainable infrastructure design.
2	**Renewable Energy Initiatives**	Captive wind and rooftop solar installations across selected Bank premises.	Consumed 8,52,727 units of renewable electricity during FY 2025-26, reducing dependence on conventional grid electricity and improving energy efficiency.
3	**Energy Efficiency Measures**	Installation of LED lighting and VRF air-conditioning systems at branches and offices, wherever feasible.	Reduced electricity consumption and improved operational energy efficiency.
4	**Electric Mobility**	Adoption of electric vehicles in the Bank's fleet.	Promotes cleaner mobility and reduces fossil fuel consumption in transportation.
5	**Digitalisation and Paperless Banking**	Implementation of Biometric e-KYC and Digital Assisted FD/RD Journey, enabling digital processing and reduced paper-based workflows.	Saved approximately 7,46,391 pages, avoiding ~3.73 tCO_2e, while reducing courier usage, storage requirements and processing time.
6	**Rainwater Harvesting**	Rainwater harvesting system at Central Office.	Supports water conservation and groundwater recharge.
7	**Sewage Treatment Plant (STP)**	STP installed at Central Office for treatment and reuse of wastewater.	Enables wastewater reuse and reduces freshwater consumption.
8	**Passive Energy Design**	Incorporation of open-to-sky (OTS) roofing provisions at the Central Office main building to enhance natural daylighting as part of passive energy-efficient design.	Reduced dependence on artificial lighting and improved energy efficiency.

5 Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

Yes, The DR/BCP is duly approved by the Board. Critical systems / applications are identified and quarterly DR testing / Drills are performed. The challenges/ observations during the drill activity are noted and used for fine tuning our systems and procedures.

Business Continuity Plan (BCP) ensures critical Banking operations continue without major interruption during emergencies or disasters. It Identifies important business functions, key employees, systems, and alternative arrangements to maintain services. Regular testing, training, and periodic review of the BCP help the bank remain prepared and resilient during unexpected events.

6 Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard

Not Applicable

7 Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

Not Applicable

8 How many Green Credits have been generated or procured:

a. By the listed entity

Nil

b. By the top ten (in terms of value of purchases and sales, respectively) value chain partners

Nil

1 2 3 4 5 6 **7** 8 9

PRINCIPLE 7

Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Overview

The Bank engages with trade and industry associations to contribute to the development of the banking sector while remaining aligned with evolving regulatory and industry developments. These engagements facilitate knowledge sharing, industry collaboration, and the exchange of best practices.

Key Highlights

- **15** Trade and Industry association memberships
- **Nil** anti-competitive cases

Essential Indicators

1. a. Number of affiliations with trade and industry chambers/ associations.

15

b List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

Sl. No	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State / National)
1	Confederation of Indian Industry CII (IGBC Founding Membership)	National
2	Data Security Council Of India (DSCI)	National
3	Federation Of Indian Chambers Of Commerce And Industry (FICCI)	National
4	Foreign Exchange Dealer's Association Of India (FEDAI)	National

Sl. No	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State / National)
5	Indian Banks Association (IBA)	National
6	Indian Institute Of Banking And Finance (IIBF)	National
7	International Chamber Of Commerce (ICC)	International
8	National Institute Of Bank Management	National
9	Southern India Banks' Staff Training College	National
10	The Associated Chambers Of Commerce And Industry Of India (ASSOCHAM)	National

2 Provide details of corrective action taken or underway on any issues related to anticompetitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of authority	Brief of the case	Corrective action taken
No adverse orders have been issued against the Bank by any regulatory authority in relation to anti-competitive practices.		

Leadership Indicators

1. Details of public policy positions advocated by the entity:

Sl. No	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly / Others – please specify)	Web Link, if available
			NIL		

1 2 3 4 5 6 7 **8** 9

PRINCIPLE 8

Businesses should promote inclusive growth and equitable development

Overview

The Bank promotes inclusive growth through responsible procurement, employment generation, and community development initiatives. By sourcing from MSMEs and small producers, strengthening its presence in rural and semi-urban areas, and implementing CSR initiatives, the Bank contributes to inclusive economic development and community well-being.

Key Highlights

- **9.76%** Procurement from MSMEs/small producers
- **~37%** Job creation in rural and semi-urban areas
- **2.83+ lakh** CSR beneficiaries

Essential Indicators

1 Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current Financial year.

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Not Applicable. As per the BRSR Guidance Note, this disclosure pertains to Social Impact Assessments (SIA) conducted in accordance with the provisions of the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013. Considering the nature of the Bank's operations as a banking and financial services institution, this disclosure is not applicable.					

2 Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

Sl. No	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In ₹)
Not Applicable						

3 Describe the mechanisms to receive and redress grievances of the community.

The Bank receives and addresses community concerns through continuous engagement with beneficiaries, local communities, implementation partners, and other relevant stakeholders across its CSR initiatives. Feedback, concerns, and grievances identified during project implementation are reviewed at the operational level and addressed in coordination with implementation partners and local authorities, wherever required.

The CSR & ESG Committee provides strategic guidance by reviewing, advising, and recommending CSR projects and interventions aligned with identified community needs.

Also, in line with RBI's Master Direction: RBI/CEPD/2023-24/108 CEPD.PRD.No.S1228/13.01.019/ 2023-24, dated 29th December 2023 has issued instructions that Regulated Entity (RE) shall formulate a Standard Operating Procedure (SOP) approved by the Committee of the Board handling Customer Service and Protection.

Accordingly, Standard Operating Procedure (SOP) on Grievance Redressal Mechanism was issued to the branches and operational units vide circular No.296/2024 dated 26th September 2024 for compliance and uniform approach in redressal of customer grievances.

Grievance Redressal policy of the Bank was hosted in website of the Bank. https://www.kvb.bank.in/regulatory-disclosures/fair-practices-banking-codes-overview/banking-codes-policies/index.html

4 Percentage of input material (inputs to total inputs by value) sourced from suppliers:

Parameter	FY 2025-26 Current Financial Year	FY 2024-25 Previous Financial Year
Directly sourced from MSMEs/ small producers	9.76%	-
Directly sourced within India	98.24%	100

5 Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost

Location	FY 2025-26 Current Financial Year	FY 2024-25 Previous Financial Year
Rural	6.31%	7.23%
Semi-urban	30.83%	33.47%
Urban	18.73%	20.38%
Metropolitan	44.13%	38.92%

(Place categorized as per RBI Classification System - rural / semi-urban / urban / metropolitan)

Leadership Indicators

1 Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Details of negative social impact identified	Corrective action taken
Not Applicable	

2 Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

Sl. No	State	Aspirational District	Amount spent (In ₹)
1	TAMILNADU	VIRUDHUNAGAR	84,17,200
2	TAMILNADU	RAMANATHAPURAM	63,20,000

3 (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)

Yes

(b) From which marginalized /vulnerable groups do you procure?

The Bank is in the process of implementing the preferential procurement provisions under its Procurement Policy, which was rolled out during reporting Financial Year.

(c) What percentage of total procurement (by value) does it constitute?

The Bank is in the process of establishing the methodology for determining and reporting the percentage of procurement from marginalized/vulnerable groups (by value).

4 Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

Sl. No	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/No)	Benefit shared (Yes / No)	Basis of calculating benefit share
Not Applicable				

5 Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Name of authority	Brief of the Case	Corrective action taken
Not Applicable		

6 Details of beneficiaries of CSR Projects:

During FY 2025–26, the Bank approved the following 41 CSR projects.

Sl. No	Project Title	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1	Model Village - Strengthening Rural Communities through Model Village Framework	3224	75
2	Development of Sponge Park at Mullai Nagar in Tambaram	6500	65
3	Banking, Saving, And Financial Literacy Programme Empowering Rural India Through Financial Literacy	32000	70
4	Youth Suicide and Gambling Prevention Initiative	5000	70
5	Provision of Additional Building for Old Age Home in Karur	50	100
6	Revive & Reimagine - Enhancing Guindy National Park	8312	65
7	Rejuvenation of Anicuts in Noyyal River System	7000	100
8	Breast Cancer Screening Project in the Community	15000	100
9	Improved access to Education Facilities through Solar Installation in Govt. Schools	11239	95
10	Fostering Resilient Ecosystems and Communities in the Western Ghats: Conserving a Fragile Ecosystem for Biodiversity & People	525	100
11	Palm Livelihood for Empowerment among Rural & Marginalized Communities	1000	80
12	Supporting Rural Health Infrastructure in Karur through Government Hospitals	4597	75
13	Sports For Excellence Program With Life Skills	2027	100
14	Sakthi Gram – Ensuring Water and Energy Security	4400	75
15	Community Based Early Intervention For Children (0-14 Years)	265	100
16	Installation of Solar Street Lights in Dharumathupatti village, Dindigul district	1000	65
17	Nutrition Hampers For Children With HIV	500	100
18	Provision of EV Battery Operated Vehicle To Arulmigu Dhandayuthapani Swamy Temple, Palani	25000	65
19	Provision of Vehicles for Solid Waste Management & Channel Cleaning To Madurai Corporation	3400	65
20	Renovation of Minor Irrigation Water Harvesting Structures	1540	100

Sl. No	Project Title	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
21	Supporting Rural Health Dispensary in Karur	4739	75
22	Empowering Special Needs Children Through Therapy Infrastructure Support	88	100
23	Provision and Ambulance & Battery Operated Vehicle to Periyar Government Hospital, Periyar Nagar, Chennai	5678	65
24	Provision of Battery Operated vehicles to Greater Chennai Corporation - 3 different locations	25000	65
25	Provision of Battery Operated vehicle for Garbage Collection in Kulithalai Municipality	1850	65
26	Maintenance of Walk N Jog	72000	65
27	Provision of Battery Operated vehicle to Sri Durga Malleswara Swamy Varla Devasthanam,	16500	65
28	Financial Literacy Awareness Program to School Students	1165	100
29	Establishing Public Open Gyms at Coimbatore	6500	65
30	Support to School Infrastructure - MPPP School,Surampeta, Gollaprolu	65	100
31	Provision of Safe Drinking Water to Anganwadi Centers in Nagercoil	567	100
32	Educational Support to Students-Scholarships Program	50	100
33	Enhancing Municipal Parks as Green & Wellness Spaces	10200	65
34	Changing Lives of Underprivileged Children with Type 1 Diabetes	210	100
35	Establishing Eco-Park in Pankaj Nagar, Melapalayam Zone, Tirunelveli	1530	65
36	Provision of mechanized water body cleaning equipment	5000	65
37	Cybersecurity Awareness for General Public	Relates to ongoing/multi-year projects where beneficiaries will be reported in subsequent years upon the realization of project outcomes	
38	Pitch 2Konnect (Impact Innovation Fund + Startup Accelerator)		
39	Advancing Vision Care through Expansion of Sankara Eye Hospital, Coimbatore		
40	Provision of 10 Two-Wheeler Vehicles Patrolling for Women's Safety		
41	Provision of Washroom facility at ISKCON Wave City Temple, Ghaziabad		
	Total	**2,83,721**	

1 2 3 4 5 6 7 8 9

PRINCIPLE 9

Businesses should engage with and provide value to their consumers in a responsible manner

Overview

The Bank is committed to delivering responsible banking services through customer-centric practices, effective grievance redressal, and robust information security measures. Strong customer service standards and cybersecurity controls help safeguard customer information, strengthen trust, and deliver secure and reliable banking experiences.

Key Highlights

- **93.70%** Consumer complaints resolved
- **Zero** data breaches
- **Customer Grievance Redressal Policy**

Essential Indicators

1 Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

The Bank has established mechanisms to receive and respond to consumer complaints and feedback in line with its Grievance Redressal Policy. Customers can submit complaints and feedback through the Bank's corporate website via the dedicated feedback portal. All submissions are reviewed, addressed, and resolved through the structured grievance redressal mechanism to ensure timely and effective resolution.

https://www.kvb.bank.in/customer-service/feedback-form/

2 Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

	As a percentage to total turnover
Environmental and social parameters relevant to the product	Not Applicable
Safe and responsible usage	
Recycling and/or safe disposal	

3 Number of consumer complaints in respect of the following:

	FY 2025-26 Current Financial Year			FY 2024-25 Previous Financial Year		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	0	0	-	0	0	NA
Advertising	0	0	-	0	0	NA
Cyber-security	0	0	-	0	0	NA
Delivery of Products	0	0	-	0	0	NA
Quality of Products	0	0	-	0	0	NA
Restrictive Trade Practices	0	0	-	0	0	NA
Others (Customer Complaints and Complaints received from Individuals whose customer IDs are not disclosed / traceable (Example: BNPL customers, FASTAG customers, NON KVB Customers) were grouped under the other category)	9,711	612	-	6,377	237	NA

4 Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls	Not Applicable	
Forced recalls		

5 Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes

The Bank maintains a Board approved Information Security and Cyber Security Policy, overseen by the Information Security Group. The policy is classified for internal use and is made available to all employees through the Bank's internal employee portal to facilitate awareness and adherence to the prescribed information security controls and practices.

6 Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services

Not Applicable

7 **Provide the following information relating to data breaches:**

a. Number of instances of data breaches

0

b. Percentage of data breaches involving personally identifiable information of customers

NA

c. Impact, if any, of the data breaches

NA

Leadership Indicators

1 **Channels / Platforms where information on products and services of the entity can be accessed (provide web link, if available).**

Information on the Bank's products and services is made available through our corporate website, ensuring easy access for customers across different segments. Dedicated sections provide comprehensive details tailored to personal, business, NRI, and agricultural banking needs. The relevant links are:

https://www.kvb.bank.in/personal/

https://www.kvb.bank.in/business/

https://www.kvb.bank.in/nri/

https://www.kvb.bank.in/agriculture/

2 **Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.**

The Bank has taken several proactive steps to inform and educate consumers about the safe and responsible usage of its products and services. Regular customer awareness campaigns on secure banking practices are conducted through SMS, email, social media, the official website, and branch displays. Accessible customer support is provided via branches, call centres, and digital channels to promptly resolve queries and report suspicious transactions. The Bank also ensures easy access to grievance redressal mechanisms, including escalation channels and information on the RBI Integrated Ombudsman Scheme.

These initiatives strengthen financial literacy, encourage responsible banking behaviour, and safeguard customers against financial frauds, while enabling them to make informed use of the Bank's products and services. More details on secure banking practices are available on the Bank's website:

https://www.kvb.bank.in/secure-banking/

3 **Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services**

The Bank has established a defined mechanisms to inform consumers of any risk of disruption or discontinuation of essential services. Service disruption notifications are prominently displayed in branches for customer awareness. In addition, prior intimation is provided through SMS and email alerts to customers in the case of planned service interruptions.

These measures ensure timely communication, minimize inconvenience, and help customers plan their banking activities effectively.

4 **Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/ No/) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)**

The Bank continues to emphasise the importance of transparency and clear communication about its products, recognising how vital these values are in a customer-focused industry. In line with the regulations set by the Reserve Bank of India, we provide comprehensive and transparent details about our products both on our website and in our branches. This includes clear explanations of product features, service charges, and any applicable additional fees. Interest rates for various deposit and loan schemes are updated promptly on our website whenever changes occur.

To further assess customer satisfaction, the Bank has conducted surveys, aimed at continually enhancing service quality.

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INDEPENDENT REASONABLE ASSURANCE STATEMENT

Independent Assurance Statement to The Karur Vysya Bank Limited on its BRSR Core Indicators for FY 2025-26

The Board of Directors,

The Karur Vysya Bank Limited,
No. 20, Erode Road, Vadivel Nagar, L.N.S.,
Karur- 639002, Tamil Nadu.

Nature of the Assurance

SGS India Private Limited (hereinafter referred to as 'SGS India') was engaged by The Karur Vysya Bank Limited (the 'Company') to conduct an independent assurance of the Company's Business Responsibility and Sustainability Reporting (BRSR) (the 'Core Report') for the reporting period of April 1, 2025, to March 31, 2026. SGS India has conducted a Reasonable level of Assurance for the BRSR core indicators. This assurance engagement was conducted in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised) and ISAE 3410.

Reporting Framework

The Report has been prepared following

1. Master Circular for compliance with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 by listed entities (Circular No. HO/49/14/14(7)2025-CFD-POD2/I/3762/2026), dated 30 January 2026 circular.
2. Greenhouse Gas Protocol Standard.
3. ISO 14064-1:2018 Standard.

Intended Users of this Assurance Statement

This Assurance Statement is provided with the intention of informing all internal and external Stakeholders The Karur Vysya Bank Limited.

Responsibilities

The information in the report and its presentation is the responsibility of the management of the Company. SGS India has not been involved in the preparation of any of the material included in the report.

Our responsibility is to express an opinion on the text, data, and statements within the defined scope of assurance, aiming to inform the management of the Company, and in alignment with the agreed terms of reference. We do not accept or assume any responsibility beyond this specific scope. The Statement shall not be used for interpreting the overall performance of the Company, except for the aspects explicitly mentioned within the scope.

Assurance Standard

SGS has conducted a Reasonable level of Assurance for BRSR core parameters under 9 ESG Attributes, including all essential indicators as specified under BRSR standards and amendments made as on date. This engagement was performed in accordance with the International Standard on Assurance Engagement (ISAE) 3000 (revised) and ISAE 3410 (Assurance Engagements other than Audits or Reviews of Historical Financial Information).

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Our evidence-gathering procedures were designed to obtain a 'Reasonable' level of assurance, which is a high level of assurance in accordance with ISAE 3000(revised) standard, but is not absolute certainty. It involves obtaining sufficient appropriate evidence to support the conclusion that the information presented in the report is fairly stated and is free from material misstatements.

Statement of Independence and Competence

The SGS Group of companies is the world leader in inspection, testing, and assurance, operating in more than 140 countries and providing services including management systems and service certification; quality, environmental, social, and ethical auditing and training; and environmental, social, and sustainability report assurance. SGS India affirms our independence from The Karur Vysya Bank Limited, being free from bias and conflicts of interest with the organization, its subsidiaries, and stakeholders.

The assurance team was assembled based on their knowledge, experience, and qualifications for this assignment, and comprised auditors registered with ISO 26000, ISO 20121, ISO 50001, SA8000, RBA, QMS, EMS, SMS, GPMS, CFP, WFP, GHG Verification, and GHG Validation Lead Auditors, and experience on the SRA Assurance.

Scope of Assurance

The assurance process involved assessing the quality, accuracy, and reliability of BRSR Indicators (KPIs) within the report for the period April 1, 2025, to March 31, 2026. The reporting scope and boundaries include the Central office and all other offices & branches spread across different states in India.

Assurance Methodology

The assurance comprised a combination of desktop review, interaction with the key personnel engaged in the process of developing the report, and remote verification of data. Specifically, SGS India undertook the following activities:

- Assessment of the suitability of the applicable criteria in terms of their comprehensiveness, reliability, and accuracy.
- Interaction with key personnel responsible for collecting, consolidating, and calculating the BRSR core and essential indicators, and assessing the internal control mechanisms in place to ensure data quality.
- Application of analytical procedures and verification of documents on a sample basis for the compilation and reporting of the KPIs.
- Assessing the aggregation process of data at the Central Office level.
- Critical review of the report regarding the plausibility and consistency of qualitative and quantitative information related to the KPIs.

Limitations

SGS India did not come across any limitation to the agreed scope of the assurance engagement. SGS India verified data on a sample basis; the responsibility for the authenticity of the data entirely lies with the Company. The assurance scope excluded forward-looking statements, product- or service-related information, external information sources, and expert opinions. SGS India has not been involved in the evaluation or assessment of any financial data/performance of the company. Our opinion on financial indicators is based on the third-party financial reports audited by the Company. SGS India does not take any responsibility for the financial data reported in the audited financial reports of the Company.

The assurance scope excludes:

- Disclosures other than those mentioned in the assurance scope.
- Data reviews outside the operational sites as mentioned in the reporting boundary.
- Validation of any data and information other than those presented in "Findings and Conclusions."
- The assurance engagement considers an uncertainty of ±5% based on the materiality threshold for Assumption/ estimation/measurement errors and omissions.
- The Company's statements that describe the expression of opinion, belief, aspiration, expectation, aim to future intention provided by the Company, and assertions related to Intellectual Property Rights and other competitive issues.
- Mapping of the Report with reporting frameworks other than those mentioned in the Reporting Criteria above.

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Findings and Conclusions

Based on the procedures we have performed and the evidence we have obtained, we are satisfied that the information presented by the Company in its report (as per the table below) is complete, accurate, reliable, fairly stated in all material respects, and is prepared in line with the BRSR requirements.

The list of BRSR Core Indicators that were verified within this assurance engagement is given below:

Sr.No.	BRSR Core Attribute	BRSR Core Indicator
1	Greenhouse gas (GHG) footprint	≈ Total scope 1 emissions ≈ Total scope 2 emissions ≈ GHG emission intensity (scope 1 +2)
2	Water footprint	≈ Total water consumption ≈ Water consumption intensity ≈ Water discharge by destination and levels of treatment
3	Energy footprint	≈ Total energy consumed ≈ % of energy consumed from renewable sources ≈ Energy intensity
4	Embracing circularity	≈ Plastic waste ≈ E-waste ≈ Total waste generated ≈ Waste intensity ≈ Each category of waste generated, total waste recovered through recycling, re-using or other recovery operations. ≈ For each category of waste generated, the total waste disposed of by the nature of the disposal method
5	Employee well-being and safety	≈ Spending on measures towards the well-being of employees as a % of the total revenue of the Company ≈ Details of safety-related incidents for employees
6	Enabling gender diversity in business	≈ Gross wages paid to females as % of wages paid. ≈ Complaints on POSH
7	Enabling inclusive development	≈ Input material sourced from MSMES/ small producers as % of total purchases. ≈ Job creation in smaller towns: Wages paid to people employed in smaller towns as % of total wage cost
8	Fairness in engaging with customers and suppliers	≈ Instances involving loss/breach of data of customers as a percentage of total data breaches or cybersecurity events. ≈ Number of days of Accounts Payable
9	Openness of business	≈ Concentration of purchases & sales done with trading houses, dealers, and related parties ≈ Loans and advances & investments with related parties

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For and on behalf of SGS India Private Limited

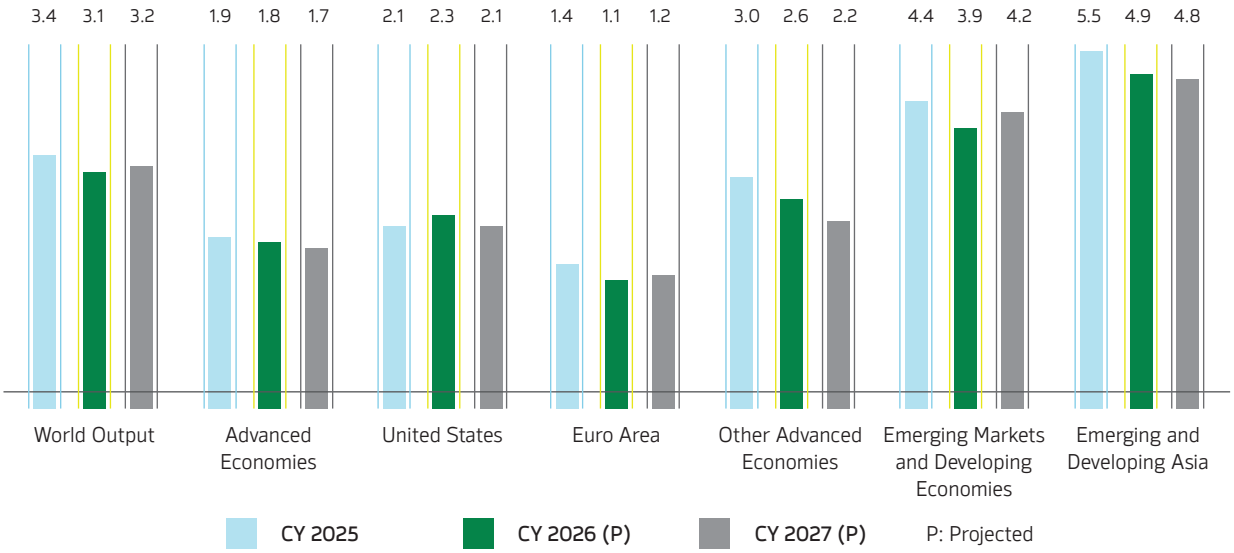
 Kalpesh Thombare Technical Reviewer and National Manager – ESG & Sustainability Services, SGS India. 26th June 2026.	 **John Wesley M** Lead Verifier – ESG & Sustainability Services, SGS India. Team Member: Tushar Girigosavi 26th June 2026.

MANAGEMENT DISCUSSION & ANALYSIS

GLOBAL ECONOMY

The global economy remained resilient in FY 2025-26 despite rising geopolitical tensions, evolving trade policies, and significant tariff adjustments, particularly in the United States As the global economy advances through CY 2026, growth continues, albeit at a more tempered pace. According to the IMF's April 2026 World Economic Outlook, global growth is projected to moderate to 3.1% this year, then stabilize around 3.2% in 2027. This moderation reflects the gradual fading of post-pandemic recovery momentum and the normalization of earlier inventory accumulation cycles. At the same time, ongoing trade tensions and fluctuations in global energy markets remain key considerations for the economic outlook.

GDP Growth Projections (in %)



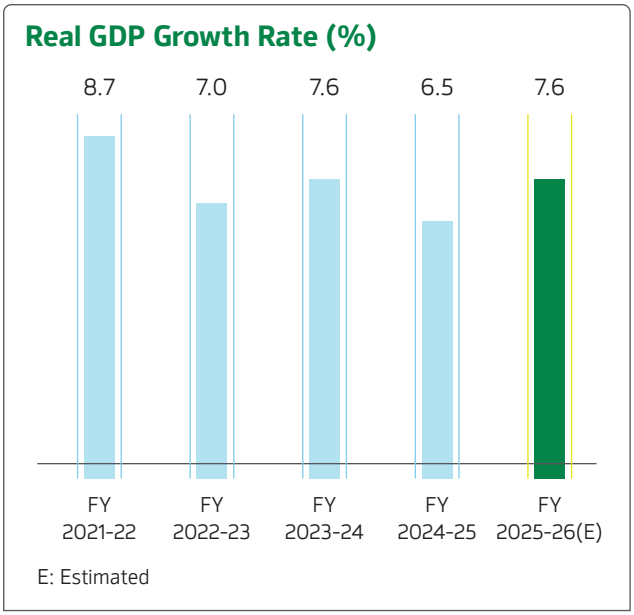
Outlook

The global economic outlook remains influenced by evolving geopolitical, trade, and macroeconomic developments. Factors such as evolving trade relationships, geopolitical developments, fiscal constraints, and potential financial market volatility remain important considerations for policymakers and businesses. At the same time, ongoing changes, including the reconfiguration of global value chains and the growing adoption of diversified sourcing strategies, are contributing to greater supply chain resilience and adaptability.

INDIAN ECONOMY

India's economy remained resilient during FY 2025-26, supported by strong domestic fundamentals and broad-based sectoral growth, with real GDP estimated to have grown to 7.6%, according to the Second Advanced Estimates of the National Statistical Office (NSO). The projected growth underscores the strength of domestic demand and ongoing structural reforms supporting India's long-term development objectives, centered on higher productivity, inclusive development and long-term economic stability.

(Source: IMF World Economic Outlook Update, April 2026)



The growth environment was complemented by a decisive easing of monetary policy in the previous fiscal year. In its June 2026 meeting, the Reserve Bank of India's Monetary Policy Committee (MPC) kept the repo rate steady at 5.25% and maintained a neutral stance. This decision followed an aggressive easing cycle during FY 2025-26, with the repo rate being cut by a total of 125 basis points from 6.50% at the start of the fiscal year to the current level, to boost demand and enhance economic resilience.

Despite external challenges, domestic inflation stayed subdued throughout most of the previous fiscal year. Headline CPI inflation averaged about 2.1% in FY 2025-26, reaching multi-year lows mid-year, helped by steady vegetable prices and the disinflationary impact of GST rationalization. However, data released in May 2026 reflected a modest increase in inflationary pressures, with CPI inflation rising to 3.48% in April 2026, driven primarily by an uptick in food prices. While inflation remains within the Reserve Bank of India's target range, emerging supply-side pressures and evolving global developments have added complexity to the policy environment. As a result, monetary policy continues to require a balanced approach that supports economic growth while preserving price stability and broader macroeconomic stability.

Outlook

India's GDP growth is projected to remain robust at between 6.8% and 7.2% in FY 2026-27, according to the latest estimates from the Government of India and the Economic Survey 2025-26. Growth is expected to be supported by strong domestic consumption, a gradual recovery in private investment, ongoing infrastructure development, and continued policy reforms. These factors position India among the fastest-growing major economies globally.

INDIAN BANKING INDUSTRY

The Indian banking sector has strengthened considerably over recent years, supported by improved asset quality, stronger capitalization, and increased technology adoption. Following years of balance sheet repair and institutional strengthening, banks are now better positioned to support expanding economic activity and rising credit demand. A combination of policy-led reforms, tighter regulatory oversight, and stronger compliance standards has improved the sector's overall health and accountability. Simultaneously, the rapid integration of technologies has reshaped banking operations and customer engagement, enabling faster service delivery, wider financial access, and greater operational effectiveness. These developments have enhanced financial stability and improved the banking sector's capacity to support economic growth and investment activity.

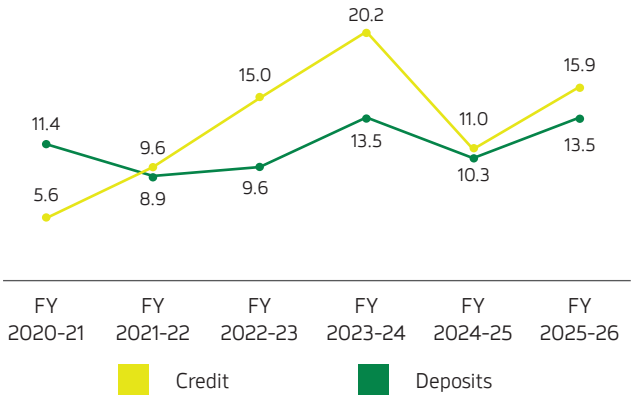
Key Metrics

Bank credit rebounded significantly, growing at 15.9% year-on-year (YoY) for FY 2025-26, up from 11% in the previous year. This robust growth is attributed to a supportive low-interest rate environment and a strong government-led capital expenditure push. While the industrial sector saw a sharp pickup (15%), the services sector led the expansion, fueled by high demand from NBFCs and commercial real estate.

Bank deposits grew by 13.5%, showing a steady recovery as banks increased deposit rates to bridge the credit-deposit gap and support lending momentum. While credit growth (15.9%) outpaces deposit growth (13.5%), the narrowing gap has forced banks to rely on higher-cost bulk deposits and certificates of deposit. This trend puts pressure on Net Interest Margins (NIMs) and necessitates a cautious approach to liquidity management to ensure long-term lending momentum remains sustainable.

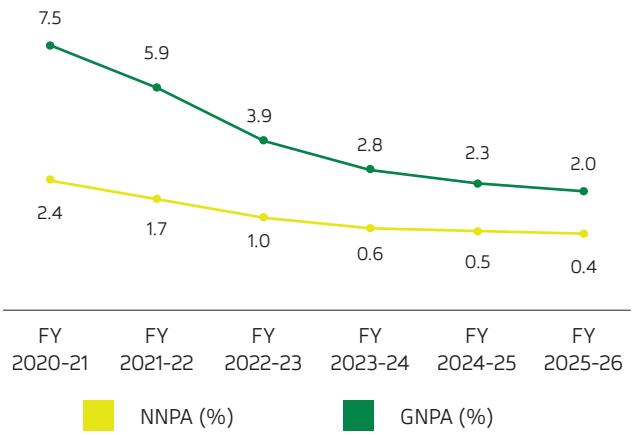
(Source: https://www.pib.gov.in/PressReleasePage.aspx?PRID=2233792&reg=3&lang=1, https://www.mospi.gov.in/uploads/PressRelease/CPI%20Press%20Release%20of%20April%202026.pdf)

BANKING INDUSTRY CREDIT GROWTH & DEPOSIT GROWTH TREND (%)



Asset quality in the sector has reached new historic milestones. The GNPA ratio of scheduled commercial banks dropped to a multi-decadal low of 2.0% as of March 2026. Net Non-Performing Assets (NNPAs) also reached a record low of 0.4%. This is supported by a robust Capital Adequacy Ratio (CRAR), which remains well above regulatory requirements at 16.8% in FY 2025-26, providing a significant buffer against potential shocks.

ENHANCED ASSET QUALITY AND STRONGER BALANCE SHEETS



Growth Propellers

Digital-First Experience & Open Finance

- **Open Finance Ecosystem:** Building upon the Account Aggregator (AA) framework, which now encompasses over 600 regulated entities, including banks and insurers, the financial ecosystem is transitioning toward Open Finance frameworks that facilitate consent-based data sharing, enabling financial institutions to deliver more tailored products and services.
- **Digital Rupee Adoption:** The gradual scaling of the Central Bank Digital Currency (e₹) is improving the efficiency of cross-border remittances and institutional settlements. By reducing transaction costs and friction, it is estimated to significantly enhance the liquidity and speed of the payments ecosystem.

AI-Led Transformation

- **Predictive Underwriting:** Advanced machine learning models utilize alternative data, including GST filing consistency, utility payments, and UPI transaction patterns, to assess creditworthiness. This shift is helping close India's US$ 530 Bn MSME credit gap, enabling lenders to approve loans for new-to-credit borrowers who were previously invisible to traditional scoring systems.
- **Liquidity & Risk Management:** AI-enabled analytics are now delivering between US$ 4–6 Bn in annual value across the Indian banking sector through optimized liquidity forecasting and operational efficiency. Treasury AIs are increasingly used to monitor real-time liquidity and trigger hedges within pre-approved limits, significantly reducing settlement friction.
- **Fraud Detection & Cybersecurity:** Banks are strengthening fraud prevention frameworks through AI-driven monitoring systems. These are capable of detecting suspicious transaction patterns and identity-related threats in real time, thereby enhancing customer protection and operational resilience.

DPI Evolution & Credit Democratization

- **Unified Lending Interface (ULI):** The rollout of the ULI has streamlined credit by onboarding over 64 lenders using 136 integrated data services. By integrating land

(Source: https://www.adb.org/sites/default/files/publication/1135881/ind-ado-april-2026.pdf, https://bfsitechsummit.in/ai-in-banking-india-2026/#:~:text=Banks%20and%20NBFCs%20are%20now,system%20just%20a%20year%20ago.)

records and transaction histories through standardized Unified Payments Interface, the ULI is estimated to unlock an additional US$ 130–170 Bn in economic value by reaching rural and semi urban populations.

- **Consent-Based Lending Ecosystem:** The Account Aggregator (AA) network has scaled to include over 250 Mn linked accounts, allowing for secure, consent-based data sharing. This framework, combined with a UPI ecosystem processing over 2,200 Crore transactions monthly, provides lenders with a real-time cash-flow view that is far more accurate than traditional bank statements.

Green & Sustainable Finance

- **Green Financing Opportunities:** The sustainable finance market in India reached US$ 653.76 Bn in 2025 and is projected to exhibit a CAGR of 14.44% through 2034. Banks are central to this expansion, with international social and green bonds, such as the €1 Bn issuance in FY 2024-25, allocating over 50% of funds specifically to Indian sustainable development.
- **Rising Green Infrastructure Investments:** Increasing investments in sustainable infrastructure are creating significant opportunities for India's sustainable finance market. Government-led initiatives in renewable energy, smart cities, EV charging networks, green buildings, and sustainable transportation are driving demand for green bonds and sustainability-linked financing. Public-private partnerships (PPPs), development finance institutions, and international investors are providing long-term capital to support large-scale climate-resilient infrastructure projects.
- **Growth of Green Bonds & Loans:** The expansion of green bonds and sustainability-linked loans is accelerating India's transition to a low-carbon economy. Regulatory support from SEBI and RBI, coupled with rising investor demand for ESG-focused investments, is driving capital inflows into renewable energy, green buildings, clean transportation, energy efficiency, and climate-resilient infrastructure. In June 2024, British International Investment (BII) and Symbiotics Investments launched a US$75 Mn Green Bond Fund to strengthen green lending and support MSME-focused clean energy projects. Sustainable finance instruments are also helping organisations reduce financial risks while generating long-term environmental and social benefits.
- **Climate Risk Integration:** The RBI's evolving climate finance framework, including the Master Direction on Climate Finance and Management of Climate Change Risks, is driving the integration of physical and transition climate risks into banks' lending and capital allocation decisions. This is enabling financial institutions to strengthen risk assessment and credit pricing practices while enhancing resilience against climate-related financial exposures. Compliance with these frameworks is also improving access to global ESG-linked capital markets, attracting sustainable investments and reinforcing the role of banks in financing India's low-carbon and climate-resilient growth agenda.

Women-Led Entrepreneurship & Inclusive Finance

- **Expansion of SHG-Based Financing:** The DAY-NRLM scheme has mobilized over 10 Crore rural women into 90 Lakh Self-Help Groups (SHGs). Thus, maintaining a repayment rate of over 98%. This network has successfully registered over 2 Lakh women-led Micro and Small Enterprises on Government procurement platforms, securing orders worth more than ₹80,000 Crore.
- **Entrepreneurship & Retail Ecosystems:** The Union Budget 2026-27 introduced SHE-Marts, community-owned retail outlets in every district to market products from women entrepreneurs. Additionally, the enhanced Tarun Plus loan category now provides up to ₹20 Lakh in collateral-free credit for successful repeat women borrowers.

(Source: https://ddnews.gov.in/en/ai-powered-financial-inclusion-reshaping-indias-digital-economy/#:~:text=ULI%20integrates%20multiple%20financial%20and,services%20across%2012%20loan%20journeys, https://www.imarcgroup.com/india-sustainable-finance-market, https://www.pib.gov.in/PressReleasePage.aspx?PRID=2235818&reg=3&lang=1#:~:text=The%20scheme%20has%20successfully%20mobilised,well%20the%20groups%20manage%20money.&text=These%20collaborations%20have%20helped%20Womaniya,surpassing%20the%203%25%20mandated%20target.)

Infrastructure-Led Credit Expansion

- **Corporate Credit Revival:** Large-scale investments in infrastructure, manufacturing corridors, logistics networks, and urban economic regions are supporting the revival of the private capital expenditure cycle. This is leading to increased demand for project financing and corporate credit.
- **Municipal & Urban Financing:** Growth is being decentralized toward City Economic Regions (CERs), with an allocation of ₹5,000 Crore per region. This emphasis on urban infrastructure is opening new avenues for banks in municipal bond underwriting and structured financing for Tier-II and Tier-III cities.

Governance & Ethical AI Framework

- **Algorithmic Transparency:** Financial institutions are increasingly adopting Explainable AI (XAI) frameworks to improve transparency in automated decision-making processes. This is particularly being done in areas such as credit assessment and customer profiling.
- **Data Protection & Sovereignty:** With the implementation of the Digital Personal Data Protection (DPDP) framework, banks are reinforcing data governance mechanisms focused on customer privacy, secure data storage, and consent-based usage practices.
- **Human Oversight & Accountability:** While automation continues to improve operational efficiency, banks are maintaining human oversight for critical financial decisions to ensure accountability, regulatory compliance, and balanced risk management.

Government Initiatives

The Union Budget for FY 2026-27 continues to emphasize growth acceleration, inclusive development, and stronger private-sector participation as key pillars of India's economic strategy. The following are the key announcements made in the Budget for FY 2026-27:

- **High-Level Committee on Banking:** A High-Level Committee will strengthen consumer protection and credit delivery, reducing litigation costs and improving banking efficiency.
- **Champion MSME Strategy:** The CGTMSE guarantee limit has doubled to ₹10 Crore, backed by a ₹10,000 Crore SME Growth Fund, encouraging banks to expand MSME lending with lower credit risk.
- **Infrastructure Capex Outlay:** The Government's capital expenditure outlay of ₹12.2 lakh crore for FY 2026-27 is expected to stimulate private sector investment, strengthen infrastructure creation, and generate sustained demand for corporate and infrastructure financing.
- **Kisan Credit Card (KCC) Expansion:** The KCC loan limit has increased to ₹5 Lakh, with ₹2 Lakh collateral-free, supporting rural credit growth and strengthening banks' Priority Sector Lending portfolios.
- **New Income Tax Act:** Effective 01st April 2026, the new Act simplifies tax administration while maintaining zero tax for eligible individuals earning up to ₹12 Lakh (₹12.75 Lakh for salaried taxpayers after standard deduction), supporting disposable incomes and consumption.
- **JAM Trinity:** With 58+ Crore Jan Dhan accounts and ₹3 Lakh Crore+ deposits, the JAM ecosystem continues to deepen financial inclusion and expand banks' low-cost deposit base.

Regulatory Landscape

The phased reduction of the Cash Reserve Ratio (CRR) by the Reserve Bank of India (RBI) was successfully completed in November 2025, bringing the rate down to 3.0%. This move injected approximately ₹2.5 Lakh Crore of primary liquidity into the system, significantly enhancing the Banks' capacity to support credit demand.

The RBI introduced several landmark frameworks in FY 2025-26 to boost digital security, transparency, and climate resilience:

- **Basel III & ECL Norms:** ECL-based provisioning from 01st April 2027 and strong 15-16% CRAR reinforce banks' resilience while supporting growth.
- **Active Liquidity Management:** Dynamic OMOs and VRR auctions helped maintain adequate liquidity and support strong credit growth.
- **Priority Sector Lending (PSL):** Integration of the Udyam Assist Platform (UAP) broadens formal credit access for micro-enterprises while helping banks meet PSL targets.
- **Mandatory 2FA:** Mandatory 2FA and Risk-Based Authentication (RBA) for digital payments strengthen security and reduce fraud.
- **RB-CRIS Implementation:** Operationalization of RB-CRIS equips banks with standardized climate risk data for stress testing and risk management.

(Source: https://www.drishtiias.com/daily-updates/daily-news-analysis/indias-infrastructure-financing#:~:text=Under%20the%20National%20Waterways%20project,to%20unlock%20agglomeration%2Dled%20growth, https://www.pib.gov.in/PressReleasePage.aspx?PRID=2221458,
https://www.pib.gov.in/PressReleasePage.aspx?PRID=2241612)

- **Calamity Resolution Framework:** A structured rules-based framework for disaster-affected loans replaces ad hoc relief, improving transparency and consistency.
- **Integrated Ombudsman Cap:** Compensation limits increased to ₹30 Lakh (plus up to ₹3 Lakh for mental harassment), strengthening consumer protection.
- **MSME & MSE Lending Conduct:** Responsible lending norms for MSEs and UAP integration improve credit access while enhancing lending standards.
- **KYC & Fraud Risk Management:** Updated KYC and fraud norms strengthen reporting, cybersecurity, and IT outsourcing governance.
- **International Financial Services Centre (IFSC):** Extended tax benefits and a 15% post-holiday tax rate enhance the competitiveness of GIFT IFSC as a global financial hub.
- **Foreign Investment Liberalization:** The FPI limit for individual overseas investors has increased from 5% to 10%, supporting capital inflows.
- **Corporate Bond Market Development:** New market-making and liquidity frameworks deepen the corporate bond market and improve banks' liquidity management.
- **Education to Employment & Enterprise (EEE) Committee:** The EEE Committee will address skill gaps and assess AI's impact on banking and financial services.
- **Enhanced Nomination Facilities:** Depositors can now nominate up to four nominees, simplifying asset transmission and reducing unclaimed deposits.
- **Unified Digital Fraud Compensation:** A new framework shifts the burden of proof to banks and mandates dispute resolution within 10 days.
- **ATM & Cash Handling Reforms:** Revised ATM charges and stronger AML monitoring enhance cash transaction security and compliance.

Outlook

India's banking sector is expected to maintain stable growth supported by healthy asset quality, adequate capital levels, and sustained credit demand, marking a transition from the rapid recovery and expansion seen in recent years. With corporate balance sheets remaining strong and asset quality steadily improving, banks are now shifting focus toward sustaining growth through stronger deposit mobilization and digital-led lending.

A key challenge emerging for the sector is the changing savings behavior of Indian households. Increasing flows into capital markets through SIPs and demat accounts are reducing reliance on traditional bank deposits, bringing an end to the era of cheap and abundant CASA funds. As a result, banks are being pushed to adopt a more competitive deposit-first strategy and innovate beyond conventional fixed-deposit products to maintain liquidity.

The regulatory landscape is also set for a major shift with the implementation of the Expected Credit Loss (ECL) framework from 1st April 2027. The move toward proactive provisioning may lead to a temporary moderation in capital ratios, but it is expected to significantly strengthen the long-term resilience of bank balance sheets and improve risk management standards across the sector.

Despite these structural and regulatory changes, the sector's overall outlook remains strong, underpinned by a robust credit trajectory and superior asset quality. Credit growth is projected to stay healthy at 12-13%, fueled by resilient domestic demand and a significant uptick in private capital expenditure across the retail and MSME segments. Simultaneously, the GNPA ratio is expected to decline to around 1.9% by March 2027, driven by disciplined underwriting standards and more effective recovery mechanisms. Collectively, these factors indicate a favorable credit environment supported by disciplined underwriting standards and improving asset quality, suggesting that the banking system remains adequately capitalized and well-positioned to support economic activity and credit growth.

COMPANY OVERVIEW

Founded in 1916 by Shri M. A. Venkatarama Chettiar and Shri Athi Krishna Chettiar, Karur Vysya Bank ('KVB' 'the Bank' 'your Bank' 'we') has grown from a regional banking institution into one of India's most trusted Banks. For over a century, the Bank has partnered with entrepreneurs, merchants, agriculturists and households, supporting their progress through economic cycles. As financial aspirations have grown more diverse and dynamic, the Bank has continued to adapt, while staying anchored in relationship-led banking.

(Source: https://www.rbi.org.in/Scripts/BS_ViewMasDirections.aspx, https://www.businessworld.in/article/india-s-bank-credit-growth-to-moderate-to-12-13-in-fy27-report-605931#:~:text=Household%20financialisation%20is%20irreversible%2C%20India's,deposit%20investing%2C%20the%20report%20said.)

Today, KVB is a dynamic, technology-driven institution with a strong presence across Commercial, Retail, Agriculture, Corporate and Treasury banking. By combining digital innovation with personalized service, the Bank continues to deliver seamless and meaningful banking experiences to millions of customers nationwide.

As of 31st March 2026, KVB served more than ten million customers through an extensive network of 901 branches and 2,213 ATMs and Bunch Note Recycler Machines (BNRMs) across India. Backed by a diverse portfolio of tailored financial solutions, the Bank remains committed to empowering individuals, businesses and communities at every stage of growth.

SWOT ANALYSIS

Strengths

- Granular retail deposit franchise
- Trusted legacy brand in core markets
- Strong RAM-led diversified business mix
- 900+ branch distribution with deep regional penetration
- Sustained profitability with improving RoA/RoE
- Best-in-class asset quality
- Comfortable capital buffer to support growth
- Established digital capabilities and partnership-driven execution

Weaknesses

- CASA ratio remains moderate
- Continued regional concentration despite pan-India presence
- Fee-income and affluent/liability ecosystem are still less scaled than larger universal banks

Opportunities

- Expand beyond core geographies
- Deepen CASA and fee-income cross-sell
- Scale alternate channels such as co-lending/ partnerships
- Selectively capture manufacturing and supply-chain opportunities in industrial corridors

Threats

- Rising competitive intensity
- Margin pressure from funding costs and pricing
- Regulatory tightening on unsecured/risk weights
- Cyber/data risks
- Potential macro and sector-specific stress

Mitigations for Weaknesses and Threats

Geographical Presence

During FY 2025-26, the Bank significantly expanded its non-branch distribution channels. It prioritized API-based integrations with national Fintech partners and NBFCs to expand co-lending in a seamless and scalable manner.

- **Leveraging Regional Strengths:** The Bank's deep-rooted presence in Tamil Nadu, a major hub for manufacturing and textiles, gives it access to high-potential industries and business ecosystems. Its growing footprint in South, North and East further enables it to participate meaningfully in new-age growth opportunities.
- **Balanced Sectoral Diversification:** KVB maintains a well-diversified exposure across Southern markets, spanning sectors such as automobiles, electronics, textiles, IT and services. This calibrated approach helps the Bank mitigate concentration risks and enhance resilience against localized economic disruptions.
- **Hyper-local Digital Marketing:** Your Bank leverages data analytics to design targeted digital campaigns in non-core markets, strengthening brand recall and customer engagement.
- **Partnership Ecosystems:** Your Bank utilizes co-lending models to build a diversified loan book in regions where its physical branch infrastructure remains lean.

Rising Competitive Intensity

Amid intensifying competition from large private and public sector banks expanding deeper into rural India, KVB is strengthening its distinctive 'Relationship + Technology' approach. Through this, the Bank strives to deliver faster, smarter and more accessible banking experiences across markets.

- **MSME-focused Banking:** By enhancing its Digital Lending Engine (DLE), the Bank has significantly accelerated credit processing for existing MSME customers. This has helped reduce the Bank's loan turnaround time to less than 24 hours, enabling businesses to access timely financial support more easily.
- **Seamless Omni-channel Experience:** KVB continues to integrate its branch, mobile and web platforms into a unified ecosystem. Through this, the Bank ensures customers in rural and semi-urban regions enjoy the same seamless, technology-enabled banking experience as those in metropolitan centers.

Margin Resilience/CASA Ratio

Despite operating in a volatile interest-rate environment, including a 50-75 bps movement in the Repo Rate during the year, KVB demonstrated strong margin resilience. Your Bank even sustained Net Interest Margins (NIMs) close to the 4% mark.

- **Strengthening CASA Franchise:** The Bank's dedicated Retail Liability Group is focused on deepening low-cost deposit mobilization through high-value corporate salary relationships and the TASC segment. This segment comprises Trusts, Associations, Societies, and Clubs, supporting a more efficient cost-of-funds structure.
- **Sharper Yield Management:** The Bank, with over 85% of its loan portfolio concentrated in the RAM segment, covering Retail, Agriculture and MSME advances, continues to enhance portfolio quality. This, while generating stronger risk-adjusted returns through granular and diversified lending.

Data Breaches & Cybersecurity Threats

As digital transactions account for over 90% of total volume, the Bank has fortified its Cyber Defense Center (CDC) with advanced AI-driven tools.

- **Zero Trust Architecture:** Your Bank is transitioning toward a Zero Trust security framework. This is to ensure every access request is fully authenticated and encrypted.
- **Proactive Defense:** KVB has implemented Next-Gen Web Application Firewalls (WAF) and automated Host-based Intrusion Prevention Systems (HIPS) to neutralize threats in real-time.
- **Customer Protection:** Your Bank runs cyber awareness campaigns on a regular basis. It has also integrated Multi-Factor Authentication (MFA) for all high-value digital transactions.
- **Regulatory Compliance:** KVB undertakes 24x7 security monitoring, periodic vulnerability assessments, and quarterly audits by independent agencies. These measures help the Bank ensure compliance with and alignment to the evolving cybersecurity guidelines issued by the Reserve Bank of India (RBI).

Financial Overview

In FY 2025-26, Karur Vysya Bank posted a record performance, demonstrating its disciplined growth approach, robust risk management, and ongoing efforts to develop a resilient and sustainable business franchise.

The Bank's total business expanded to ₹2,14,420 Crore during the year, registering a robust year-on-year growth of 15%. The strong momentum across deposits and advances underscores KVB's ability to consistently deepen customer relationships, strengthen market presence and drive balanced growth across key business segments.

(in ₹ Crore)

Particulars	FY 2024-25	FY 2025-26	% Change
Total Business	1,86,569	2,14,420	15
Net Interest Income (1)	4,260	4,939	16
Other Income (2)	1,829	2,084	14
• Fee Income	965	1,050	9
• Others	864	1,034	20
Total Income (1 + 2)	6,089	7,023	15
Operating Expenses	2,877	2,948	2
• Employee Expense	1,449	1,434	(1)
• Other Operating Expense	1,428	1,514	6
Operating Profit	3,212	4,075	27
Provisions	621	755	22
Profit Before Tax	2,591	3,320	28
Tax (Net of DTA/DTL)	649	810	25
Net Profit	1,942	2,510	29

The Bank's Total Deposits grew by 13% during FY 2025-26, over the previous year, reaching ₹1,15,666 Crore. This growth was primarily driven by a 14% increase in Term Deposits to ₹84,544 Crore. Demand Deposits and Savings Deposits registered growth of 9% and 13%, respectively, while total CASA deposits increased from ₹27,832 Crore in the previous year to ₹31,122 Crore in FY 2025-26.

The Bank's Gross Advances recorded a strong 17% year-on-year growth, rising to ₹98,754 Crore during FY 2025-26. The growth momentum was driven by broad-based contributions across the Retail, Agriculture, MSME, and Commercial Banking segments, with RAM verticals accounting for ₹85,260 Crore of the overall advance portfolio. Your Bank continues to maintain strategic focus on expanding its retail franchise and granular commercial lending portfolio through specialized business units, targeted branch-level execution and technology-enabled customer acquisition initiatives.

Total Advances during FY 2025-26

Vertical	FY 2024-25	FY 2025-26	% Change
Commercial	30,730	34,279	12
Retail (Personal Banking)	20,896	26,197	25
Corporate	12,047	13,494	12
Agriculture	20,818	24,784	19
Total Advances	**84,491**	**98,754**	**17**

Capital Management

Your Bank continues to maintain a strong capital position, with an overall Capital Adequacy Ratio (CRAR) of 18.76% as of FY 2025-26. This is significantly above the regulatory minimum requirement prescribed by the RBI. The Bank's Tier-I Capital stood at 17.72%, reflecting a strong and resilient capital base to support future business growth. Further, the ratio of Risk Weighted Assets (RWA) to Total Assets remained healthy at 55% during the year.

Financial & Operating Ratios

Your Bank registered strong growth in both Net Interest Income and Other Income during FY 2025-26, driving a healthy increase in Total Income. Net Interest Income grew from ₹4,260 Crore in the previous year to ₹4,939 Crore in FY 2025-26. Other Income increased from ₹1,829 Crore in the previous year to ₹2,084 Crore in FY 2025-26, resulting in Total Income rising to ₹7,023 Crore.

Your Bank also recorded continued improvement across key performance indicators. Return on Assets (ROA) improved from 1.72% in FY 2024-25 to 1.93% in FY 2025-26. Return on Equity (ROE) increased from 16.28% in FY 2024-25 to 17.79% in FY 2025-26. This improvement was driven by business growth, better net interest margins, controlled opex and stable asset quality with low NPAs. Higher contribution from retail and gold loans, lower funding costs, controlled operating expenses, and strong recovery from written-off accounts further supported profitability and enhanced overall returns. Basic Earnings Per Share (EPS) for FY 2025-26 stood at ₹25.98 compared to ₹20.10 in the previous year, reflecting sustained profitability and improved operational efficiency.

Particulars	FY 2024-25	FY 2025-26	% Change
Book Value (₹)	148.17	145.95	(1.50)
Cost of Deposits (%)	5.61	5.56	(0.89)
Yield on Advances (%)	10.15	9.86	(2.86)
Yield on Funds (%)	8.93	8.80	(1.46)
Cost of Funds (%)	5.61	5.56	(0.89)
Net Interest Margin (%)	4.09	4.11	0.49
Cost to Income (%)	47.25	42.96	(9.08)

Details of the change in Return on Net Worth as compared to the previous financial year and reasons thereof

The Return on Net Worth/Return on Equity grew from 16.28% as of March 31, 2025 to 17.79% as of March 31, 2026 owing to growth in Net Profit.

Reason for significant changes (i.e., change of 25% or more as compared to the previous financial year) in key financial ratios

The operating Profits of the Bank for the Financial Year 2025-26 has improved by 27% to ₹4,075 Crore from the previous year figure of ₹3,212 Crore and the Net Profit for the Financial Year 2025-26, has increased by 29% to ₹2,510 Crore from ₹1,942 Crore registered during the previous financial year 2024-25. Due to growth in business and coupled with reduction in costs & increase in non interest income resulted in increase in operating profit.

Strategic Priorities for the Next Phase of Growth

As the Bank shapes its roadmap for the coming years, its strategic focus remains centered on building a future-ready, customer-centric and technology-enabled franchise. Your Bank aims to:

1. Strengthen customer relationships by delivering personalized, responsive and value-driven banking experiences across all touchpoints.
2. Offer a comprehensive suite of financial solutions tailored to the evolving needs of Retail, MSME, Agriculture and Corporate customers.
3. Enhance digital capabilities and automation initiatives to create faster, smarter and more seamless banking journeys.
4. Leverage the Bank's strong semi-urban and rural network to expand reach in underpenetrated geographies and unlock long-term growth opportunities.
5. Focus on product diversification, stronger yield optimization and prudent risk management to improve portfolio quality and sustainable returns.

Key Enablers Driving the Strategy

People

- Nurturing in house talent and induct fresh talent, where required, to complement in house capacity
- Continuous capacity building of human resources in specialized areas such as Credit, Treasury, Forex, Risk Management, Collections and Recovery
- Digital enablers for the sales force at the field level
- Talent acquisition through lateral hires wherever required
- Talent management through appropriate retention measures
- Promote ownership culture across verticals implement structured feedback and loyalty programs

Processes

- Driving end-to-end digitization to deliver seamless and efficient customer experiences
- Leveraging data analytics, business intelligence and automation tools to improve operational effectiveness and decision making
- Adopting emerging technologies, including Robotic Process Automation (RPA) and Artificial Intelligence (AI), to streamline workflows and improve scalability

Practices

- Reinforcing governance standards, compliance culture and enterprise-wide risk management frameworks
- Maintaining disciplined execution with strong oversight mechanisms across operations
- Concentrating on niche areas for growth
- Adopt best practices in MSME lending

Planning

- Optimizing deployment of capital and financial resources to support profitable growth
- Enhancing capital efficiency while ensuring access to competitive and diversified funding sources
- Focus on South and Western Markets to enhance the Bank's market reach and market share

Partnerships

- Expanding co-lending and strategic partnerships with NBFCs and fintech players
- Building integrated financial ecosystems through alliances that enable customers to access comprehensive banking and financial solutions under one platform
- Collaborate with external data providers for customer insights

BUSINESS VERTICALS OVERVIEW

COMMERCIAL BANKING GROUP

The Commercial Banking Group (CBG) continued to strengthen its position as a key growth driver for the Bank during FY 2025-26. This was done through focused expansion in the MSME segment, technology-led transformation and relationship-driven business acquisition. Backed by a diversified product suite spanning working capital finance, term loans, export credit, supply chain finance, TReDS, factoring, bank guarantees and letters of credit, the Group continued to enhance its ability to cater to the evolving financial requirements of Commercial and MSME customers.

Key Highlights

Product Innovation and Business Expansion

- Launched the 'GST Surrogate Master' product to provide GST turnover-based funding up to ₹200 Lakh without relying on financial statements.
- Introduced KVB Open Term Loan as a flexible financing solution for commercial entities.
- Introduced a dedicated 'Lead – SBG Business' role at Divisional Offices to improve coordination and drive business growth through Relationship Manager and Branch channels.
- Identified 24 MSME-focused branches under the SBG 2.0 initiative based on historical disbursement trends, growth potential and market opportunity to drive focused SME business development.

Outlook

- Relationship-led sourcing through the Small Business Group – Relationship Manager (SBG-RM) framework and focused MSME cluster penetration under SBG 2.0 are expected to support sustained portfolio growth across high-potential markets.
- Expansion of GST-based underwriting and cash flow-based lending products is expected to improve credit accessibility for underserved and emerging business segments.
- Continued investments in CRM, AI-driven monitoring tools and digital underwriting capabilities are expected to improve lead conversion, portfolio monitoring and customer retention.
- CRM Phase II planned for FY 2026-27 will focus on cross-vertical lead sharing and enhanced internal synergies to support incremental business generation.

CONSUMER BANKING DEPARTMENT

Your Bank addresses the diverse banking needs of individual customers through its Consumer Banking Department (CBD). To strengthen and accelerate growth in the retail segment, the Bank has established two dedicated verticals under CBD: Retail Assets and Liabilities. With a view to expand its reach beyond the traditional branch network, the Retail Assets vertical operates through both the Branch Channel and the Open Market Channel (OMC).

Retail Assets

Key Highlights

- Retail Assets strengthened its distribution footprint through the expansion of Direct Selling Agents (DSAs) and Direct Sales Teams (DSTs), supported by co-lending arrangements, Business Correspondent (BC) channels, and reference-based sourcing models
- Product offerings were aligned and benchmarked with industry standards and peer banks to enhance competitiveness and ensure greater market relevance
- Affordable Housing products were launched in January 2026 across Telangana, Andhra Pradesh, and Karnataka through the Feet-on-Street (FOS) model
- Pre-approved loan offerings were introduced for existing-to-bank (ETB) customers, demonstrating a strong repayment track record

Performance of Key Products in Retail Assets (₹ in Crore)

Particulars	FY 2025-26	FY 2024-25
Housing Loan	8,163	8,039
Retail-Jewel Loans	5,560	3,455
Mortgage (LAP) Loans	9,222	5,917
Vehicle Loans	816	1,027
Consumer Credit - BNPL	798	844
Personal Loans	253	238
Education Loans	131	152
Other Retail Loans	1,254	1,224
Total Retail Portfolio	26,197	20,896

Outlook

- Poised to launch a comprehensive Loan Against Mutual Funds solution featuring a fully digital end-to-end process.
- Your Bank aims to introduce industry-first features in its credit card offerings, with a strategic focus on High-Net-Worth Individuals (HNI) and affluent customer segments.
- Your Bank will continue to focus on high-yielding products such as Gold Loans and Loan Against Property (LAP), while simultaneously increasing penetration in Affordable Housing and Micro LAP segments to sustain portfolio yields.
- To strengthen customer acquisition, the Bank plans to cater to diverse customer segments through customized and segment-specific product offerings.
- The Affordable Housing product portfolio is being expanded to include financing for properties under Gram Panchayat limits, Low Loan-to-Value (LTV) products, Liquid Income Program offerings, and multiple variants under the Business Loan (BL) segment.
- Your Bank is also entering newer segments through co-lending arrangements in the used car financing space, thereby broadening its overall product basket.
- Co-lending partnerships are being further expanded across Affordable Housing, Business Loans (BL), Personal Loans (PL), and other emerging segments to enhance market reach and diversify product offerings.

Retail Liabilities

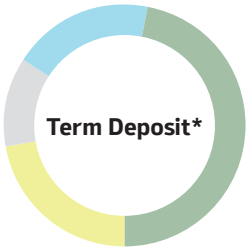
The Liability Business vertical contributes 54% of the Bank's total business. Your Bank has established dedicated sales teams across key segments, including Mass Banking, Corporate Salary, Priority Banking, Government Banking, Institutional Banking, and NRI segment . These teams focus on deepening customer relationships while expanding the Bank's Liabilities' franchise. In addition, the vertical actively builds strategic alliances within the fintech and payments ecosystem to develop innovative solutions, introduce new products, and enhance existing offerings.

Key Highlights

73.09% -Term Deposits

19.01% - Savings Deposits

7.90% - Demand Deposits



47% - < ₹15 Lakh

19% - ≥ ₹15 Lakh to < ₹1 Crore

12% - ≥ ₹1 Crore to < ₹5 Crore

22% - ≥ ₹5 Crore

**Term Deposits by Banks, FCNR Deposits and Certificate of Deposits (CDs) not included*

Merchant Acquiring Ecosystem

Your Bank significantly strengthened its merchant acquiring ecosystem during FY 2025-26. This was made possible through a technology-led and partnership-driven approach aimed at building a scalable, transaction-oriented liability franchise. By leveraging digital payment ecosystems and merchant-led operating accounts, the Bank continues to deepen customer engagement while enhancing the granularity and stability of CASA balances.

API Banking and Fintech Synergies

Your Bank continues to strengthen its digital banking ecosystem by expanding API-led capabilities and deepening engagement with fintech partners. Recognizing the growing importance of embedded banking and platform-based financial services, the Bank has invested in scalable digital infrastructure. It is designed to support seamless integration, faster customer onboarding, and transaction-led liability growth.

Demat Services

Your Bank has registered with National Securities Depository Limited as a Depository Participant (DP) and is offering demat services to the participants in the securities market. Your Bank has also tied up with M/s IDBI Capital Markets & Securities Limited M/s Religare Securities Ltd., M/s SMC Global Securities Limited and M/s Geojit Financial Services Limited for providing trading facilities.

Para-Banking and Wealth Management

Your Bank continued to strengthen its presence among High-Net-Worth individuals through its Para-banking and Wealth Management franchise during FY 2025-26, delivering robust growth in fee-based income streams while deepening customer engagement across affluent and emerging wealth segments. These initiatives are enhancing customer wallet share, diversifying revenue streams, and reinforcing the Bank's transition toward a more balanced and scalable business model.

Empowering Citizens through Government and Pension Schemes

KVB continues to play an important role in advancing the Government's financial inclusion and social security objectives by actively promoting insurance, pension, and welfare-oriented schemes across customer segments.

Details of Government Schemes

- **Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY)**

  Your Bank continued to expand coverage under PMJJBY, offering ₹2 Lakh life insurance cover to eligible customers. A pro-rata premium structure improved accessibility, helping drive enrollments to 1,19,417 as of 31st March 2026.

  Under Pradhan Mantri Suraksha Bima Yojana (PMSBY), the Bank strengthened insurance penetration among underserved customers by providing affordable accidental death and disability coverage. As of 31st March 2026, 2,75,197 customers were covered under the Scheme.

- **Pradhan Mantri Suraksha Bima Yojana (PMSBY)**

  Aimed at the uninsured, this accidental death and disability cover is available for a highly affordable premium of just ₹20 per year. Our efforts have resulted in a massive base of 2,75,197 protected customers.

- **Atal Pension Yojana (APY)**

  Your Bank remains committed to supporting retirement security for individuals in the unorganized sector through the Atal Pension Yojana. During FY 2025-26, the Bank added 30,440 new subscribers under the Scheme, further strengthening its contribution toward long-term financial security and pension inclusion.

- **National Pension System (NPS) and NPS Vatsalya**

  Your Bank continues to promote digital-first pension solutions through seamless NPS account opening capabilities in partnership with KFintech. During

FY 2025-26, the Bank onboarded 2,074 customers under NPS. Additionally, the Bank actively promoted the newly introduced NPS Vatsalya scheme, which aims to encourage early retirement planning and wealth creation for minors. As of 31st March 2026, the Bank onboarded 293 customers under this initiative.

Outlook

- Your Bank continues to proactively address evolving market conditions and competitive pressures in the liability landscape through a balanced strategy focused on digital innovation, customer acquisition, and relationship deepening.
- The Bank's continued focus on retail liabilities, transaction banking ecosystems, and granular deposits is helping build a sustainable and resilient funding base capable of supporting long-term balance sheet growth.
- KVB remains committed to blending relationship banking with digital capabilities, data-driven decision-making, and scalable operating platforms to enhance customer experience and operational agility.

Digital Products

UPI & Sound Box

Your Bank sustained strong momentum in digital payments during the year, with UPI transactions crossing 1.98 Lakh Crore in outward payments and 1.74 Lakh Crore in inward payments. The continued expansion of UPI acceptance infrastructure, including sound box solutions, further reinforced the Bank's merchant payments ecosystem.

PoS

Your Bank accelerated the growth of its PoS business through increased deployments, reinstatement of PoS distribution, and the onboarding of new partners. The proposition was further strengthened through value-added offerings such as DCC, EMI, and rewards programs, enhancing merchant engagement and service differentiation.

FASTag

Since inception, the Bank has issued 5,83,671 FASTags. The business generated revenue of over ₹4.5 Crore and recorded wallet float balances in excess of Rs. 23 Crore, reflecting strong traction in the digital mobility payments segment.

Debit Cards

During FY 2025-26, the Bank issued 9,47,927 debit cards. Your Bank processed over 534 Lakh debit card transactions aggregating to more than Rs. 26,180 crore, highlighting the scale and continued relevance of its card-based payments franchise.

AGRICULTURAL BANKING GROUP (ABG)

Agriculture and allied activities remain the cornerstone of India's economy. It provides livelihoods to a substantial rural population and contribute meaningfully to national income, food security and inclusive growth. Your Bank actively supports this vital sector through a comprehensive credit portfolio. This portfolio encompasses crop production loans (Kisan Credit Cards), allied activity loans for fisheries, aquaculture and dairy, farm mechanization and land development loans. It also includes hi-tech and precision farming finance, agri infrastructure loans, food and agro processing credit, warehouse receipt loans, renewable energy loans, microfinance (shg/jlg), and agriculture gold loans.

Key Highlights

- The Agricultural Banking Group recorded a net portfolio growth of ₹3,961 Crore during FY 2025-26, reaching ₹24,658 Crore in total ABG portfolio, representing approximately 25% of the Bank's total advances and a year-on-year growth of 19%.
- ~91% of the agriculture portfolio comprises Agri-Jewel (Gold) loans, reflecting a strategic focus on highly liquid collateral that lowers credit risk and supports small and marginal farmers while meeting PSL requirements.
- Higher gold prices enhanced collateral coverage and asset quality. To manage volatility, the Bank adopted conservative LTV norms, periodic collateral revaluations, and disciplined underwriting, strengthening risk buffers and ensuring quality-led growth.
- KVB proactively aligned Agri-Jewel lending practices with evolving RBI guidelines, embedding regulatory requirements into product design and operational processes on LTV management, valuation standards, customer-centric fair practices, and portfolio governance, ensuring that recent regulatory relaxations translated into responsible credit growth.
- Digital Loan Origination System (LOS) for processing of agriculture advances (other than gold loans), enabling quicker turnaround time; migrated Agri Term Loans, Warehouse Receipt Loans (WHRL), and KCC processing from manual to digital LOS to improve the service delivery.
- Adopted a Relationship Manager (ARM)-driven model for sourcing Agri Gold loans and other agricultural advances; appointed dedicated Agricultural Officers (AOs) at agri-based cluster branches and Divisional Offices, with performance benchmarked against monthly disbursement targets, supported by regular reviews, rewards for achievers, and structured campaign-led market outreach.
- Under the Financial Inclusion program, the Bank served 159 locations through 156 Bank Mitras in rural locations and 3 Bank Mitras in urban locations, supported by 39 Ultra Small Branches, with 2,97,975 Basic Savings Bank Deposit Account (BSBD) as on 31st March 2026.
- Conducted 417 Financial Literacy Campaigns across rural, semi-urban, and urban areas during FY 2025-26, including the RBI Financial Literacy Week 2026.

Outlook

- Building on its strategic transformation, the Bank will maintain agriculture as a core, stable pillar of its RAM (Retail, Agri, MSME) portfolio, while driving relatively faster growth in Retail and MSME segments.
- Your Bank will focus on high-yield allied agriculture segments such as dairy, poultry, and fisheries, expand warehouse receipt financing, and strengthen its presence in high-growth markets.
- Greater emphasis will be placed on climate-resilient agriculture financing, supported by crop insurance coverage through Pradhan Mantri Fasal Bima Yojana (PMFBY) and partnerships such as Kshema General Insurance to protect borrowers from climate and weather risks.
- FinTech partnerships and digital platforms will be leveraged to enhance outreach, turnaround times, and customer experience through digital underwriting, scale of finance-based assessments, and analytics-driven lending.
- Planned initiatives include AI/ML-based pledged gold identification, top-up facilities for Agri Gold loans, UPI/QR-based repayments for Microfinance loans, and Re-KYC updates through business correspondents.
- Asset quality will be supported through enhanced risk models, tighter LTV monitoring, and integration of monsoon, mandi, and procurement data into risk dashboards, complementing the existing automated NPA tagging framework.

- CGFMU guarantee coverage on new microfinance loans will strengthen portfolio resilience, support prudent risk-taking, and enable sustainable growth.
- Your Bank will actively utilize government schemes, credit guarantee programs to improve borrower affordability and portfolio growth, while maintaining disciplined underwriting standards.

CORPORATE & INSTITUTIONAL GROUP (CIG)

The Corporate & Institutional Group (CIG) vertical operates through 9 Corporate Business Units (CBUs) located in Ahmedabad, Bangalore, Chennai, Coimbatore, Delhi, Hyderabad, Madurai, Mumbai, and Vijayawada. The CBUs are led by AGM- or DGM-level executives and supported by dedicated Relationship Managers and Credit Analysts.

Your Bank had made a strategic decision in FY 2024-25 to exit from Precious Metal Business. The division had outstanding balances of ₹41 Crore at the beginning of the year, which was reduced to nil during the year. The resources associated with the division were smoothly redeployed internally to other departments. Your Bank in the process of completing the closure formalities with respective authorities.

Key Highlights

- Corporate portfolio stood at ₹14,612 Crore, including Corporate Credit Substitutes.
- Corporate Advances grew by 12% YoY to ₹13,494 Crore.
- Corporate Credit Substitutes increased to ₹1,118 Crore.
- Average ticket size of the corporate book stood at ₹37.01 Crore.
- 88% of corporate loans were below ₹150 Crore, ensuring a granular portfolio mix.
- Improvement in yield achieved through calibrated exit from low-yield advances.
- Continued focus on non-fund-based business to improve return ratios.
- Strong internal rating profile with 69% of the corporate portfolio rated BBB and above.
- Asset quality remained strong with minimal SMA levels and controlled stress metrics across the portfolio.
- Relationship Managers continued to act as single points of contact for customers, ensuring seamless coordination and prompt resolution of requirements.

Outlook

- Focus on term loans for expansion and CAPEX requirements.
- Textile industry revival expected to create opportunities for deepening existing-to-bank (ETB) relationships as well as onboarding new-to-bank (NTB) clients.
- Focus on project finance opportunities in key real estate markets.
- Increased thrust on non-fund facilities to capital market players.
- Focus on the NBFC segment offering higher yields along with CMS cross-sell opportunities.
- Leveraging opportunities under Government initiatives such as Jal Jeevan Mission.
- Efforts were initiated to empanel the Bank as a clearing bank with all clearing corporations of exchanges.
- Expected benefits from FTA with the EU and trade agreements with the United States to support growth in export credit.

TRANSACTION BANKING GROUP (TBG)

The Transaction Banking Group (TBG) delivers end-to-end Cash Management Services (CMS) spanning collections, receivables, and payment solutions for corporates across all segments. Its electronic receivables platform, built on virtual accounts and bulk payment capabilities, streamlines financial operations and enhances efficiency.

Through its Supply Chain Finance (SCF) programs, TBG supports working capital requirements across diverse industries. Partnerships with leading FinTechs enhance its reach and enable innovative financing solutions. TBG also maintains an active presence across all RBI-licensed TReDS platforms, reinforcing its commitment to strengthening the credit ecosystem and meeting customers' evolving financing needs.

Key Highlights

- Launched and deployed multiple APIs, including Balance Inquiry, Transaction Status, and enhanced Statement APIs, alongside UPI Collect (Pay-in) and Multimode Payment APIs (Payout) to enable real-time collections and disbursements.
- Initiated implementation of UPI AutoPay and e-NACH under the Sponsor Bank model in collaboration with the National Payments Corporation of India (NPCI).
- Expanded customized APIs for the collection and payment business to improve customer stickiness and service experience.
- Deployed customized MIS solutions tailored to individual corporate customer requirements.

Outlook

- The SCF ecosystem is expected to undergo structural transformation in FY 2026-27, supported by Union Budget policy measures and RBI regulatory expansions.
- key growth drivers include MSME credit expansion, scaling of TReDS platforms, Fintech-Bank synergies, and regulatory push toward standardization in receivables financing.
- The CMS market will be driven by digital transformation and automation; the Bank will leverage this growth through further scaling of Host-to-Host (H2H) and API banking integrations that enable corporate treasuries to operate in real-time.
- Full LOS integration for all SCF sanction workflows will be completed, and real-time API banking and embedded finance capabilities will be scaled to improve processing speed and credit monitoring.
- FinTech partnerships will be deepened to accelerate digital innovation, with alignment to secure, consent-driven digital frameworks as guided by the Reserve Bank of India.

TREASURY

The Treasury Department of the Bank plays a central role in managing the Bank's financial assets, liabilities, liquidity, and market risk. In FY 2025-26, the department delivered steady performance while navigating a shifting interest rate environment with disciplined judgement. The investment portfolio grew meaningfully year-on-year, supported by calibrated duration positioning well-timed profit booking and maintaining full compliance with CRR and SLR requirements.

Key Highlights

- Gross investment portfolio increased by 21% year-on-year to ₹29,394 Crore as of 31st March 2026, compared to ₹24,206 Crore as of 31st March 2025
- The yield on investments remained stable during the year, ranging between 6.60% and 6.83%

Portfolio Category Composition

Portfolio Category	Composition	% of Total Portfolio
SLR Securities	Statutory Liquidity Ratio-compliant investments	91.68%
Non-SLR Portfolio	Debentures/CD/MF/CP/Security Receipts	7.39%
Non-SLR Portfolio	Shares	0.93%
Total Non-SLR Portfolio	Aggregate of all non-SLR investments	8.32%
Total Portfolio	**SLR + Non-SLR Investments**	**100.00%**

Outlook

- Your Bank intends to optimize duration positioning within the investment portfolio to benefit from potential improvement in NIMs and treasury gains.
- The Treasury will prioritize deployment of incremental funds into higher-yielding SLR and non-SLR instruments while maintaining a prudent risk profile in line with the Bank's ALM framework.
- Forex income is expected to grow through stronger participation in key trade corridors, deeper engagement with MSME exporters and importers, and expansion of product offerings.
- Key strategic priorities include
  - Strengthening relationships with financial and capital market participants.
  - Enhancing forex capabilities across high-potential branches.
  - Optimizing money market strategies to improve overall yield on funds.

COLLECTIONS & ASSET QUALITY

The Collections & Assets Quality Department is responsible for safeguarding asset quality across Commercial, Retail, Agriculture, and Corporate lending portfolios. It oversees credit monitoring, early delinquency management, NPA recovery, and portfolio risk governance through an integrated framework aligned with RBI's IRACP norms. The Department leverages automated systems for NPA recognition, asset classification, and provisioning, ensuring accurate reporting and timely identification of stress. Analytics-driven risk segmentation, pre-due customer outreach, and continuous monitoring of Early Warning Signals enable proactive intervention through SMA tracking, borrower engagement, and corrective actions such as collateral enhancement and limit rationalization.

For NPA accounts, recovery efforts are led by eight Asset Recovery Branches and supported by specialized legal enforcement and asset sale teams under Stressed Assets Management Department (SAMD). Resolution strategies include SARFAESI actions, DRT proceedings, OTS settlements and and ARC sales, with technical write-offs undertaken in line with RBI guidelines while preserving recovery rights. Your Bank also strengthens portfolio quality through close coordination between SAMD, business, and risk teams, supported by prudent underwriting, calibrated LTV and FOIR norms, risk-based pricing, concentration monitoring, and post-disbursement controls to minimize incremental stress and improve overall asset quality.

Particulars	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
GNPA	6.03	2.27	1.40	0.76	0.75
NNPA	2.30	0.74	0.40	0.20	0.19
PCR	80.27	92.14	94.85	96.81	96.45
Credit Cost	1.26	1.45	0.65	0.71	0.77

Outlook

- Your Bank aims to further reduce the SMA pipeline through strengthened early-bucket collection mechanisms and watchlist-based action plans, with a target of bringing SMA 30+ below 0.15% of advances.
- Your Bank aims to sustain the declining trend in standard restructured advances while facilitating timely upgradation of eligible accounts to the standard category.
- A disciplined and conservative underwriting approach will be maintained in relatively vulnerable segments such as unsecured retail and BNPL, while continuing calibrated growth in secured and granular portfolios including jewel loans, mortgage/LAP, and MSME advances.
- Provisioning buffers will be preserved through timely NPA recognition and incremental provisioning, with a continued focus on maintaining Provision Coverage Ratio (PCR) above 95%.
- Advanced analytics will be leveraged for sharper risk segmentation in collections, supported by expanded pre-due digital outreach initiatives and improved cure rates in the 1-30 DPD bucket.
- Post-disbursement monitoring mechanisms, collateral revaluation cycles, and documentation standards will be further strengthened to minimize operational slippages.

MARKETING & BRANDING

Karur Vysya Bank's marketing and communications function in FY 2025-26 operated as a strategic enabler of brand equity, customer engagement, and institutional credibility. Your Bank executed integrated campaigns around key milestones including the 900th branch inauguration, Foundation Day, the KVB Corp App launch, and new deposit product introductions, ensuring consistent messaging across physical and digital channels.

To know more, read page 86 of the narrative

OPERATIONS VERTICAL

The Operations Department at Karur Vysya Bank serves as the backbone of the Bank's day-to-day functioning. It oversees general banking operations, digital banking channels, customer service, and estate management across the branch and back-office network. Its mandate extends beyond process execution to actively driving efficiency, cost discipline, regulatory compliance, and customer experience improvements across all touchpoints.

The Department's operating philosophy is built on three pillars: centralization, digitization, and continuous process refinement. By progressively centralizing high-volume back-office activities, digitizing manual workflows, and reviewing processes through a structured governance framework, the department enables the Bank to scale its business without a proportional increase in headcount or cost.

Oversight of branch operations is exercised through a network of Divisional Offices, with Divisional Operating Officers (DOOs) responsible for monitoring all operational aspects within their jurisdiction with the help of Branch Operation Managers (BOMs). Performance is tracked on a monthly basis against defined scorecards covering key operational metrics along with central direction issued wherever corrective action is essential.

To know more about Customer Service, read Page 75 of the narrative

INFORMATION TECHNOLOGY

The Bank's technology function continued to play a strategic role in driving business growth, enhancing operational efficiency, and ensuring regulatory compliance. During FY 2025-26, the department sustained 99% uptime across critical applications, delivered key customer-facing technology launches, completed all regulatory compliance implementations on schedule, and was recognized by the Indian Banking Association (IBA) with awards for Best IT Risk Management and Best Digital Financial Inclusion.

All technology decisions are governed by the IT Strategy and Digital Transaction Monitoring (ITS and DTM) Committee, which operates under IT Policy v12.0. The Committee oversees the IT strategy roadmap, technology investments, audit observations, remediation of high-risk findings, and operational resilience, integrating strategy, risk, audit, and compliance into a single oversight framework.

Infrastructure, Reliability and Architecture

The Bank's technology platform is built on a modernized, auto-scaling architecture designed for reliability, availability, and scalability, supporting 24x7 service delivery across mobile banking, internet banking, ATMs, UPI, and payment gateways.

With 97% of transactions now served digitally, the Centralized Operations Unit standardizes back-office processing and absorbs routine tasks from branches, enabling branch staff to focus on acquisition and relationship management. This has directly contributed to cost-to-income improvement, while branches progressively transition from transaction centers to advisory and digital enablement hubs.

Customer-facing Technology Launches

- **Interoperable Cardless Cash Withdrawal:** Introduced at selected ATMs, enabling withdrawals up to ₹10,000 per day through scanning QR code and UPI PIN authentication without using physical cards, while leveraging NPCI-UPI interoperability and reducing card skimming risk.
- **KVB Corp Mobile Banking Application:** Launched for corporate customers, IMPS/NEFT/RTGS, tax payments, loans, deposits, bill payments, FASTag, and e-services, with future expansion into collections, transaction banking, e-commerce, and a Super App ecosystem.
- **GST Payment through UPI:** Enabled GST payments through the GST portal using BHIM, Paytm, Google Pay, and other UPI apps for real-time mobile-based tax payments with lower processing time.
- **Instant Video KYC:** Enabled near real-time upgrade from Low KYC to Full KYC through fully paperless and branch-free onboarding, reducing turnaround time and application drop-offs.
- **KVB Netshield Soft Token:** Launched Soft Token Authenticator app in addition to hardware RSA tokens. This authenticator app features device and SIM binding, while improving low-network usability and lowering token management costs.
- **Re-KYC Digitalization and E-Mandates:** Shifted periodic Re-KYC updates to the DLite app and replaced paper NACH mandates with NPCI OnMags-based E-Mandates using Aadhaar, PAN, or Customer ID authentication without manual intervention. Debit card-based implementation is planned for FY 2025-26.
- **HMS Ticketing, Biometric CPU, and SMS Optimization:** Introduced SLA-based workflow tracking for branches and back offices, enabled faster biometric customer profile updates, and reduced communication costs through AI-powered SMS character and trigger optimization.

Digital Channels and Customer Engagement

- **KVB DLite:** Offers 150+ banking services on a single platform; recorded 7 Mn downloads, 2.5 Mn average monthly transactions, and 1 Mn MAUs as of March 2026, with planned UI/UX redesign, AI-led personalization, gamification, financial wellness tools, and virtual assistant integration.
- **GenZ Mobile App:** To be launched in partnership with a fintech to offer savings account opening and basic banking services for GenZ customers, with phased expansion planned based on acquisition outcomes.

Artificial Intelligence, Analytics and Automation

- AI/ML-based early warning systems and risk-scoring models are being deployed on loan accounts, supported by a real-time enterprise-wide data foundation for earlier stress detection and proactive portfolio management.
- AI-driven hyper-personalized communication supports use cases such as pre-approved personal loan nudging, FASTag Re-KYC, and insurance cross-sell through interaction-based time and channel optimization.
- Key use cases include employee chatbot assistants, GenAI-enabled call center automation, agentic AI-based payment reconciliation, autonomous middle-office workflows for underwriting and contract generation, legacy code modernization, and synthetic data generation for stress testing.
- Controls include RAG-based verified sourcing, hallucination watchdog models, Explainable AI (XAI), Human-in-the-Loop (HITL) oversight, and full source traceability, with all GenAI models classified as high-risk assets under the Bank's Model Risk Policy, requiring documentation, audit lineage, and transparency standards.

Cybersecurity

The Bank's cybersecurity posture is built on a multi-layered, defense-in-depth architecture. Customer data protection is ensured through advanced encryption, data masking, tokenization, Data Leak Prevention, Privileged Access Management, and Multi-Factor Authentication. Your Bank maintained ISO 27001:2022 certification through re-certification during the year, with VAPT assessments conducted regularly and at every new application launch.

Operationally, 24x7 Security Operations Centers (SOCs) with SIEM tools provide continuous threat monitoring and immediate triage. Regular red-teaming exercises and tabletop simulations test incident response playbooks across technical, legal, and communications teams. Collaborative threat intelligence and rigorous third-party oversight further strengthen structural resilience. Employee and customer cybersecurity education addresses the human element of security risk. Zero-Trust architecture is part of the forward cybersecurity roadmap.

Fintech Partnerships

Fintech partnerships with Razorpay, Bill Desk, and Cashfree are evolving beyond payment gateways to API-integrated orchestration layers that manage authentication, checkout, and the end-to-end payment lifecycle, while the Bank explores agentic, AI-driven payments and cross-border settlement opportunities through PA-CB licenses.

Unified Lending Interface and Credit Technology

The Bank's Loan Origination System is fully digitized with end-to-end workflow through partner API integrations. As RBI's Unified Lending Interface (ULI) gains traction, the Bank is positioning itself as an early adopter by migrating services to the platform and leveraging datasets such as land records and tax data to accelerate credit appraisal for rural and MSME borrowers through plug-and-play data access.

Regulatory Compliance and IT Governance

All key regulatory compliance initiatives during FY 2025-26 were completed within prescribed timelines.

Outlook

- Focus on scalability enhancement, cost optimization, and improved disaster recovery capabilities.
- Deployment of AI-driven fraud detection, autonomous reconciliation, and predictive credit risk models.
- Migration to microservices architecture with AI-led personalization, gamification, and virtual assistant integration.
- Accelerating rural and MSME credit appraisal through unified lending interface integration.
- Deployment of employee chatbots, call centre automation, and agentic reconciliation across payment channels

CALL CENTRE

Your Bank operates a dedicated contact center that serves customers round the clock, 365 days a year. The center handles inbound queries, requests, and complaints through calls, emails, and chat, while its outbound arm drives tele collections, tele sales, and proactive customer engagement. The inbound unit, Phone Banking, is the primary interface for customer requests, queries, and complaints across voice, email, and chat.

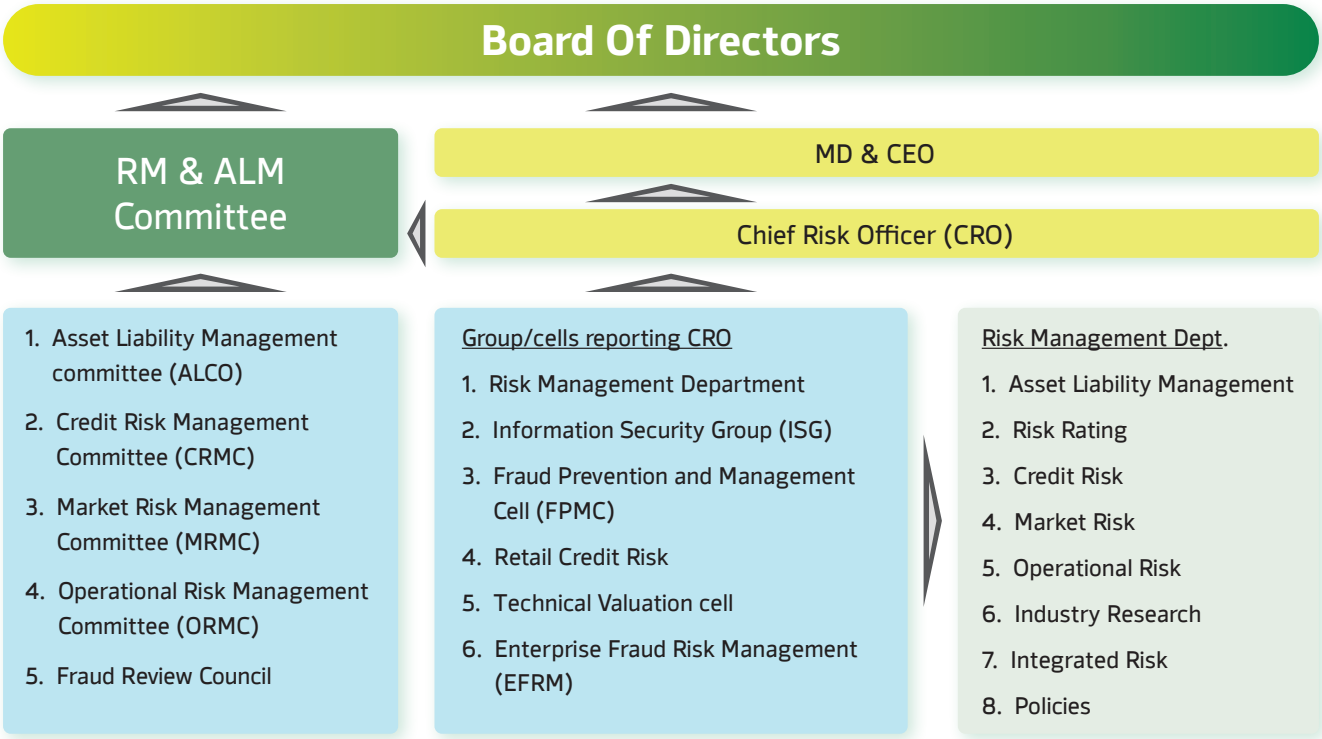
The outbound unit performs outbound calls to customers on behalf of the Bank which includes welcome calls, tele sales, and tele collection for pre due and post due.

Outlook

- Exploring a hybrid service model that combines AI-driven voice bots for routine queries with seamless handoff to live agents for complex or sensitive interactions.
- The Phone Banking IVRS is being revamped, and a dedicated Credit Card IVRS is in the pipeline.
- Digital collections capabilities are also being developed.

RISK MANAGEMENT

Your Bank has put in place a comprehensive risk management architecture commensurate with the size, scale, and complexity of its operations. The risk governance structure provides clear accountability and effective oversight across all material risk categories. Your Bank has further strengthened its risk culture through well-defined policies and processes, including a dedicated Policy on Risk Culture and the incorporation of risk and compliance parameters into Key Result Areas (KRAs). All business decisions and processes are undertaken in accordance with the Bank's risk policies, which are formulated in line with regulatory requirements, reviewed by the compliance function, and approved by the Board. Ongoing risk management initiatives support informed decision-making and enhance the Bank's ability to respond to emerging risks.



Governance and Risk Oversight

Risk governance is anchored at the Board level through the Risk Management and Asset Liability Management Committee (RM & ALM). The Board is supported by specialized committees that provide focused oversight of credit, market, liquidity, operational, and information technology/cyber risks, ensuring effective supervision and timely escalation of risk issues.

Your Bank operates under a clearly articulated Three Lines of Defence model:

- **First Line of Defense:** Business units are responsible for identifying, owning, and managing risks within the approved risk appetite and limits.
- **Second Line of Defense:** Independent Risk Management and Compliance functions provide oversight, challenge, and policy guidance to ensure adherence to the regulatory and internal risk framework.
- **Third Line of Defense:** Internal Audit provides independent assurance on the adequacy and effectiveness of risk management practices, internal controls and governance processes.

Risk Management Policy Framework

The Bank's Risk Management Policy has been formulated through a structured and comprehensive process that involves the identification of material risks inherent in its business activities, assessment of their potential impact, and the establishment of appropriate control mechanisms to mitigate such risks. The Policy provides a consistent and integrated framework for managing risks across the Bank and is aligned with regulatory guidance issued by the Reserve Bank of India as well as leading industry practices.

The Risk Management Policy is underpinned by the following core principles:

- **Clearly Defined Risk Appetite Framework (Raf):** The Policy articulates the Bank's risk appetite, setting out acceptable levels of risk exposure across key risk categories and providing clear boundaries for business activities.
- **Alignment with Strategy and Capital Planning:** Risk management practices are closely aligned with the Bank's strategic objectives, business plans, and capital planning processes, ensuring that growth initiatives are undertaken within the approved risk appetite.
- **Integration into business processes:** Risk considerations are embedded into key decision-making processes, including credit appraisal, treasury and investment operations, product development, and business expansion initiatives.
- **Strong Governance and Accountability:** The Policy establishes clear governance structures, roles, and responsibilities to ensure effective oversight, accountability, and escalation of risk-related matters.

The Risk Management Policy is subject to periodic review and enhancement to reflect changes in the regulatory environment, market dynamics, technological developments, and emerging

risk trends. Any revisions to the Policy are approved by the appropriate governance forums to ensure continued relevance and effectiveness.

Implementation of the Policy is supported by a robust governance and internal control framework. Risk exposures across the Bank are monitored through periodic Management Information Systems (MIS), dashboards, and key risk indicators, enabling timely identification of emerging risks. Your Bank conducts enterprisewide stress testing exercises to assess its resilience under adverse economic and business scenarios. The results of these stress tests are integrated into the Internal Capital Adequacy Assessment Process (ICAAP) and liquidity planning frameworks, thereby strengthening the Bank's ability to withstand potential stress events.

Any breaches of approved risk limits are promptly identified and escalated in accordance with defined governance protocols, ensuring timely corrective actions. Through this comprehensive risk management framework, the Bank seeks to maintain a balanced risk profile, enhance resilience, and support sustainable growth while safeguarding stakeholder interests.

Risk Appetite and Board Oversight

The RAF defines acceptable levels of risk across key risk categories and provides clear boundaries for business activities. Risk limits, tolerance thresholds, and key risk indicators are monitored on an ongoing basis, with defined escalation mechanisms for any breaches. The Board periodically reviews the RAF and the Bank's risk profile in the context of changes in the operating environment, strategic priorities, and regulatory landscape, ensuring that the Bank's risk posture remains aligned with its capital strength and long-term objectives.

The Risk Appetite Framework was reviewed and refined during the year to ensure clearer articulation of qualitative and quantitative risk boundaries across key risk categories, including credit, market, liquidity, operational, and reputational risks.

Greater emphasis was placed on cascading risk appetite limits to business units through clearly defined Key Risk Indicators (KRIs) and operating thresholds. RAF metrics were also integrated into senior management dashboards and Board-level reporting, strengthening risk-informed decision-making across the organization.

Proactive Risk Identification and Assessment

The Risk Management function adopts a proactive and forward-looking approach to identifying vulnerabilities at both the transaction level and the portfolio level. Risks are assessed using a combination of quantitative tools, qualitative assessments, stress testing, scenario analysis, and expert judgment. This enables early identification of potential stress points, concentration risks, and adverse trends, supporting timely management actions.

At the transaction level, risk assessments focus on policy compliance, underwriting standards, product structures, and control effectiveness. At the portfolio level, periodic reviews are undertaken to assess sectoral exposures, geographic concentrations, borrower risk profiles, and migration trends, ensuring that the Bank maintains a balanced and diversified risk profile.

Risk Measurement, Systems, and Analytics

Your Bank continues to strengthen its risk measurement and monitoring capabilities through continuous enhancement of models, analytics, and Management Information Systems (MIS). Emphasis is placed on automation of risk processes to improve data quality, timeliness, and consistency in risk reporting. These initiatives support informed decision-making by senior management and the Board.

Enhancements to risk measurement systems are undertaken not only to meet evolving regulatory expectations but also to support optimal capital utilization and improved risk adjusted returns.

Integration with Capital and Performance Management

Risk management is closely integrated with the Bank's capital management and performance evaluation processes. Risk assessments and stress testing outcomes feed into the Internal Capital Adequacy Assessment Process (ICAAP), ensuring that capital buffers remain commensurate with the Bank's risk profile under both normal and stressed conditions.

Your Bank continued to enhance its ICAAP, with strengthened stress testing and scenario analysis covering adverse macroeconomic, sectoral, and institution-specific stress conditions. Stress testing outcomes were more closely linked to capital buffers and liquidity planning, reinforcing the Bank's ability to withstand stressed environments. Governance over ICAAP assumptions, methodologies, and documentation was further strengthened in line with supervisory expectations.

Risk Culture and Continuous Improvement

Your Bank continued to strengthen its risk culture through formal policies, inclusion of risk and compliance parameters in performance evaluation frameworks, and a strong 'tone from the top' by senior management. Ongoing training and awareness programs were conducted across the organization on risk management, fraud prevention, compliance, and ethical conduct. Enhanced use of MIS, dashboards, and structured management reviews supported greater risk ownership and accountability across all levels of the organization.

Risk Monitoring Tools

- **Risk and Control Self-Assessment (RCSA):** Conducted regularly across products, processes, business activities, and support functions, RCSAs assess inherent and

residual risk levels and identify control gaps. Controls are tested in proportion to the underlying risk, with immediate remediation triggered wherever gaps are found.

- **Key Risk Indicators (KRIs):** KRIs track shifts in the operational risk profile across key business and support functions. Measured quarterly against defined thresholds, they serve as early triggers for review and corrective action. Thresholds are periodically refreshed, and new KRIs are introduced as the risk landscape evolves.
- **Early Warning Signals (EWS):** A comprehensive set of EWS is monitored continuously, with findings shared with relevant business verticals by the Credit Monitoring Team. Specialized applications, supplemented by an in-house analytics-driven EWS tool built on internal operational data, enable systematic tracking of the loan portfolio to preserve asset quality.
- **Red Flagged Accounts (RFA):** Borrower accounts exhibiting multiple EWS triggers are classified as Red Flagged Accounts and subjected to enhanced monitoring over a six-month observation period. Based on performance assessment, accounts are either de-escalated or escalated for fraud classification, strictly in accordance with regulatory guidelines.
- **Root Cause Analysis:** Comprehensive root cause analysis is conducted on significant risk events to identify systemic weaknesses, strengthen controls, and prevent recurrence.

Role of Technology in Managing Risk: CLS - LOS (Loan Origination System)

Technology is a key enabler of KVB's risk management framework, enhancing the efficiency, accuracy, and timeliness of risk identification, assessment, monitoring, and reporting. The Bank's credit processing is fully digitized through its Loan Origination System (LOS), which integrates automated bureau checks, bank statement analysis, GST data validation, and income verification, supported by robust scorecards and workflow-based processes. Field investigations and document verification are conducted through a dedicated Fraud Control Unit (FCU), reducing manual intervention and strengthening origination controls. Internal credit ratings are generated through a Business Rule Engine (BRE) as a mandatory pre-sanction assessment and are further supplemented by CRISIL ICON ratings and portfolio monitoring tools.

Your Bank strengthened its IT and cyber risk governance through periodic risk assessments, vulnerability testing, and enhanced incident response preparedness.

Operational resilience initiatives were aligned with Business Continuity Planning (BCP) and Disaster Recovery (DR) frameworks for critical systems. Collaboration between IT, Risk, and Business functions was further enhanced to proactively manage technology-driven risks.

Enterprise Risk Management

Your Bank has established a robust and integrated Enterprise Risk Management (ERM) framework to ensure the systematic identification, assessment, monitoring, and mitigation of risks in a proactive manner. The framework is aligned with the regulatory guidance issued by the Reserve Bank of India and is embedded across the Bank's strategic planning, capital management, and long-term value creation processes. The Enterprise Risk Management framework was further strengthened through an enhanced Enterprise-Wide Risk Assessment (EWRA) covering all business, support, and control functions. The risk register was refreshed to capture emerging and evolving risks, including those arising from macroeconomic uncertainty, technology adoption, and changing regulatory expectations. ERM outcomes were periodically presented to the RM & ALM Committee, enabling informed oversight and timely strategic direction.

Your Bank has implemented an Enterprise Fraud Risk Management Solution (EFRMS) as a core component of its payment fraud risk management framework. The solution plays a critical role in strengthening the Bank's ability to detect, prevent, and mitigate fraud risks in a timely and effective manner, particularly in an increasingly digital and transaction-intensive operating environment.

EFRMS enables continuous and real-time monitoring of transactions by leveraging transaction surveillance and customer profiling capabilities. EFRMS extends to transactions carried out through the Bank's digital channels, ensuring comprehensive coverage of fraud risks arising from customer-initiated, system-driven, and process-related activities. This enterprise-wide coverage supports effective management of fraud risks associated with digital banking products, payment systems, and technology-enabled services.

Alerts and risk indicators generated by the EFRMS are reviewed, analyzed, and acted upon in accordance with the Bank's structured risk management processes.

The governance and operation of EFRMS are guided by the Board-approved EFRM Policy, which provides the overarching framework for fraud risk management. The Policy defines roles and responsibilities, escalation protocols, reporting mechanisms, and oversight structures, ensuring alignment with the Bank's broader Enterprise Risk Management (ERM) framework and regulatory expectations. Periodic reporting on fraud risk trends, EFRMS effectiveness, and key observations is placed before senior management and the Board-level committees, enabling effective oversight and governance.

Credit Risk

Macro factors such as economic slowdown, geopolitical tensions, and stress in specific industries, along with micro-level factors, including underwriting processes and recovery mechanisms, continue to influence credit risk management.

Credit Risk Management

- Your Bank has a Credit Risk Management function, independent of business operations, supported by Board-approved policies and prudential exposure limits for industries, single and group borrowers, and sensitive sectors.
- The Early Warning System (EWS) framework was strengthened to enable timely identification and monitoring of stressed and vulnerable accounts, including exposures under consortium and multiple banking arrangements. Enhanced oversight of rating migration, watch-list accounts, and exit strategies for high-risk exposures contributed to proactive portfolio risk management.
- Robust credit underwriting standards, effective risk mitigation measures, post-disbursement monitoring, and a strong collection and recovery framework ensure that credit risk remains within acceptable levels.
- Divisional Credit Risk Officers are positioned at divisional offices to provide independent, groundlevel assessment and transaction specific insights on credit proposals.
- Internal credit risk rating is mandatory for all credit proposals, with defined hurdle rating grades for new and takeover exposures.
- Credit exposures are monitored on an ongoing basis to ensure compliance with policy ceilings and limits approved by the Board.
- The Analytics team provides comprehensive portfolio analytics, insights, and forward-looking assessments to senior management to support informed policy and business decisions.
- Periodic portfolio reviews, industry and sectoral studies, and product level assessments are conducted to capture emerging risks and facilitate timely course correction.

Digitization of Credit Underwriting

- Your Bank has implemented a structured Loan Origination System (LOS) to digitize and strengthen the credit underwriting process.
- The LOS enables improved turnaround time (TAT) controls, enhanced underwriting capability through analytical inputs, and end-to-end digital workflows for effective risk mitigation.
- Automated bureau checks, system-driven due diligence, and sanity validations help minimize onboarding and fraud risks.
- Data-driven gating conditions, tested using historical bank data, and well-designed scorecards reduce subjectivity and enhance consistency in credit decision-making.
- Performance of digital portfolios across retail and commercial segments is periodically reviewed to initiate timely corrective actions.

Governance, Monitoring, and Risk Optimization

- Credit risk policies are reviewed periodically in line with regulatory requirements and the Bank's evolving risk profile.
- A comprehensive delegation of powers framework is in place, with defined matrices for risk and non risk deviations.
- Pricing is governed by a spread policy linked to internal ratings and scores, factoring in credit risk premium, business strategy premium, and tenor premium.
- The committee based credit approval process promotes qualitative deliberation, collective judgment, and a holistic evaluation of credit proposals.
- The Portfolio Quality Index (PQI) is used to monitor the performance of business units and relationship officers.
- Risk Adjusted Return on Capital (RAROC) is used as a key performance metric to support optimal capital allocation and risk calibrated growth.
- The Model Risk Management framework enables assessment, monitoring, and mitigation of risks arising from credit and analytical models.
- Your Bank has a Country Risk Management Policy and proactively monitors developments in countries where it has exposure.
- An ESG Policy has been adopted to address climaterelated risks and promote environmentally responsible, low carbon, and sustainable banking operations.

Market Risk

Market risk primarily arises from the Bank's trading activities in interest rate instruments, equity markets, and foreign exchange markets. Your Bank has established a comprehensive framework comprising Board-approved policies and defined practices for effective management of market risks.

Mitigation Steps

- Market risk is managed through comprehensive Board-approved policies that define risk limits across trading desks, instruments, and portfolios. These policies prescribe exposure caps, triggers, and escalation mechanisms to ensure prudent deployment of investment funds.
- Your Bank has established an independent Mid Office function, operating as a risk control unit and reporting to the Chief Risk Officer (CRO), ensuring independence from front office treasury activities.
- The Mid Office independently monitors treasury operations from both market risk and operational risk perspectives and reports directly to the Risk Management Department (RMD) at the Central Office.
- Well-defined policies govern activities exposed to market risk and liquidity risk, including position limits, stop loss limits, and dealer-wise and product-wise exposure limits, enabling effective control over trading activities.
- The risk framework also addresses liquidity risk arising from the banking book, trading book, and off balance sheet exposures, ensuring a holistic view of balance sheet and contingent risks.
- Your Bank has articulated risk appetite limits for key market risk components, including interest rate risk, equity price risk, foreign exchange risk, and spread risk.
- Market risk is monitored using a combination of quantitative and sensitivity based tools, including stress testing, Modified Duration, Present Value of a Basis Point (PVBP), Value at Risk (VaR), position limits, stoploss limits, Net Overnight Open Position (NOOP) limits, and Aggregate Gap Limits (AGL).
- Stress testing and scenario analysis are conducted periodically to assess the impact of adverse movements in interest rates, exchange rates, equity prices, and market liquidity under both normal and stressed conditions.
- Your Bank continues to enhance its market risk monitoring framework in line with evolving regulatory guidance, including increased focus on Interest Rate Risk in the Banking Book (IRRBB) and intraday liquidity risk management.
- Capital charge for market risk is currently computed under the Standardized Duration Approach (SDA), in accordance with regulatory prescriptions.

Liquidity & Interest Rate Risk

Liquidity risk refers to the potential inability to fund asset growth, meet reductions in liabilities, or fulfill obligations as they become due, without incurring unacceptable losses.

Interest rate risk arises from fluctuations in market interest rates that affect the Bank's earnings through changes in Net Interest Income (NII) and the market value of equity through variations in the economic value of interest rate-sensitive assets, liabilities, and off-balance-sheet positions.

Mitigation Steps

- The Banks Asset Liability Management (ALM) Policy provides a comprehensive framework for managing liquidity risk and interest rate risk, with clearly defined risk appetite and tolerance limits approved by the Board. Your Bank has also established mechanisms to monitor and manage intraday liquidity risk.
- The ALM framework aims to strengthen the balance sheet through proactive assessment of market dynamics, timely capture of emerging signals, and optimization of value creation, while ensuring compliance with regulatory requirements.
- Your Bank conducts behavioral studies of non-contractual assets and liabilities, including embedded customer options. The outcomes are used to improve maturity profiling and manage structural gaps more effectively.
- The Asset Liability Committee (ALCO) reviews pricing of assets and liabilities at least on a monthly basis, and more frequently as required, while monitoring adherence to liquidity risk and interest rate risk limits.
- Liquidity risk is assessed using maturity gap analysis and stock ratio limits, while interest rate risk is evaluated through impact analysis on Net Interest Income (NII) and Economic Value of Equity (EVE). These are supported by a comprehensive stress testing framework covering both liquidity and interest rate risk scenarios.
- Your Bank monitors its liquidity position using the Liquidity Coverage Ratio (LCR) to ensure availability of adequate unencumbered High-Quality Liquid Assets (HQLA) to meet obligations under a 30day stress scenario.
- Net Stable Funding Ratio (NSFR) is used to promote longerterm resilience by ensuring that assets are funded through stable and sustainable sources.
- A robust Contingency Funding Plan (CFP) is in place to ensure access to adequate liquidity under stressed conditions. The CFP is reviewed quarterly by the ALCO and the Board as a forward-looking risk mitigation measure.
- Country risk and counterparty (bank) exposure limits are reviewed periodically to address evolving geopolitical and counterparty specific risks.

Operational Risk

Operational risk arises from inadequate or failed internal processes, controls, systems, procedures, employee errors, external events, or a combination of these factors.

Mitigation Steps

- Your Bank has implemented a Board-approved Operational Risk Management Framework (ORMF) in line with RBI guidelines, which is fully integrated with the Bank's overall Enterprise Risk Management framework.
- The ORMF is structured around the principles of Prepare and Protect, Build Resilience, and Learn and Adapt, ensuring proactive risk identification, operational resilience, and continuous improvement.
- The framework covers the entire operational risk lifecycle, including risk identification, assessment, monitoring, mitigation, loss data management, reporting to senior management and the Board, and Business Continuity Management.
- Your Bank follows the Three Lines of Defense model, with Business Units as the first line, the Organizational Operational Risk Function (OORF) as the second line, and Internal Audit as the third line, in line with RBI expectations on independence and oversight.
- A robust internal control framework is in place, supported by documented policies, standard operating procedures, segregation of duties, defined authority structures, and clear reporting lines.
- Your Bank has a comprehensive audit framework, including internal, concurrent, information security, credit, revenue, and statutory audits, which supports independent evaluation of controls and identification of control gaps.
- Operational risk loss events are systematically captured from business units, consolidated, analyzed, and reviewed periodically by the Operational Risk Management Committee, enabling trend analysis and corrective actions.
- The Risk Management Department conducts root cause analysis of significant operational risk events, identifies control weaknesses, and implements preventive and corrective measures to avoid recurrence.

- Key Risk Indicators (KRIs) and risk and control assessments are used to monitor operational risk exposures and strengthen controls on an ongoing basis.
- All new products, process changes, and outsourcing arrangements are subject to prior risk assessment through designated committees, with independent risk evaluation and mitigation recommendations.
- Your Bank has a Business Continuity and Disaster Recovery (BCP & DR) framework, aligned with regulatory requirements, to ensure continuity of critical operations during disruptions.
- Board-approved Reputation Risk Management Policy is in place to identify, monitor, and mitigate reputational risks arising from operational, compliance, and conduct-related events.

Fraud Risk

Financial institutions, in general, and banks, in particular, are vulnerable to various forms of fraud perpetrated by internal and external factors. All banks continuously undertake initiatives to strengthen internal control systems and procedures to safeguard against fraud.

Mitigation Steps

Bank has put in place a fraud risk management policy and standard operating procedure clearly defining the roles and responsibilities of all the related stakeholders in the matters relating to detection/identification, classification and reporting of frauds to RBI, other regulatory bodies, Board of the Bank and Sub committees of the Board, process of investigation, apart from recovery including insurance claims, provisioning, disciplinary action against the fraudsters, and closure of fraud, among others.

The framework provides for prevention, early detection, and timely reporting of frauds to the Reserve Bank of India, other regulators, law enforcement agencies, the Board, and its Committees, with defined timelines and adherence to principles of natural justice.

- Your Bank has established a dedicated Fraud Prevention and Management Cell (FPMC) to oversee fraud risk management across all business and operational areas. The FPMC operates independently of business functions and reports to the Chief Risk Officer (CRO), thereby ensuring objectivity, independence, and strong risk oversight. The FPMC periodically places comprehensive fraud risk reports before the Board and Board level committees, facilitating effective governance, oversight, and timely decision-making. Fraud risk management is treated as a continuous process, with a strong focus on early detection, root cause analysis, corrective action, and strengthening of control mechanisms to minimize recurrence.
- Your Bank has implemented multiple layers of control and surveillance to manage fraud risk effectively. All branches and operating units are subject to concurrent, internal, and other audits, supplemented by periodic on-site inspections and reviews conducted by Divisional Heads, Divisional Operating Officers, and Central Office officials. These measures form part of the Bank's overall operational risk control framework and enable continuous monitoring of processes, transactions, and compliance with internal policies.
- The Bank's Fraud Risk Management Policy, supported by detailed standard operating procedures, provides a comprehensive framework for identifying, assessing, controlling, monitoring, and reporting fraud risks. The framework ensures timely reporting to senior management, the regulator, and law enforcement agencies, as applicable. It also provides for continuous surveillance and proactive risk mitigation to manage potential losses arising from both internal and external fraud events. Strategic oversight and macro level guidance on fraud risk management are provided by the Board and its committees, reinforcing a strong governance structure.
- Oversight of fraud risk management is provided by a Special Committee of the Board for Fraud Monitoring and Followup of cases of Frauds (SCBMF), which reviews fraud cases, root cause analysis, and recommends measures to strengthen controls and reduce recurrence.
- Root cause and gap analysis are undertaken for fraud incidents to identify control weaknesses and implement additional safeguards, including changes to processes, systems, and products.
- Early Warning Signals (EWS) are analyzed on an ongoing basis, including transaction patterns and behavioral indicators, and findings are shared with concerned business and operational verticals.

- Both internal data and relevant public domain information are used as part of preventive and monitoring mechanisms.
- Digital and online transactions are monitored through the Enterprise Fraud Risk Management (EFRM) system, enabling realtime alerts and preventive actions such as customer confirmation, transaction blocking, or escalation, as required.
- Select large loan accounts exhibiting multiple EWS are subjected to enhanced monitoring and detailed review over defined periods, with appropriate corrective actions initiated based on outcomes.
- Your Bank places strong emphasis on the Whistle Blower Mechanism, encouraging employees to report suspected irregularities, including frauds and operational risk events. Ongoing initiatives are undertaken to enhance awareness of safe banking practices, particularly in the context of increasing digital adoption. These initiatives include dissemination of safety-related messages through SMS and emails, as well as targeted fraud awareness campaigns across multiple channels such as website banners, mobile application push notifications, and social media platforms.

ESG and Emerging Risks

Environmental, Social, and Governance (ESG) risks were progressively integrated into the broader risk management framework, with particular focus on climate-related and reputational risks. ESG policies were periodically reviewed with risk vetting to ensure alignment with regulatory guidance and stakeholder expectations. Initial steps were taken towards embedding ESG considerations into credit appraisal and strategic risk assessments. Through a structured ESG risk assessment framework, these factors are now evaluated as an integral part of the overall credit appraisal process, reinforcing focus on responsible and sustainable lending practices.

Guided by this approach, the Bank has consciously identified specific sectors for inclusion in an exclusion list, ensuring that business engagements reflect dedication to minimizing environmental and social risks at a portfolio level. Additionally, the Bank has begun incorporating ESG focused assessments into its investment decisions for bonds, further aligning our investment strategy with long-term sustainability goals and ethical stewardship.

Integrated Risk Management Framework

Mitigation Steps

The objective of Integrated Risk Management is to enable the Bank to identify, measure, monitor, and manage risks and capital on a holistic and enterprise wide basis across all business activities. The integrated approach recognizes the interconnected nature of risks and ensures that individual risk types are not assessed in isolation but in terms of their cumulative impact on the Bank's financial position, capital adequacy, and resilience.

Your Bank acknowledges that credit, market, liquidity, and operational risks are inherently interwoven, with Pillar II risks having the potential to materially influence Pillar I risks. Operational risk, in particular, is an all-pervasive risk embedded in every product, process, and activity of the Bank. Accordingly, risk management is carried out through a well structured and centralized framework that captures risk interdependencies and provides a consolidated view of the Bank's overall risk profile.

Integrated Risk Management supports effective decision-making by aligning risk assessment with the Risk Appetite Framework, capital planning, and strategic objectives. The framework forms the foundation of the Bank's ICAAP, ensuring that adequate capital buffers are maintained against all material risks under normal and stressed conditions. Through this approach, the Bank seeks to enhance risk adjusted performance, optimize capital utilization, and support sustainable growth while remaining compliant with regulatory requirements.

Commodity Price Risks and Foreign Exchange Risks and Hedging Activities

Commodity price risk arises from adverse movements in the prices of commodities such as gold and other precious metals. Your Bank manages this risk within a comprehensive market risk framework governed by the Board-approved Market Risk Management Policy and Integrated Treasury Policy, which together define the risk control framework for managing commodity price risk and foreign exchange risk.

The Board has prescribed a set of prudential risk limits to manage foreign exchange exposures, including the overall Net Overnight Open Position (NOOP) limit, stop-loss limits for trading activities, Aggregate Gap Limit (AGL), and Value at Risk (VaR) limits. These limits are monitored on an ongoing basis to ensure that exposures remain within the approved risk appetite and control framework.

In respect of commodity linked exposures, the Bank has stipulated appropriate margin requirements for lending against commodities. A robust monitoring mechanism is in place to assess the adequacy of margins on a continuous basis, taking into account movements in prevailing commodity prices, thereby mitigating potential market-driven risks.

Your Bank uses derivative instruments such as forward contracts and foreign exchange swaps to hedge currency and interest rate risks arising from foreign currency balance sheet exposures and customer-related transactions.

All such activities are undertaken within the overall risk limits and governance framework approved by the Board. The management of treasury products and related activities is governed by Board-approved policies, ensuring prudent risk management, regulatory compliance, and effective oversight.

Climate Risk

Climate risks are broadly classified into two categories:

Transition Risks

Risks arising from factors such as:

- Changes in policies and regulations.
- Technological advancements.
- Shifts in consumer preferences.

Physical Risks

Risks arising from both chronic and acute impacts of climate change, including:

- Long-term changes in temperature.
- Precipitation pattern variations.
- Agricultural productivity changes.
- Sea level rise.
- Increased frequency and intensity of severe events such as heatwaves, floods, cyclones, and wildfires.

KVB recognizes the significant impact of climate-related risks across credit, operational, market, and reputational domains. Your Bank is aligning its practices with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). Climate-related scenario analysis and stress testing exercises are being conducted by incorporating relevant climate factors into stress-testing frameworks.

Risk Exposure and Assessment

Your Bank is exposed to various types of risks, including Credit Risk, Market Risk, Operational Risk, Liquidity Risk, Interest Rate Risk, Reputational Risk, Legal Risk, and Strategic Risk. To manage these risks effectively, the Bank has established an independent Risk Management Department that oversees risk management through an integrated framework.

The objective of the risk management function is to maintain an optimal balance between risk and return. This involves identifying, measuring, monitoring, and managing risks across the Bank's various business activities. Risk management is carried out through a framework defined in Board-approved policies and supported by an independent risk management function that continuously monitors and takes corrective action to ensure risk exposure remains within the Bank's approved risk appetite.

KVB seeks to proactively identify vulnerabilities through both quantitative and qualitative assessments of embedded risks across various activities. Your Bank continues to strengthen and refine its risk management systems. In addition to ensuring compliance with regulatory requirements, the Bank has developed robust internal systems to assess capital requirements and align them with overall business objectives.

The Board of Directors approves the Bank's risk management strategies and policies based on recommendations from the RM & ALM Committee. The following Committees review various aspects of risk arising from business operations:

- Asset Liability Management Committee (ALCO).
- Credit Risk Management Committee (CRMC).
- Market Risk Management Committee (MRMC).
- Operational Risk Management Committee (ORMC).

These committees provide inputs and recommendations for review by the RM and ALM Committees of the Board.

Asset Liability Management Committee (ALCO)

Committee Focus Area

All aspects of Asset Liability Management, Monitoring, Control, and Interest rate review, among others.

Chairman

Executive Director

Key Functions/Responsibilities

- Study all ALM-related returns and statements prescribed by RBI.
- Provides framework for management of liquidity risk and interest rate risk.
- Pricing for both deposits and advances.
- Decide on the desired mix of incremental assets and liabilities.
- Decide on the desired maturity profile of the incremental assets and liabilities and contingency funding plan.
- Determine the structure, responsibilities, and controls for managing liquidity risk and for overseeing the liquidity positions.
- Discuss on future direction of interest rate movements and decide on funding mix between fixed vs floating rate funds, wholesale vs retail deposits, money market vs capital market.
- Review the impact of NII and MvE due to interest rate risk in banking book.
- Review and recommend the Transfer Pricing Mechanism (TPM).
- Any other matters related to market risk and liquidity risk.

Credit Risk Management committee (CRMC)

Committee Focus Area

All aspects of Credit Risk Management, Monitoring and Control.

Chairman

MD & CEO

Key Functions/Responsibilities

- Recommend and review of Credit Policy, internal rating policy and other credit risk related policies.
- Recommend for introduction of new internal rating models/score cards and review.
- Review of exposures to various industries – exposure ceiling vis-à-vis actual.
- Review of stress tests conducted on CRAR under different scenarios.
- Discuss regulatory guidelines and the actions taken by the verticals.
- Peruse credit-related frauds and suggest mitigation measures.
- Study concentration in advances portfolio.
- Review the rating migration in the internal and external ratings of borrowers
- Any other matters related to credit risk.

Market Risk Management Committee (MRMC)

Committee Focus Area

Aspects of Market Risk Management, Monitoring and Control.

Chairman

Chief Financial Officer

Key Functions/Responsibilities

- Setting guidelines for market risk measurement, management, and reporting.
- Ensuring that market risk management processes (including people, systems, operations, limits, and controls) satisfy the Bank's Policy.
- Reviewing and recommending market risk limits, including triggers/stop-losses for traded and accrual portfolios.
- Monitoring interest rate risk, equity price risk and forex risk and to take control measures.
- Take note of market risk related regulatory guidelines and to take necessary action.
- Discuss market related events/occurrences, and movement of various benchmarks, among others.

Operational Risk Management Committee (ORMC)

Committee Focus Area

All aspects of Operational Risk Management, Monitoring and Control.

Chairman

Executive Director

Key Functions/Responsibilities

- Implement and monitor the Operational Risk Management framework approved by the Board.
- Develop policies, processes and procedures for managing various operational risk in the Bank's material products, activities, processes, and systems.
- Review and recommend the development and implementation of operational risk methodologies.
- Review of Key Risk Indicators (KRI) and Risk and Control Self - Assessment (RCSA).
- Perusal of frauds including cyber frauds, near miss events and related matters.
- Discuss and study the impact of loss data collected.
- Peruse the minutes of various operational risk related executive committees and providing guidance.
- Any other matters related to operational risk.

INFORMATION SECURITY GROUP (ISG)

The Information Security Group (ISG) safeguards the Bank's information assets, including systems, data, and networks, against internal and external threats through robust security controls, policies, and technologies aligned with regulatory and industry standards. Its responsibilities include information security governance, regulatory compliance, SOC monitoring, incident management, application, cloud, data, endpoint and network security, threat intelligence, cyber forensics, vulnerability management, and security assessments. ISG is also adopting advanced technologies and frameworks, including Artificial Intelligence (AI), Machine Learning (ML), and Zero Trust, to further enhance the Bank's cybersecurity resilience and overall security posture.

Key Highlights

- Your Bank leverages advanced technologies and security frameworks to proactively identify, assess, and mitigate cyber threats before they impact business operations.
- Cyber resilience is strengthened through periodic cyber drills, independent security audits, and automated real-world attack simulations to ensure continuous preparedness against evolving threats.
- KVB proactively aligns its internal security policies and controls with evolving regulatory guidelines and directives issued by RBI, SEBI, NCIIPC, PFRDA, and IRDAI.
- Your Bank focuses on strengthening the human firewall through specialized training programs for Information Security professionals and organization-wide cyber awareness initiatives for employees.
- Your Bank conducted the 'Digital Self-Defense Campaign' across multiple locations in Trichy, creating awareness on phishing attacks, OTP scams, fraud impersonation and other cyber threats.
- Cyber threat-based awareness posters were circulated to customers on every Cyber Jagrookta Diwas (CJD), observed on the first Wednesday of every month.

Outlook

- Your Bank remains committed to a 'Security First' philosophy focused on strengthening cybersecurity resilience and ensuring secure digital operations.
- Operational resilience is being enhanced through scalable infrastructure support and periodic Disaster Recovery (DR) drills to ensure uninterrupted service availability during cyber incidents and operational disruptions.
- As part of Continuous Assurance and Dynamic Risk Management, the Bank has implemented robust encryption standards along with advanced data protection techniques. These techniques include data masking and tokenization to safeguard sensitive customer information.
- Your Bank maintains compliance with globally recognized standards, including ISO 27001:2022 and PCI DSS v4.0.1.
- Your Bank continuously evaluates and integrates emerging security solutions to strengthen data protection, cybersecurity controls, and overall information security capabilities.
- Artificial Intelligence (AI) and Machine Learning (ML) technologies are being progressively leveraged to enhance security monitoring, improve threat detection capabilities, and effectively address the evolving landscape of sophisticated cyber threats.

HUMAN RESOURCES

By nurturing employee development through a strong values-based culture, the Bank builds a workforce that remains highly engaged, customer-centric, and aligned with its long-term vision for sustainable growth.

For more details, please refer to Page 64 of Human Capital in Narrative

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Inspection and Audit function plays a vital role in evaluating and ensuring the adequacy of internal controls, risk management practices, and governance processes within the Bank. It independently assesses the effectiveness of operational controls, regulatory compliance, and the Bank's risk management framework. Through these assessments, the function identifies potential weaknesses and inefficiencies in business processes and ensures that adequate safeguards are in place to mitigate operational and financial risks.

The Internal Audit function is responsible for ensuring adherence to regulatory requirements, internal policies, and established procedures. It also provides proactive recommendations to strengthen operational processes, enhance internal controls, and improve governance standards across the organization.

Audits are conducted across branches, business units, and back-office operations, with emphasis on operational and risk-sensitive functions. The scope also includes information security, IT governance, and infrastructure to ensure a comprehensive assessment of compliance, operational efficiency, and system effectiveness.

The Audit Committee of the Board oversees the effectiveness of the internal audit function. The Committee reviews audit activities, provides functional guidance, evaluates the performance of the Inspection and Audit functions, and offers strategic direction to strengthen audit processes and governance standards across the Bank.

Audit Policies and Staffing

The Internal Audit Policy provides the framework governing the Bank's audit activities. It is periodically reviewed by the Audit Committee and approved by the Board to ensure alignment with regulatory requirements and industry best practices. The policy defines the procedures, standards, and methodologies to be followed to maintain consistency, reliability, and thoroughness in audit activities.

The Audit Team comprises skilled and experienced professionals, including specialists in Information Technology (IT), Cybersecurity, and various banking operations and functions. This diverse expertise enables the audit function to comprehensively cover all operational areas, including traditional banking activities, complex IT systems, and digital security functions.

Types of Audits Conducted

Your Bank undertakes multiple categories of audits, including the following:

- **Risk-Based Internal Audits (RBIA):** These audits focus on identifying and assessing risks in key areas such as credit and operational risk, with emphasis on existing regulatory and critical controls. RBIA evaluates the effectiveness of risk mitigation measures and identifies potential control gaps before they become significant concerns.
- **Surprise Audits:** These unannounced audits are conducted to detect irregularities and hidden issues that may not emerge during scheduled audits, thereby ensuring continuous vigilance.
- **Revenue Audits:** Revenue audits verify that the Bank's revenue streams are properly managed, accurately collected, appropriately reported, and compliant with financial reporting standards.
- **Concurrent Audits:** Concurrent audits are conducted across high-priority areas, including major branches, corporate and business banking units, and key back-office operations. These audits provide real-time assurance of compliance with internal policies and regulatory requirements, while helping mitigate operational, compliance, and financial risks through continuous monitoring. In line with the Board-approved Auditor Appointment Policy, the Bank engages external auditors for concurrent audits, leveraging their independent expertise to enhance objectivity, professionalism, and audit quality.
- **Credit Audits:** Credit audits evaluate large credit exposures as part of the Bank's loan review process. These audits ensure effective management of credit risk and verify that loan sanctioning and post-sanction activities are completed in compliance with regulatory guidelines.
- **Jewel Re-appraisals:** Your Bank periodically conducts re-appraisals of jewels pledged against jewel loans to confirm that the purity and type of pledged ornaments meet prescribed standards. Mystery shopping exercises are also undertaken to verify adherence to established jewel assessment and evaluation standards.
- **Process Audits:** Process audits assess the design and effectiveness of specific business processes. These audits evaluate operational efficiency, internal controls, regulatory compliance, and risk mitigation measures. They also identify inefficiencies, control gaps, and improvement opportunities to strengthen operational effectiveness.

- **Information Systems (IS) Audits:** Your Bank maintains a Board-approved IS Audit Policy, reviewed annually to ensure the security and compliance of its information systems. IS audits cover data centers, applications, technical infrastructure, and back-office systems, assessing security, performance, integrity, and cyber resilience. For critical IT governance and cybersecurity areas, the Bank engages specialized external experts, including CERT-In empanelled firms.
- **Vendor Audits:** To manage risks associated with outsourced activities, the Bank conducts annual vendor audits covering both IT and non-IT service providers. These audits also assess compliance with information security standards.
- **Other Audits:** Your Bank also undertakes management audits for central office verticals and divisional offices, and regularly inspects currency chests to ensure secure cash handling operations in line with RBI guidelines.

Focus on Digitalization and New Business Areas

With increased participation in digital business models such as co-lending, direct assignments, and micro-finance loans, the internal audit function has expanded its oversight in these areas. The off-site Audit Mechanism enables continuous monitoring of critical operations, particularly across the loan lifecycle. This mechanism helps ensure efficient execution of processes and facilitates timely identification of discrepancies or control gaps. Through digital tools, the Bank monitors post-sanction activities and prepares units for future on-site audits, thereby reducing turnaround time and operational risks. Digitalization has improved operational efficiency and enhanced the Bank's ability to respond quickly to emerging concerns.

Risk-Based Approach and Technology Integration

Your Bank follows a risk-based audit methodology in accordance with RBI guidelines for RBIA. This approach prioritizes audit focus on areas with higher risk exposure or potential vulnerabilities, ensuring efficient allocation of resources toward critical risk mitigation.

The audit function extensively uses technological tools, IT systems, and automated monitoring mechanisms to improve audit efficiency. These tools support the identification of branches and business units requiring inspection, monitoring, and auditing, and ensure compliance with internal policies. Technology integration also improves the precision, coverage, and effectiveness of risk identification and mitigation processes through data-driven audit practices.

The Bank's audit, risk management, and governance framework is comprehensive and systematic, emphasizing proactive risk mitigation, continuous monitoring, and adherence to regulatory and internal standards. Through advanced technology adoption, external expertise, and risk-based audit methodologies, the Bank maintains strong operational effectiveness, compliance standards, and security practices.

Key Highlights

- RBIA for all identified branches and business units for FY 2025-26 was completed.
- A comprehensive Risk Assessment Model was developed and implemented, incorporating inputs from all audits.
- Compliance processes for audits were simplified through the revamped audit application.
- Concurrent Audit coverage extended to 70.20% of the Bank's total advances, including jewel loans.
- Off-site surveillance was strengthened through the inclusion of new areas under continuous near-real-time monitoring.
- Continuous off-site monitoring was implemented in selected areas to reduce credit risk and strengthen compliance culture.
- IT-related process audits and thematic audits were conducted to ensure adherence to the Bank's policies and guidelines.
- The scope of various audits was reviewed to ensure inclusion of key regulatory aspects.

Outlook

- The Internal Audit function will continue shifting toward a proactive and forward-looking risk assessment model, with greater focus on early risk identification and timely preventive action.
- Audit methodologies will be further strengthened to deliver short, focused reviews of high-risk areas, enabling faster responsiveness and coverage of critical risk domains.
- Your Bank will expand the use of predictive analytics to identify emerging risks and anomalies at an early stage. Data-driven insights will support proactive risk mitigation and informed decision-making.
- Automation of routine and high-volume audit tasks will be accelerated to improve efficiency and consistency, allowing audit teams to focus on strategic and high-impact areas.
- Training and capability-building initiatives will strengthen in-house expertise in analytics and automation, enhancing the audit team's technological proficiency and effectiveness.
- Internal Audit will continue reinforcing its role as an important early warning mechanism within the Bank's governance framework by providing timely risk alerts and actionable insights to Management and the Board.
- Collaboration with other assurance functions will be further strengthened to ensure coordinated and comprehensive risk coverage, thereby improving governance and control effectiveness.

COMPLIANCE

The Compliance function is a core pillar of KVB's governance architecture, operating independently of business units while working in close coordination with internal control and risk management systems. Its mandate spans regulatory adherence, mitigation of compliance and reputational risks, and embedding a strong compliance culture across the organization. The department is headed by the Chief Compliance Officer (CCO), a member of senior management, who reports directly to the Managing Director & CEO and has independent access to the Board and the Audit Committee. The Audit Committee engages with the CCO one-to-one every quarter, reinforcing the independence and integrity of the compliance function. Compliance status and key regulatory developments are reported periodically to Management, the Audit Committee, and the Board.

Consistent implementation across business units is enabled through joint impact assessments, cross-functional working groups, and standardized implementation frameworks. Business Compliance Officers maintain continuous engagement with operational teams, while structured training programs and advisory support help address practical implementation challenges effectively.

Compliance Policy Framework

Your Bank has implemented a comprehensive Compliance Policy approved by the Board, which serves as the overarching framework for managing compliance risk across the organization. During the year, the Compliance Policy was revised to strengthen the Bank's compliance philosophy and reinforce its commitment to maintaining the highest standards of regulatory adherence. The Policy is reviewed periodically to ensure continued alignment with regulatory developments and evolving industry best practices. Key elements of the framework include:

- An independent Compliance Department responsible for monitoring regulatory compliance, conducting compliance testing, and providing advisory support to business units.
- Appointment of a Chief Compliance Officer entrusted with oversight of the overall compliance framework and responsibility for reporting significant compliance matters to senior management and the Board.
- Periodic compliance risk assessments to evaluate the adequacy and effectiveness of internal controls, with key observations presented to the Audit Committee or the Board, wherever applicable.
- Ongoing employee training programs, structured monitoring and escalation mechanisms, and timely policy revisions to incorporate regulatory changes and emerging compliance requirements.
- Strong focus on fostering a robust compliance culture based on clear accountability, ethical conduct, and uncompromising adherence to regulatory standards across all levels of the organization.

Key Highlights

- Process-Integrated Controls.
- Enhanced Control Testing.
- Analytics-Driven Oversight.
- Compliance Culture Strengthening.

Outlook

- Expanding technology-enabled and risk-based compliance monitoring through increased adoption of RegTech solutions.
- Strengthening the Compliance Risk Management Framework through continuous monitoring, timely identification of gaps, root cause analysis, and structured tracking of remediation measures.
- Enhancing regulatory change management capabilities and improving readiness for integration with advanced regulatory technology platforms.
- Promoting organization-wide ownership of compliance through structured training programs, awareness initiatives, and deeper engagement with business and operational teams.
- Periodic review of governance frameworks to reinforce accountability, transparency, and proactive risk management, along with enhanced engagement with regulators and industry bodies.

DISCLOSURE OF ACCOUNTING TREATMENT

The financial statements are prepared following the going concern concept, on historical cost basis and conform to the Generally Accepted Accounting Principles (GAAP) in India which encompass applicable statutory provisions, regulatory prescriptions and extant disclosure norms prescribed by the Reserve Bank of India (RBI) from time to time, notified Accounting Standards (AS) issued under Section 133 of the Companies Act, 2013, read together with Companies (Accounting Standards) Rules, 2021 and current practices prevailing in the banking industry in India. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year, except for the accounting for employee share-based payments, which is explained under the policy for employee benefits.

CAUTIONARY STATEMENT

Certain statements in the 'Management Discussion and Analysis' section describing the Bank's objectives, projections, estimates, expectations, or predictions may constitute 'forward-looking statements' within the meaning of applicable securities laws and regulations. These statements are based on certain assumptions and expectations of future events and are subject to risks, uncertainties, and other factors that could cause actual results to differ materially from those expressed or implied. Important factors that may influence actual outcomes include changes in economic and political conditions in India and globally, fluctuations in interest rates and financial markets, changes in laws, regulations, and government policies, competitive developments, and other incidental or unforeseen circumstances that may affect the Bank's operations or its ability to implement strategic initiatives. Your Bank undertakes no obligation to publicly update or revise any forward-looking statements on the basis of subsequent developments, information, or events. Figures relating to previous years have been regrouped or reclassified wherever necessary to conform to the current year's presentation. This document is intended solely for informational purposes and should not be construed as an offer, invitation, solicitation, or recommendation to buy, sell, or deal in any financial products or securities offered by the Bank.

CORPORATE GOVERNANCE REPORT

Strong Corporate Governance is the cornerstone of sustainable banking. It has shaped our growth through integrity, transparency and accountability. Anchored in stakeholders trust, it continues to guide our path forward.

The Board of Directors present the Corporate Governance Report of the Bank for the FY 2025-26 and it is classified into below categories:

Governance Philosophy	Board of Directors	Board Committees	Affirmation and Disclosure	Shareholders Information

This report elucidates the systems and processes followed by the Bank to ensure compliance of the Corporate Governance requirements under the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR), the Companies Act, 2013, the Banking Regulation Act, 1949 (BR Act) as amended from time to time and the governance norms issued by the Reserve Bank of India from time to time through various circulars, guidelines, notifications, etc.

GOVERNANCE PHILOSOPHY OF THE BANK

Corporate Governance refers to the system of rules, practices and processes by which an entity is operated, regulated and controlled. It establishes a framework for effective management, promotes ethical and responsible business conduct, ensures transparency, supports timely financial reports and enforces robust compliance and internal controls – safeguarding the interest of shareholders, depositors, customers, employees, community and other stakeholders.

Banks serve as critical enablers of economic growth by channelling funds from savers and depositors to productive sectors that drive enterprise and innovation. Given their systemic importance, a robust and clearly defined corporate governance framework is essential not only for the sound functioning and resilience of individual banks but also for maintaining confidence in the financial system and supporting the broader stability of the economy.

Accordingly, your Bank is firmly dedicated to upholding the transparency, integrity, fairness, timely disclosures, compliances, accountability and a strong sense of responsibility towards Customers, Shareholders, Employees, Government and other Stakeholders as integral to its operations, consistently aligning with the highest standards of Corporate Governance. Your Bank continues to evolve with the times, embracing technological advancements and regulatory reforms, while staying true to

its founding values. Through a resilient governance structure, the Bank ensures effective management, responsible decision making and enduring stakeholders trust – hallmarks of its legacy since 1916. This commitment is embedded in our ethics, ensuring that every action taken is in best interest of all our stakeholders.

Your Board of Directors plays a pivotal role in overseeing the Bank's operations, ensuring governance through effective leadership and strategic oversight aligning with the regulatory guidelines as they evolve.

Corporate Governance Structure

Board of Directors

Responsible for Corporate Governance, provides strategic guidance and maintains oversight on the functioning of the Bank.

Board Committees

Acts in accordance with the terms of reference that require focused attention.

Leadership Team

Ensures effective implementation of policy & strategic decisions taken by the Board/Committees by coordinating with relevant departments, monitoring execution, and ensuring adherence to timelines and regulatory requirements. Provides regular updates to the Board/Committees on implementation status, key developments, and any issues requiring attention.

Corporate Governance Policy

The Board of Directors of your Bank has established a comprehensive Corporate Governance Policy. This Policy has been formulated in adherence to the regulatory framework outlined under the Banking Regulation Act, 1949, the Companies Act, 2013 and the SEBI LODR, along with applicable circulars and other guidelines issued by the regulatory authorities from time to time. The Corporate Governance Policy is available at the website of the Bank at https://www.kvb.bank.in/docs/corporate-governance-policy.pdf

BOARD OF DIRECTORS

Board Composition

The Board of the Bank is governed and constituted in accordance with the provisions of the Companies Act, 2013 and the rules made thereunder, provisions of Section 10A(2) of the Banking Regulation Act, 1949, SEBI LODR, the Articles of Association of the Bank, the extant guidelines issued by the Regulators from time to time in accordance with the best practices in Corporate Governance.

Presently, Board has Nine Directors as on date of this report, with a balanced combination of Seven Independent Directors (including One Woman Independent (Part-time) Chairperson and Two women Independent Directors) and Two Whole-time Directors (including one Managing Director & CEO and one Executive Director) with diverse skills relevant for the Banking Business in tune with Board Diversity Policy of the Bank. Independent Directors constitute around Seventy-Eight percentage of Board's total strength.

Board of the Bank is chaired by Dr Meena Hemchandra, Non-Executive (Part-time) Chairperson, who is an Independent Director.

Composition of Board (as on date of this report)

Whole-time Directors	
Shri B Ramesh Babu	Managing Director & Chief Executive Officer
Shri B Sankar	Executive Director

Independent Directors	
Dr Meena Hemchandra	Part-time Chairperson
Dr Harshavardhan R	Lead Independent Director
Shri Murali Ramaswami	
CA Dr Chinnasamy Ganesan	
Shri R Vidhya Shankar	
Smt. Srimathy Sridhar	
Dr Mythili Vutukuru	

Total no. of Board Members

Category

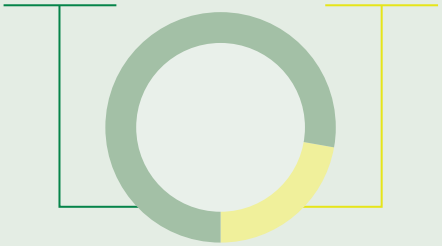
Independent Directors **7**

Whole-time Directors **2**

Average Age of the Board of Directors	Average Experience of the Board of Directors
61 Years	36 Years

Independent Directors 78%

Whole-time Directors 22%



Tenure of the Directors in the Board

<1 years – 1

1-5 years – 6

>5 years – 2

Policy on Board Diversity

Your Bank always acknowledges and values the significance of a diverse blend of knowledge, skill, experience, and expertise within its Board to ensure effective governance. Bank has established and implemented Board Diversity Policy, which addresses various elements of Board composition, including skill sets and diversification, in line with the requirements of the Companies Act, 2013, SEBI LODR, the Banking Regulation Act, 1949 and other applicable regulatory and business requirements.

Diversity within the Board is promoted by considering multiple dimensions including but not limited to age, gender, independence, skill set, educational and functional background, industry experience and so on. The Bank's Nomination and Remuneration Committee plays a pivotal role in ensuring that these aspects are appropriately factored into the selection and evaluation of Board Members. It also takes into consideration any other aspect that may be necessary to consider from time to time as per the requirements of Banking environment.

In line with the relevant provisions of the Banking Regulation Act, 1949, SEBI LODR, the Companies Act, 2013 and relevant circulars issued by RBI from time to time, the Board of Directors shall possess the Core Skills/Practical Expertise/Special Knowledge/ Competencies, viz.,

- Accountancy
- Agriculture
- Audit
- Business analytics
- Business Management
- Banking
- Co-operation
- Credit Recovery
- Cyber Security
- Credit
- Economics
- Fintech
- Finance
- Human Resources
- Information Technology
- Law
- Marketing
- Payment & Settlement Systems
- Rural Economy
- Risk Management
- Small Scale Industry
- Strategic Planning
- Supervision
- Taxation
- Treasury Operations
- Vigilance & Inspection

Any other field of expertise as deemed appropriate for the Bank's business from time to time as per the regulator guidelines.

The details of core skills/expertise/competence and directorship in other companies possessed by the Board of Directors of the Bank as on the date of report:

Dr Meena Hemchandra — Independent (Part-time) Chairperson

- Economics
- Banking
- Agriculture
- Finance
- Rural Economy
- Business analytics
- Supervision
- Payment & Settlement Systems
- Information Technology
- Cyber Security
- Business Management
- Risk Management
- Treasury Operations

No. of Other Company Directorships - 5

Directorship in other entities and category of directorship

M/s. Triveni Engineering & Industries Limited – Independent Director

M/s. Home Credit India Finance Private Limited – Independent Director

M/s. Unified Fintech Forum (a Section 8 Company) – Independent Director

M/s. Vedanta Limited – Independent Director

M/s. DMI Finance Private Limited – Non-Independent Director

Committee membership(s)/ chairmanship(s)^

1 - (as Chairperson)

3 - (as Member)

B Ramesh Babu[1] — Managing Director and Chief Executive Officer

- Accountancy
- Banking
- Human Resources
- Payment & Settlement Systems
- Strategic Planning
- Treasury Operations

No. of Other Company Directorships - 1

Directorship in other entities and category of directorship

Indian Institute of Banking and Finance - Director

Committee membership(s)/ chairmanship(s)^

1 – (as Member)

Dr Harshavardhan R — Independent Director

- Strategic Planning
- Business Management
- Risk Management
- Payment & Settlement Systems

No. of Other Company Directorships - 2

Directorship in other entities and category of directorship

M/s. Transcorp International Limited – Independent Director

M/s. Shriram Asset Reconstruction Private Limited - Independent Director

Committee membership(s)/ chairmanship(s)^

1 - (as Member)

Murali Ramaswami[2] — Independent Director

- Banking
- Marketing
- Credit
- Payment & Settlement Systems
- Finance
- Information Technology
- Accountancy
- Treasury Operations

No. of Other Company Directorships - 1

Directorship in other entities and category of directorship

M/s. Can Fin Homes Limited - Independent Director

Committee membership(s)/ chairmanship(s)^

1 - (as Chairman)

1 - (as Member)

CA Dr Chinnasamy Ganesan[3] — Independent Director

- Accountancy
- Audit
- Finance
- Taxation
- Cyber Security
- Information Technology

No. of Other Company Directorships - 1

Directorship in other entities and category of directorship

M/s. Belstar Microfinance Limited – Independent Director

Committee membership(s)/ chairmanship(s)^

2 - (as Chairman)

2 - (as Member)

R Vidhya Shankar[4] — Independent Director

- Law
- Rural Economy
- Credit Recovery
- Small Scale Industry
- Co-operation

No. of Other Company Directorships - 1

Directorship in other entities and category of directorship

M/s. Anugraha Valve Castings Limited – Independent Director

Committee membership(s)/ chairmanship(s)^

1 – (as Chairman)

2 - (as Member)

Srimathy Sridhar — Independent Director

- Banking
- Credit Recovery
- Credit
- Business Management
- Finance
- Marketing
- Small Scale Industry
- Vigilance & Inspection
- Human Resources
- Treasury Operations
- Risk Management
- Strategic Planning
- Rural Economy
- Payment & Settlement Systems

No. of Other Company Directorships - 2

Directorship in other entities and category of directorship

M/s. IDBI Capital Market & Securities Limited – Independent Director

M/s. Nabfins Limited – Independent Director

Committee membership(s)/ chairmanship(s)^

1 - (as Chairperson)

2 - (as Member)

B Sankar — Executive Director

- Banking
- Accountancy
- Audit
- Finance
- Credit
- Human Resources
- Small Scale Industry
- Risk Management
- Rural Economy
- Credit Recovery
- Marketing
- Strategic Management
- Business Management
- Payment & Settlement Systems
- Information Technology

No. of Other Company Directorships - Nil

Directorship in other entities and category of directorship

NA

Committee membership(s)/ chairmanship(s)^

Nil

Dr Mythili Vutukuru[5] — Independent Director

- Information Technology
- Business Management
- Cyber Security
- Payment & Settlement Systems
- Small Scale Industry

No. of Other Company Directorships - Nil

Directorship in other entities and category of directorship

NA

Committee membership(s)/ chairmanship(s)^

1 – (as Member)

None of the Directors are member of more than ten Board level Committees and Chairman of more than five Committees across all listed and unlisted public limited Companies. For considering the limit of Membership and Chairpersonship in the listed and unlisted Public Limited Companies, Audit/Stakeholder Committee, have been considered as per Regulation 26(1)(b) of SEBI LODR.

^ In accordance with Regulation 26 of SEBI LODR inclusive of this Bank.

[1] Member of Managing Committee and Alternate Chairman of Corporate Credit Committee in Indian Banking Association (IBA).

[2] Advisor in M/s Chartered Finance Management Ltd, Panel of External Members - Screening Committee for scrutiny and recommendation of compromise proposal, sale to ARC/Bank/FI/NBFC in State Bank of India and Member of Settlement Advisory Committee (SAC) in Indian Overseas Bank.

[3] Managing Partner & CEO in R K C G & Associates LLP, Chartered Accountants, Chennai

[4] Executive Committee Member of the Planters Association of Tamil Nadu, also in the Management Committee of Poomulli Neelakandan Namboothiripad Memorial Bharatheeya Sasthra Vidhya Peedham Trust, Hospital & College and Trustee of a Public Charitable Trust named "PAPAMA Trust".

[5] Independent External Person (IEP) of Standing Committee on Technology [SCOT] in NSE Clearing Limited.

PROFILE OF BOARD OF DIRECTORS

Dr Meena Hemchandra

Independent (Part-time) Chairperson

DIN: 05337181

Qualification:

M.A., (Economics), Ph.D.,(Economics), CFA (India), EDP on Advanced Risk Management - Wharton (USA), Online PG programme in Data Science and Business Analytics (University of Texas-Austin/ Great Lakes Institute Delhi), C.A.I.I.B.

Experience:

Career Central Banker with four decades of Experience & Retired Executive Director of RBI

Sectorial Representation on the Board:

Economics, Banking, Agriculture, Rural Economy, Finance, Business Management, Treasury Operations, Payment & Settlement Systems, Information Technology, Cyber Security, Risk Management, Supervision and Business Analytics ("Majority Sector")

Date of Appointment: 26th May 2022

Tenure on Board: >4 Years

No. of Shares held as on 31st March 2026: 3,000

Dr Meena Hemchandra is a career central banker with four decades of experience in various departments of Reserve Bank of India. She was an Executive Director of Reserve Bank of India in charge of Supervision of Banks, Non-Banking Finance Companies and Cooperative Banks from June 2015 till her superannuation in November 2017. Her earlier experience includes treasury management, having headed the Department of External Investment and Operations (a department that manages the country's forex reserves) between 2005 and 2011. She also has expertise in Strategic Planning, and in foreign exchange regulations having worked in the Foreign Exchange Department at various points in her career. She has in-depth understanding of Corporate Governance and corporate balance sheets, having worked in departments relating to large corporate finance, supervision over banks and from her long Board tenures. Her Board experience of over sixteen years includes Reserve Bank of India nominee directorship on the Boards of Union Bank of India, Canara Bank and ECGC. Further, she was an Independent Director on the Board of Clearing Corporation of India Limited.

She has strong skills in IT governance having established the 'Standing Committee on Cyber Security in Banks' in RBI and being its first Chairperson. She oversaw the framing of RBI guidelines on Cyber Security in June 2016.

She had also been the Principal of the Reserve Bank's College of Agricultural Banking organizing training courses in Agriculture and Rural Credit, Co-operative Banking, Financial Inclusion, Financial Literacy, etc.

She advises on banking sector regulation, financial matters and cyber-security/IT Governance in banks.

She holds Bachelor of Arts (Economics) from Calcutta University; Master of Arts (Economics) from Madurai Kamaraj University; Ph.D., in Economics from Gokhale Institute of Politics and Economics, Pune (Thesis-'An Early Warning Framework for Financial Stress'). Her executive education includes EDP on Advanced Risk Management from Wharton (USA), CFA (Chartered Financial Analyst) (India), Certified Associate of the Indian Institute of Bankers (C.A.I.I.B.), Diploma in C++ Programming from CMC, and 1-year Online PG program in Data Science and Business Analytics (University of Texas-Austin/Great Lakes Institute-Delhi).

She was appointed as Independent (Part-time) Chairperson of the Bank for a period of three (3) years from the date of taking charge as approved by Reserve Bank of India. She had taken charge on 25th July 2022.

Further, she was re-appointed as Independent Director for the second term of five years (5) with effect from 26th May 2025, not liable to retire by rotation. The said re-appointment was approved by the shareholders of the Bank on 17th May 2025 vide postal ballot notice dated 27th March 2025. Further, pursuant to RBI letter dated 9th May 2025, she was re-appointed as Part-time Chairperson of the Bank for a period of three years with effect from 25th July 2025 to 24th July 2028.

Presently, she is an Independent Director on the Board of Triveni Engineering & Industries Limited, also having directorship in Unified Fintech Forum - Section 8 Company & is an Additional Director under Independent Category in Home Credit India Finance Private Limited & Vedanta Limited and Additional Director under Non-Independent Category in DMI Finance Private Limited.

Shri B Ramesh Babu

Managing Director and
Chief Executive Officer

DIN: 06900325

Qualification:
M. Com., (with specialization in Banking); C.A.I.I.B., Diploma in International Factoring by Factors Chain International, Netherlands.

Experience:
An astute Banker with four decades of all-round experience.

Sectorial Representation on the Board:
Accountancy, Banking, Human Resources, Payment & Settlement Systems, Strategic Planning and Treasury Operations ("Majority Sector")

Date of Appointment: 29th July 2020

Tenure on Board: ~6 Years

No. of Shares held as on 31st March 2026: 1,59,437

Shri B Ramesh Babu is a Strategic planner with comprehensive managerial acumen, offering varied experience in Banking and excelled in every assignment, creating high performance organization through various successful HR initiatives and Relationship Management. He has deeper Analytical skills, Managing Crisis effectively, Strong abilities for goal setting, executing result oriented strategic initiatives even under high stress scenarios and tight timelines. He is a Postgraduate in Commerce from Andhra University, Waltair and a Certified Associate of the Indian Institute of Bankers (C.A.I.I.B.). He has expertise in "International Factoring" with hands on experience in handling Payment and Settlement Systems and passed with Distinction "Diploma in International Factoring" conducted by Factors Chain International, Netherlands.

He was Deputy Managing Director & Chief Operating Officer in State Bank of India and has experience of developing and overseeing the Retail Business and Banking Operations for more than 21,000 retail branches and 1,20,000 other touch points of the Bank (ATMs/ Customer Service Points) successfully. He has extensive experience in redressing pain points in Customer Service-related areas and furthering Financial Inclusion by actively leveraging the services of Business Correspondents in SBI.

He was actively involved in Direction setting and Policy formulation by participating in various apex committees of State Bank of India. He has successfully headed the whole business and operations of 1,300 Branches of Chennai Circle of SBI (Branches in Tamil Nadu and Pondicherry) for three years with excellent understanding of business dynamics and man management. He has also vast experience as a Director on the Boards of five Associate Banks of SBI and Invitee on to the Boards of Non-Banking Subsidiaries. He is Member of Managing Committee and Alternate Chairman of Corporate Credit Committee in Indian Banking Association (IBA) and Director in Indian Institute of Banking and Finance (IIBF).

He was appointed as Managing Director & CEO of the Bank for first term of three (3) years from the date of taking charge as approved by Reserve Bank of India. He had taken charge on 29th July 2020. He was re-appointed as Managing Director & CEO of the Bank for second term of three (3) years with effect from 29th July 2023.

Further, he was re-appointed as Managing Director & CEO of the Bank, for the third term of two (2) years, with effect from 29th July 2026 to 28th July 2028. The said re-appointment was approved by RBI vide its letter dated 24th April 2026 & the shareholders of the Bank on 17th April 2026 vide postal ballot notice dated 4th March 2026.

Dr Harshavardhan R
Independent Director
DIN: 01675460

Qualification:
B.E., (Mechanical Engineering), M.B.A., - IIM Kolkata, M.S. (Quantitative Finance), Ph.D., (Business Economics & Strategy)

Experience:
Around three decades of experience in Management Consultancy

Sectorial Representation on the Board:
Strategic Planning, Risk Management, Business Management and Payment & Settlement Systems ("Majority Sector")

Date of Appointment: 30th July 2020

Tenure on Board: ~6 Years

No. of Shares held as on 31st March 2026: 3,000

Dr Harshavardhan R is an Independent business advisor. He was Senior Advisor to leading international management consulting firm Bain & Company and led its financial services practice in India. He joined Bain in 2010 after spending over 14 years with other international consulting firms including the Boston Consulting Group and Arthur Andersen. He has also worked in the Banking industry for about 2 years as an analyst and trader. He has worked primarily in the financial services - Banking - retail & corporate, private banking and wealth management, insurance, asset management and so on, where he has advised top management of companies in India, North America, Europe, South East Asia and Greater China, on issues of strategy, operations, organization, risk management, etc. He has hands on experience in management consultancy and his key works include the areas of corporate finance, valuations, Banking/ financial services operations viz; process reengineering, cost rationalisation, Business management and Payment & Settlement Systems, etc., private equity and strategic investors, strategic due diligence, etc. He was chairman of National Commodity Clearing Limited which is responsible for clearing and settlement services of all trades executed on the exchange and provide transparent risk management platform for the collective benefit of the agri ecosystem.

He is actively involved in policy making related to financial services in India and was a member of the Banking Working Group of the Financial Services Legislative Reforms Commission (FSLRC) set up by the Government of India as well as the Dr. P J Nayak Committee on Governance in Banking set up by the RBI. He chaired the committee appointed by the RBI in 2019 to review securitisation for housing finance. He has served on CII National Committees for Private Equity, Regulatory Affairs and Commodity Markets. He regularly contributes articles and is quoted frequently in business media on important sector issues.

He is a frequently invited speaker at conferences organized by Confederation of Indian Industries (CII), the Indian Banks Association (IBA), Indian Merchants Chambers, Reserve Bank of India (RBI), etc., as well as in business schools. He regularly contributes to articles in academic and business journals. He has a Bachelor degree in Mechanical Engineering from VNIT Nagpur followed by an MBA from IIM Kolkata, and M.S. in Quantitative Finance and Ph.D., in Business Economics & Strategy from the Smith School of Business at the University of Maryland, USA.

He was appointed as Independent Director for the first term of three (3) years, with effect from 30th July 2020.

Further he was re-appointed as Independent Director, for the second term of five (5) years, with effect from 30th July 2023. The said re-appointment was approved by the shareholders of the Bank on 30th June 2023 vide postal ballot notice dated 15th May 2023.

Presently, he is an Independent Director in Transcorp International Limited and Shriram Asset Reconstruction Private Limited.

Shri Murali Ramaswami

Independent Director

DIN: 08659944

Qualification:
B.Com., M.B.A., AICWA., C.A.I.I.B., DBF(ICFAI)

Experience:
Seasoned banker having wide experience of around four decades & Retired Executive Director of Bank of Baroda.

Sectorial Representation on the Board:
Banking, Credit, Finance, Accountancy, Marketing, Payment & Settlement Systems, Information Technology and Treasury Operations ("Majority Sector")

Date of Appointment: 14th June 2022

Tenure on Board: >4 Years

No. of Shares held as on 31st March 2026: 3,120

Shri Murali Ramaswami is a seasoned banker having wide experience of around four decades. He started his career in 1984 and joined Vijaya Bank in 1989 and retired as an Executive Director of Bank of Baroda in 2020. He was involved in various facets of Banking sector essentially in Credit, Treasury, International Operations, Cash Management, Integration Management, Digital Banking and Information Technology Initiatives. He started his career in banking domain with Vijaya Bank, during the span of 30 years in Vijaya Bank, he rose to the position of Executive Director. In his career at Vijaya Bank, he held important positions in Credit, Operations and also as CFO of the Bank. He has also worked as an Executive Director in Bank of Baroda during the year 2019-2020.

He served as a Nominee Director in M/s India Infra Debt Ltd and M/s BOB Capital Markets Ltd during his tenure in Bank of Baroda. He is well versed with all areas of Banking Sector.

Shri Murali Ramaswami is a B.Com graduate from Madras University, AICWA from the Institute of Cost & Works Accountants of India, DBF from the Institute of Chartered Financial Analysts of India, Certified Associate of the Indian Institute of Bankers (C.A.I.I.B.) from the Indian Institute of Bankers, MBA from University of Madras - Specialized in Corporate Finance, Foreign Trade & Market Research.

He was appointed as Independent Director for the first term of three (3) years, with effect from 14th June 2022.

Further he was re-appointed as Independent Director, for the second term of five (5) years, with effect from 14th June 2025. The said re-appointment was approved by the shareholders of the Bank on 17th May 2025 vide postal ballot notice dated 27th March 2025.

Presently, he is also an Independent Director in Can Fin Homes Limited. He is also Advisor in M/s Chartered Finance Management Ltd, Panel of External Members - Screening Committee for scrutiny and recommendation of compromise proposal, sale to ARC/Bank/FI/NBFC in State Bank of India and Member of Settlement Advisory Committee (SAC) in Indian Overseas Bank.

CA Dr Chinnasamy Ganesan
Independent Director
DIN: 07615862

Qualification:
B.Com., FCA., DISA (ICAI).

Experience:
More than three decades of experience in the area of audit and expertise in Ind AS, IFRS and US GAAP.

Sectorial Representation on the Board:
Accountancy, Finance, Information Technology, Cyber Security, Audit and Taxation ("Majority Sector")

Date of Appointment: 25th April 2023

Tenure on Board: >3 Years

No. of Shares held as on 31st March 2026: 3,000

CA Dr Chinnasamy Ganesan is a Chartered Accountant with over three decades of extensive professional experience in the area of audit, assurance, financial reporting, taxation, and corporate advisory services. He has built a reputation for technical excellence and ethical leadership across diverse industry sectors including banking and financial services. He handled Indian and multi-national clients in automotive, auto ancillary, IT/ ITES, BPOs, KPOs, telecom, industrial markets, consumer markets, pharma/ healthcare, transport/ logistics, shipping management, BSRE, oil and gas, plantation, banking, financial services and insurance sector. He handled many Indian and multi-national companies with respect to audits, advisory on international financial reporting, taxation, due diligence and other assurance services.

He has more than 29 years of extensive knowledge and experience in carrying out bank/NBFC audits and training bank officials in financial reporting. He specializes in Financial Reporting (including Ind AS, IFRS and US GAAP), Company law matters, audit and taxation and was conferred Honorary Doctorate ("honoris causa") in International Financial Reporting Standards for his extensive contribution to Ind AS and IFRS by a renowned foreign university. He had assisted 80+ companies on transition to Ind AS (IFRS in India) which includes listed companies and large unlisted companies of big corporate group. He has authored "A Quick Referencer on IFRS with model Q&A", "The Revised Schedule VI Ready Reckoner", "The Ind AS Quick Referencer" and "Ready Reckoner for financial statements under Schedule III to the Companies Act 2013".

He is the Founder of "Expert Eye" to guide companies and audit firms to provide desktop review of financial statements and audit work papers and guides on how to respond to Audit Quality Review Reports issued by SEBI, National Financial Reporting Authority (NFRA), Financial Reports Review Board of ICAI (FRRB), Disciplinary Committee of ICAI and Ministry of Corporate Affairs.

He is/ was co-opted/ specially invited as a technical member by ICAI to the Accounting Standard Board of ICAI (the highest Standard Setting Body in India), IFRS (Ind AS) Implementation Committee of ICAI (the committee involved in the implementation of IFRS in India), Auditing and Assurance Standard Board of ICAI (the ultimate body for setting Standards on Auditing for chartered accountants in India). He is an active resource person for Accounting Standards Board, Ind AS (IFRS) Implementation Committee, Auditing and Assurance Standards Board, all regional councils of Institute of Chartered Accountants of India (ICAI), Regional Training Institute of Comptroller and Auditor General of India, Staff Training College of Reserve Bank of India and CAFRAL.

He was Independent Director in Board of Directors of RailTel Corporation of India Limited, a Mini-Ratna Public sector undertaking under the Ministry of Railways. He was awarded the prestigious Lifetime Achievement Award in Finance from Rotary International District 3233 in 2025.

He was appointed as an Independent Director for the first term of three (3) years, with effect from 25th April 2023. He was re-appointed as Independent Director, for the second term of five (5) years, with effect from 25th April 2026. The said re-appointment was approved by the shareholders of the Bank on 17th April 2026 vide postal ballot notice dated 04th March 2026.

Presently, he is an Independent Director in Belstar Microfinance Limited. He is also the Managing Partner & CEO in R K C G & Associates LLP, Chartered Accountants, Chennai.

Shri R Vidhya Shankar
Independent Director
DIN: 00002498

Qualification:
B.Com., B.L.

Experience:
More than three decades of standing experience in Corporate/ General Civil Laws

Sectorial Representation on the Board:
Law, Credit Recovery, Co-operation, Rural Economy and Small Scale Industry ("Majority Sector")

Date of Appointment: 22nd April 2024

Tenure on Board: >2 Years

No. of Shares held as on 31st March 2026: 3,000

Shri R Vidhya Shankar holds a Bachelor of Commerce and Bachelor of Law degree from Bharathiyar University, Coimbatore. He is a Gold Medalist and holds the record for a very rare first class in Law at Bharathiyar University. He is the senior partner of M/s Ramani & Shankar, one of the oldest Law Firms in Western Tamil Nadu and much sought after lawyer in western Tamil Nadu for corporate litigations, transactions and opinions.

He specialises in Corporate Law, including corporate transactions, corporate restructuring, schemes and arrangements, corporate litigations, domestic and international arbitrations, capital market, FEMA compliances, cross-border transactions and general corporate advisory services.

He has more than 100 reported decisions in the field of corporate law to his credit and he is regular speaker at the seminars and workshops of Bar Association, Chambers of Commerce and professional Institutes.

He was appointed as an Independent Director for the first term of three (3) years, with effect from 22nd April 2024. The said appointment was approved by the shareholders of the Bank on 16th July 2024 vide postal ballot notice dated 13th June 2024.

Currently he serves as an Independent Director in Anugraha Valve Casting Limited & Governing Council member of the Chamber of Commerce, Coimbatore, and Executive Committee Member of the Planters Association of Tamil Nadu. Further, he is also in the Management Committee of Poomulli Neelakandan Namboothiripad Memorial Bharatheeya Sasthra Vidhya Peedham Trust, Hospital & College and Trustee of a Public Charitable Trust named "PAPAMA Trust".

Smt. Srimathy Sridhar
Independent Director
DIN: 10627997

Qualification:
M.Com.,M.B.A.,(Banking & Finance),C.A.I.I.B.

Experience:
Veteran Banker with around four decades of extensive experience in various facets of Banking Industry.

Sectorial Representation on the Board:
Banking, Credit, Finance, Rural Economy, Small Scale Industry, Human Resources, Risk Management, Credit Recovery, Business Management, Marketing, Payment & Settlement Systems, Vigilance & Inspection, Treasury Operations and Strategic Planning ("Majority Sector")

Date of Appointment: 26th September 2024

Tenure on Board: ~ 2 Years

No. of Shares held as on 31st March 2026: 3,000

Smt. Srimathy Sridhar started her career as a probationary clerk at Andhra Bank in 1985 and moved to Canara Bank as Probationary Officer in 1986. Over a period of 34 years in Canara Bank, she rose to the level of Chief General Manager. She has exposure to various verticals in the Bank Viz; Branch operations across diverse locations from rural to metro, Retail & Corporate Credit, Mid & Large Credits, Human Resources, Internal Control & Compliance, Risk Management, Treasury, Administrative offices etc. She has headed the Large Corporate Vertical at Head Office of the bank and a large circle of Canara Bank at Chennai.

On a Deputational Assignment, she functioned as Chief Vigilance Officer of NABARD. During this tenure, she also handled additional assignments as Chief Vigilance Officer of New India Assurance Company, State Bank of India and Bank of Baroda for varying periods.

She moved up to the position of Executive Director at Indian Overseas Bank (IOB) in March 2021. She handled multiple critical portfolios like Corporate Credit, Retail Lending, Agricultural Credit and Financial Inclusion, including SLBC functions, Treasury, Risk, Internal Control & Inspection, Digital Banking etc. Upon completion of her tenure as Executive Director in IOB, she demitted office in March 2024.

She holds a postgraduate degree in Commerce, a Masters in Business Administration and is a Certified Associate of the Indian Institute of Banking & Finance (C.A.I.I.B.). She has been conferred with Alekh Foundation's W20 Women Achievers Award during 2023.

She was appointed as an Independent Director for the first term of three (3) years, with effect from 26th September 2024. The said appointment was approved by the shareholders of the Bank on 10th December 2024 vide postal ballot notice dated 17th October 2024.

Presently, she is an Additional Director under Independent Category in IDBI Capital Market & Securities Limited and Nabfins Limited.

Shri B Sankar

Executive Director

DIN: 08846754

Qualification:
B.Com (Hons.), Master of Management Studies (Finance), C.A.I.I.B.

Experience:
Tenured banker with over three and a half decades of experience

Sectorial Representation on the Board:
Banking, Accountancy, Audit, Finance, Credit, Payment & Settlement Systems, Small Scale Industry, Information Technology, Rural Economy, Credit Recovery, Marketing, Strategic Management, Business Management, Human Resources and Risk Management ("Majority Sector").

Date of Appointment: 12th March 2025

Tenure on Board: > 1 Year

No. of Shares held as on 31st March 2026: 32,240

Shri B Sankar is a tenured banker with over three and a half decades of experience. Over the years, he has held various roles with progressive responsibilities at the State Bank of India (SBI), contributing to its success and navigating through numerous challenges.

He was Deputy Managing Director - Stressed Assets, managing NPA worth ~INR 82k crores in SBI. He was CGM of SME - Corporate Centre SBI and tasked with reactivating the SBI's SME business. Further, he served as the Chief Operating Officer and managed operations for all 23,000 branches including customer service, ATMs (~65,200), and branch re-design, CRM, etc. Exposure to Risk Management, Internal Audits, Board Experience, enhancing efficiency and operations by leveraging technology. In 2019, he served as Chief General Manager (CGM) of Chennai, overseeing the entire Tamil Nadu and Pondicherry regions with 1,391 branches. Managing deposits of over INR 1,80,000 crores and advances of INR 1,22,000 crores.

He holds a graduate degree in B.Com (Hons.) from Osmania University, postgraduate degree in Master of Management Studies (Finance) from Banaras Hindu University and is a Certified Associate of the Indian Institute of Bankers (C.A.I.I.B.).

He was appointed as Executive Director of the Bank for first term of three (3) years from the date of taking charge as approved by Reserve Bank of India. He had taken charge on 12th March 2025. The said appointment was approved by the shareholders of the Bank on 17th May 2025 vide postal ballot notice dated 27th March 2025.

Dr Mythili Vutukuru
Independent Director
DIN: 10371961

Qualification:
B.Tech. (IIT Madras), M.S. and Ph.D., (Massachusetts Institute of Technology (MIT), Cambridge, MA, USA)

Experience:
Professor in the Department of Computer Science and Engineering, IIT Bombay

Sectorial Representation on the Board:
Information Technology, Business Management, Payment & Settlement Systems, Cyber Security and Small Scale Industry ("Majority Sector")

Date of Appointment: 24th September 2025

Tenure on Board: < 1 Year

No. of Shares held as on 31st March 2026: 10,000

Dr Mythili Vutukuru is a Professor in the Department of Computer Science and Engineering at IIT Bombay, where she has been a faculty member since 2013. She has obtained her B.Tech. in Computer Science and Engineering from IIT Madras in 2004, and her M.S. and Ph.D., degrees in Electrical Engineering and Computer Science from the Massachusetts Institute of Technology (MIT) – Cambridge, MA, in 2006. She worked in a startup in the telecommunication networking space after her Ph.D., for a few years, before joining IIT Bombay.

She is an accomplished professor and researcher in the broad area of computer systems, with expertise in operating systems, computer networking, virtualization, and cloud computing. She has published her research in prestigious venues and has won several fellowships from industry. She has supervised the thesis of 5 Ph.D., students and over 50 Masters students so far.

She has won awards for excellence in teaching, both at IIT Bombay and at MIT. She has experience in advising mid corporates and startups in technology domain. She is passionate about outreach, and has several popular online video lectures on platforms like YouTube and NPTEL.

She has been serving as an external expert in the Standing Committee on Technology at NSE Clearing Limited since 2021 and has experience with various aspects of technology governance. She has also served the academic community as a member of several technical and administrative committees.

She was appointed as an Independent Director for the first term of three (3) years, with effect from 24th September 2025. The said appointment was approved by the shareholders of the Bank on 20th December 2025 vide postal ballot notice dated 17th November 2025.

The brief profile of the Directors of the Bank is also available on the website of the Bank at https://www.kvb.bank.in/about-us/board-of-directors/index.html

Also, in compliance with the Regulation 17(1A), none of the Directors have attained the age of 75 years as on 31st March 2026, and none of the Directors will be attaining the age of 75 years in the current FY 2026-27.

AFFIRMATION BY INDEPENDENT DIRECTORS

Pursuant to section 149(7) read with 149(6) of the Companies Act, 2013 and regulation 25(8) read with regulation 16(1)(b) of the SEBI LODR, all Independent Directors of the Bank have submitted the declaration that they have met the criteria of Independence. Based on the declaration received from the Independent Directors, the Board of Directors have assessed and confirmed that they are independent of the management & fulfill the conditions specified in the Companies Act, 2013 and SEBI LODR.

In terms of the Companies (Creation and Maintenance of Databank of Independent Directors) Rules, 2019 read with the Companies (Appointment and Qualification of Directors) Rules, 2014, with respect to enrolling their name in the online databank of independent directors and qualifying the online proficiency self-assessment test for independent directors within a period of one year from the date of inclusion of name in the databank. All Independent Directors of the Bank have enrolled their names in the online databank of Independent Directors maintained by the Indian Institute of Corporate Affairs.

Further, Dr Meena Hemchandra, Dr Harshavardhan R, CA Dr Chinnasamy Ganesan and Smt. Srimathy Sridhar, Independent Directors of the Bank, have qualified the online proficiency self-assessment test for Independent Director's Databank. In accordance with the above said rules, Shri Murali Ramaswami and Shri R Vidhya Shankar, have claimed exemption for online proficiency self-assessment test. Furthermore, Dr. Mythili Vutukuru has duly registered herself in the online databank of Independent Directors maintained by the Indian Institute of Corporate Affairs (IICA) and having adequate time for completion of online proficiency self-assessment test.

Terms and Conditions for Appointment of Independent Directors

A formal letter of appointment is issued by the Bank to the newly appointed Director containing, inter alia, the terms and conditions of his/her appointment. As per Regulation 46(2) of SEBI LODR, the Terms and Conditions for appointment/ re-appointment of Independent Directors are available on the website of the Bank at https://www.kvb.bank.in/investor-corner/

FAMILIARISATION PROGRAMMES

Bank has adopted a structured orientation program for Independent Directors at the time of their induction, to familiarise them with the functioning of the Bank and to provide a clear understanding of their roles, rights, and responsibilities, thereby enabling them to contribute effectively to the growth of the Bank.

Bank also nominates the Directors to attend relevant external training programs which are conducted by the various/ reputed Institutions. During the year Directors are offered with opportunity to attend the programmes conducted by IDRBT, CAFRAL.

Familiarisation programmes encompass various sessions covering Technology and Cyber Security, Digital Forensics, Data Protection & Data Privacy, Governance and Assurances, AI Ethics, Responsible Use & Creativity, among other relevant areas.

Also, on a need basis post obtaining feedback from the Director(s), trainings and sensitisation programs are conducted to enable them to keep track of market developments relating to banking industry, in areas such as risk management, technology, products, processes, etc.

During the FY 2025-26, Independent Directors have attended 120 hours of familiarisation Programmes. Further, newly inducted Independent Director was familiarised with policies and procedures of the Bank.

The details of such familiarisation programmes attended by the Directors are available on the website of the Bank at https://www.kvb.bank.in/docs/disclosure-on-familiarisation-programmes-for-board-of-directors.pdf

RESIGNATION OF INDEPENDENT DIRECTOR

No Independent Director resigned during the FY 2025-26.

RELATIONSHIP BETWEEN DIRECTORS INTER-SE

None of the Directors of the Bank are related to each other.

DIRECTORS AND OFFICERS INSURANCE

Pursuant to the regulation 25(10) of SEBI LODR, the Bank had undertaken Directors and Officers insurance ('D & O insurance') for all its Directors, including Independent Directors.

BOARD PROCEDURE

The meeting of the Board and its Committees are scheduled well in advance and the information including date, time and place of the meetings are circulated to all Directors as per the Secretarial Standards. The Meetings of the Board and its Committees are governed by a structured agenda. The Board agenda and Memorandum/Notes thereof backed by comprehensive background information are sent to the Board of Directors in compliance with the provisions of the Companies Act, 2013, Secretarial Standards and SEBI LODR. The Memorandum/Notes contains all complete relevant information related to the requests of the Departments to

facilitate open and substantive deliberations. The respective Department Heads of the Bank are special invitees to the Meeting to provide any explanations related to the Notes and seek feedback from the Board if any. Board is briefly informed about recent activity, initiatives, key events, etc., in the Bank by the management and Chairperson of the respective Committees of the Board also present a verbal summary of key points discussed at the Committee Meetings. Further, video conferencing facility is also used effectively to facilitate participation of Directors, who are unable to attend the meetings in person, complying with the provisions of Companies Act, 2013 and SEBI LODR. The Board of Directors follows highest degree of business ethics, transparent practices, governance and cordial environment in the Board.

In cases of exigency or urgent matters, the Board and Committees may pass resolutions by circulation in accordance with the provisions of Section 175 of the Companies Act, 2013 and applicable provisions of Secretarial Standard-1 (SS-1) on Meetings of the Board of Directors. All relevant information, supporting data, and necessary clarifications are provided to the Directors to facilitate informed decision-making. The resolutions passed by circulation are thereafter noted at the subsequent meeting of the Board/Committee, in compliance with the requirements of SS-1, the Companies Act, 2013, and the corporate governance framework prescribed under the SEBI LODR.

The Minutes of the Board and its Committees are circulated to all the Board and Committee members for their comments/ confirmation within the timelines prescribed in accordance with the Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI).

Your Bank has established a standardized framework for post meeting follow-up procedure i.e., to follow up and report the directions and advisories issued by the Board/Board level committees till such directions and advisories are closed. Action Taken Report (ATR) and Advisory status is being placed before the Board/Board Level Committee on regular intervals. This framework has been functioning effectively, ensuring a smooth and streamlined process.

Further, the Board has established procedures to periodically review compliance report pertaining to all laws applicable to the Bank as well as steps taken by the Bank to rectify instances of non-compliance, if any.

BOARD MEETINGS

During the FY 2025-26, Thirteen (13) Board Meetings were held and the maximum time gap between any two meetings was not more than 120 days. The dates of the meetings are mentioned below:

30/04/2025	24/07/2025	08/10/2025	12/12/2025
19/05/2025	28/08/2025	17/10/2025	23/01/2026
26/06/2025	24/09/2025	17/11/2025	04/03/2026
			26/03/2026

The details of attendance of each Director at the Board meetings held during the period from 01st April 2025 to 31st March 2026 are mentioned below along with Attendance details at last AGM of the Bank held through VC/OAVM:

Name of the Director Sarvashri	Attendance at last AGM (21st August 2025)	30/04/2025	19/05/2025	26/06/2025	24/07/2025	28/08/2025	24/09/2025	08/10/2025	17/10/2025	17/11/2025	12/12/2025	23/01/2026	04/03/2026	26/03/2026	% of Attendance	Attended / Conducted
Dr Meena Hemchandra	Yes	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	100	13/13
B Ramesh Babu	Yes	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	100	13/13
Dr Harshavardhan R	Yes	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	100	13/13
Murali Ramaswami	Yes	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	100	13/13
CA Dr Chinnasamy Ganesan	Yes	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	100	13/13
R Vidhya Shankar	Yes	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	100	13/13
Srimathy Sridhar	Yes	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	100	13/13
B Sankar	Yes	✓	✓	✓	✓	✗	✓	✓	✓	✓	✓	✓	✓	✓	92.31	12/13
Dr Mythili Vutukuru [1]	NA	NA	NA	NA	NA	NA	NA	✓	✓	✓	✓	✓	✓	✓	100	7/7
J Natarajan [2]	NA	✓	✓	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	100	2/2
K G Mohan [3]	Yes	✓	✓	✓	✓	✓	✓	✓	NA	NA	NA	NA	NA	NA	100	7/7
R Ramkumar [4]	Yes	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	100	13/13
% Attendance	100	100	100	100	100	90	100	100	100	100	100	100	100	100		

✓ - Present ✗ - Absent NA - Not applicable

99.24% Board Attendance was recorded during the period under review.

Notes:

[1] Dr Mythili Vutukuru, was appointed as Independent Director of the Bank for a period of three years w.e.f. 24th September 2025.

[2] Shri J Natarajan, Executive Director of the Bank demitted office at the close of office hours on 21st May 2025, consequent to completion of his tenure.

[3] Shri K G Mohan, Independent Director of the Bank demitted office at the close of office hours on 11th October 2025, consequent to completion of his tenure.

[4] Shri R Ramkumar, Non-Independent Director of the Bank demitted office at the close of office hours on 24th June 2026, consequent to completion of his tenure.

BOARD COMMITTEES

COMMITTEES OF THE BOARD

Board level Committees are usually formed as per the relevant regulatory guidelines and business requirement in order to improve the board effectiveness and impart special attention in areas where more focus and specific deliberations are required. Committees facilitate efficient time management for the entire Board and allows thorough scrutiny and focused attention. Board of directors perform their advisory and oversight function through well-structured, planned, and assigned committees to take advantage of the expertise of the Directors. The Board has delegated authority to various Board Committees to enable them to oversee certain specific responsibilities based on their terms of reference in line with the Companies Act, 2013, SEBI LODR, the Banking Regulation Act, 1949 and RBI guidelines issued from time to time.

Board Committees normally function independently from each other and are provided with sufficient authority and assigned responsibilities in assisting the entire Board. The duties and responsibilities of each Committee of the Board are specified in the charter. Each Committee is guided by its terms of reference, which defines the scope, powers and composition of the Committee. The Committees deliberate issues as per their terms of reference which are fixed in line with the statutory requirement and make recommendations to the Board as and when required. All the required decisions and recommendations of the Committees are placed before the Board for information or review or approval.

Board is functioning with the following Committees as on the date of the report:

Board of Directors

Board Level Committees

Statutory Committees

- *Audit Committee*
- *Nomination & Remuneration Committee*
- *Corporate Social Responsibility (CSR) & Environmental, Social and Governance (ESG) Committee*
- *Customer Service and Stakeholders Relationship Committee*
- *IT Strategy & Digital Transaction Monitoring Committee*
- *NPA Management Committee*
- *Risk Management and Asset Liability Management Committee*
- *Special Committee of the Board for Monitoring and Follow-up of Fraud Cases*
- *Review Committee for Wilful Defaulters and Large Defaulters*

Non Statutory Committees

- *Management Committee of the Board*
- *Human Resources Committee*

Composition of various committees of Board of Directors (as on the date of report)

Chariman / Chairperson Member

MANAGEMENT COMMITTEE OF THE BOARD

- Shri B Ramesh Babu
- Dr Harshavardhan R
- Shri Murali Ramaswami
- Shri B Sankar

AUDIT COMMITTEE OF THE BOARD

- CA Dr Chinnasamy Ganesan
- Dr Harshavardhan R
- Shri R Vidhya Shankar
- Smt. Srimathy Sridhar

NOMINATION AND REMUNERATION COMMITTEE

- Shri Murali Ramaswami
- Dr Meena Hemchandra
- Shri R Vidhya Shankar

CUSTOMER SERVICE AND STAKEHOLDERS RELATIONSHIP COMMITTEE

- Shri R Vidhya Shankar
- Shri B Ramesh Babu
- CA Dr Chinnasamy Ganesan
- Dr Mythili Vutukuru

RISK MANAGEMENT & ASSET LIABILITY MANAGEMENT COMMITTEE

- Dr Harshavardhan R
- Dr Meena Hemchandra
- Shri B Ramesh Babu
- Smt. Srimathy Sridhar

NPA MANAGEMENT COMMITTEE

- Smt. Srimathy Sridhar
- Shri B Ramesh Babu
- Shri R Vidhya Shankar
- Dr Mythili Vutukuru

SPECIAL COMMITTEE OF THE BOARD FOR MONITORING AND FOLLOW-UP OF FRAUD CASES

- Shri Murali Ramaswami
- Shri B Ramesh Babu
- CA Dr Chinnasamy Ganesan
- Shri R Vidhya Shankar

IT STRATEGY & DIGITAL TRANSACTION MONITORING COMMITTEE

- Dr Mythili Vutukuru
- Dr Meena Hemchandra
- Shri B Ramesh Babu
- CA Dr Chinnasamy Ganesan

Chairman / Chairperson Member

REVIEW COMMITTEE FOR WILFUL DEFAULTERS AND LARGE DEFAULTERS

- Shri B Ramesh Babu
- CA Dr Chinnasamy Ganesan
- Shri R Vidhya Shankar
- Smt. Srimathy Sridhar

CORPORATE SOCIAL RESPONSIBILITY & ENVIRONMENTAL, SOCIAL AND GOVERNANCE COMMITTEE

- Shri B Ramesh Babu
- Dr Meena Hemchandra
- Shri Murali Ramaswami
- Dr Mythili Vutukuru

HUMAN RESOURCES COMMITTEE

- Smt. Srimathy Sridhar
- Dr Meena Hemchandra
- Shri B Ramesh Babu
- Dr Harshavardhan R

Out of 11 Committees, 8 Board Committees are chaired by Independent Directors.

Executive Director is Special Invitee to the above Committees (except NRC) and inducted as member of MCB from 25th June 2026.

1. Management Committee of the Board (MCB)

Management Committee of the Board is a non-statutory Board level Committee constituted to consider various business/ credit related matters in line with Credit Policy of the Bank having material significance under superintendence of Board. This Committee aims to provide Board of Directors, qualitative time for focusing on strategic issues and brings about organisational effectiveness by helping the executives to perform their managerial functions efficiently. In line with the Bank's Risk Management framework, MCB has been delegated to consider and decide various business and credit-related matters in accordance with the provisions of Section 179 of the Companies Act, 2013, and the guidelines issued by the Reserve Bank of India (RBI) from time to time.

During the FY 2025-26, Management Committee of the Board met twelve (12) times and the date of the meetings are mentioned below:

28/04/2025	28/07/2025	07/11/2025	30/01/2026
23/05/2025	26/08/2025	10/12/2025	18/02/2026
19/06/2025	23/09/2025	29/12/2025	24/03/2026

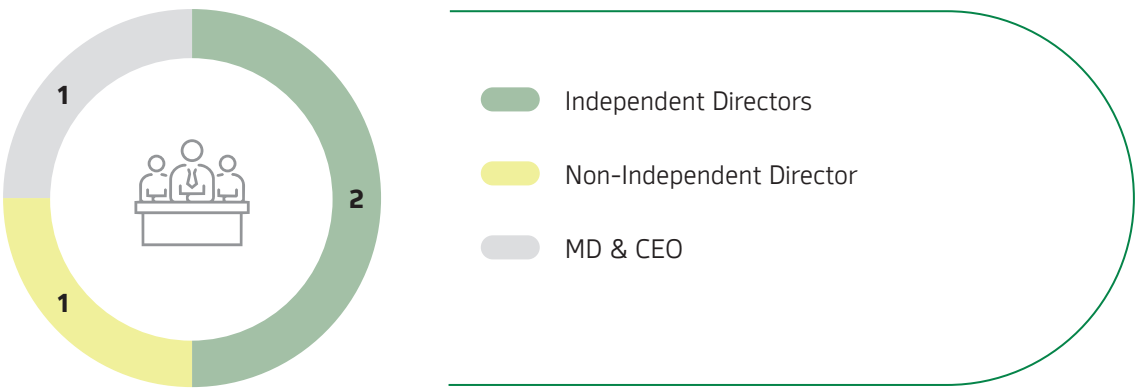
The details of attendance of each Director at the meetings held during the period from 01st April 2025 to 31st March 2026 are mentioned below:

Name of the Directors	No. of Meetings during his tenure		Percentage (%)
	Conducted	Attended	
Shri B Ramesh Babu, MD & CEO, Chairman of the Committee	12	11	91.67
Shri R Ramkumar	12	12	100
Dr Harshavardhan R	12	12	100
Shri Murali Ramaswami	12	12	100
Shri B Sankar, ED #	5	5	100
Shri J Natarajan, ED *	1	1	100

#Member of the Committee from 22nd May 2025 till 8th October 2025

**Member of the Committee till 21st May 2025*

Composition of Management Committee of the Board (MCB) as on 31st March 2026



The terms of reference of the Committee, inter-alia, include the following:

1. Sanctioning of credit proposals (Fund based & non-fund based)
    - Proposals for approval, renewal, modifications in the sanction terms and conditions.
    - Review of Executive Director Committee.
    - Turnaround time in credit sanctioning/ efficiency levels in operations.
2. Approval, review of capital and revenue expenditure budget.
3. Proposals relating to acquisition and hiring of premises including deviation of norms.
4. Review on the performance of Verticals, Divisions, Branches and Business Arrangements.
5. Review Major incidents, accidents that has monetary impact or reputation loss to the Bank.
6. Approval of CSR expenditure and Donations under Section 181 of the Companies Act, 2013.
7. Support business development initiatives viz.,
    - Approval of Business tie-ups, new products and to enter new arrangements with Companies.
    - Determining, implementing, reviewing of partnering agreements.
    - Providing direction to retail segment i.e. retail advances, retail deposits and insurance & investment, personal banking.
    - Review of new initiatives of Insurance companies, AMCs of Mutual Funds (MF), Aggregators for online payments, Fintech companies under digital payments and retail loans, Joint lending (NBFCs), Payment banks and digital marketing agencies, etc.
    - Review of business surveys results on Quantitative and Qualitative information.
    - Review of metrics and indicators for business development activities and provide direction.
8. Review of Program of Finance against Assignment of Receivables on Non-recourse Basis – Open Market Channel.

2. Audit Committee of the Board (ACB)

Audit Committee of the Board (ACB) is one of the key statutory committees and constituted in accordance with the provisions of the Companies Act, 2013, SEBI LODR, RBI Master Directions and its circulars from time to time.

As on 31st March 2026, ACB is chaired by an Independent Director. All the members are financially literate and have adequate knowledge in accounting and financial management. The Chairman of the ACB was present at the last Annual General Meeting.

During the FY 2025-26, Audit Committee met Ten (10) times and not more than 120 days lapsed between two consecutive meetings of the ACB. The date of the meetings are mentioned below:

13/05/2025	24/07/2025	02/12/2025	16/03/2026
19/05/2025	13/08/2025	23/01/2026	
30/06/2025	17/10/2025	10/03/2026	

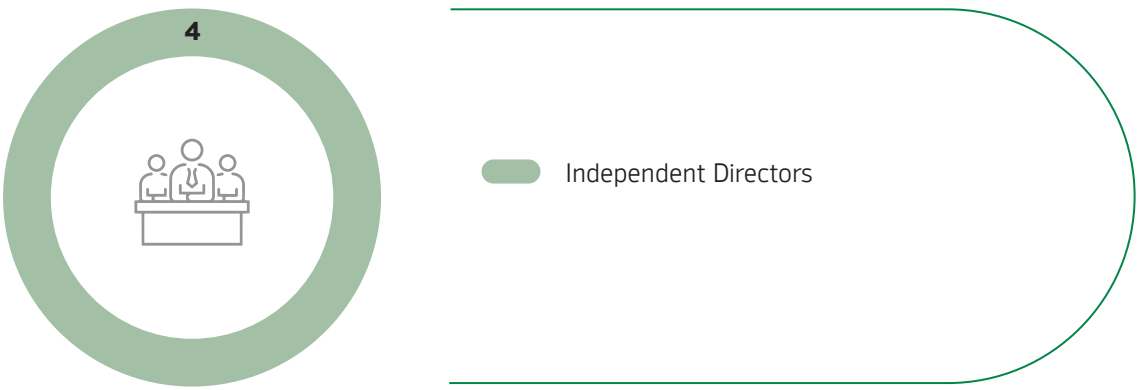
The details of attendance of each Director at the meetings held during the period from 01st April 2025 to 31st March 2026 are mentioned below:

Name of the Directors	No of Meetings during his/her tenure		Percentage (%)
	Conducted	Attended	
CA Dr Chinnasamy Ganesan, Chairman of the Committee	10	10	100
Dr Harshavardhan R@	5	5	100
Shri R Vidhya Shankar@	5	5	100
Smt. Srimathy Sridhar	10	10	100
Shri R Ramkumar*	5	5	100
Shri K G Mohan*	5	5	100

@ Member of the Committee from 9th October 2025

** Member of the Committee till 8th October 2025*

Composition of the Audit Committee of the Board (ACB) as on 31st March 2026



The terms of reference of the Committee, inter-alia, the following:

1. Oversight of the Bank's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Bank;
3. Approval of payment of fees to statutory auditors for any other services rendered by them;
4. Reviewing the quarterly, half-yearly and annual financial statements with the management and auditors report thereon before submission to the Board for approval with specific reference to:
    a. Matters required to be included in the Directors' Responsibility Statement which forms part of Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013;
    b. Changes in accounting policies and practices, if any, and reasons for the same;
    c. major accounting entries involving estimates based on the exercise of judgment by management;
    d. Significant adjustments made in the financial statements arising out of audit findings;
    e. Compliance with the Listing and other legal requirements relating to financial statements;
    f. Disclosure of related party transactions;
    g. modified opinion(s) in the draft audit report;
5. Reviewing with the management, the quarterly financial statements before submission to the board for approval;
6. Reviewing the statement of application of funds raised through an issue (public, rights, preferential issue etc.,), the statement of funds utilized other than for those stated in the offer documents, report submitted by monitoring

agency on the utilization proceeds with the management and making appropriate recommendations to the Board to take steps in this regard;

7. Reviewing and monitoring the Statutory Auditor's independence, performance, and effectiveness of Audit process;
8. Approving or any subsequent modification of transactions with related parties;
9. Scrutinizing the transactions pertaining to inter-corporate loans and investments, if any;
10. Valuation of undertakings or assets of the Bank, as and when required;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of Internal Audit function, including the structure of the Internal Audit Department, staffing and seniority of the official heading the department, reporting structure coverage, frequency of Internal Audit;
14. Reviewing the findings of any internal investigations by the Internal Auditors into matters where suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
15. Discussions with Statutory Auditors before commencement of Audit, about the nature and scope of Audit as well as post-Audit discussion to ascertain any area of concern;
16. Reviewing repayment obligations of Bank, assess and review the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
17. Reviewing the Whistle Blower Policy and Vigil Mechanism;
18. Approving the appointment of CFO (i.e., the person who is heading the finance function after assessing his qualifications, experience, background and etc.,);
19. Reviewing Long Form Audit Report as prepared by Statutory Auditors;
20. Reviewing periodic inspection report submitted by RBI;
21. Reviewing of RBIA inspection reports on periodic basis.
22. Reviewing of Frauds on periodic basis.
23. Discussions and review with the internal audit and Concurrent Auditors, their reports/findings with an objective of reporting any significant/ material findings to the Board;
24. Monitoring the adequacy of the internal control environment, adequacy of checks and balances including Management Information Systems (MIS) and the adequacy of Internal Audit function, its policies, its structure, coverage and frequency of Internal Audits;
25. Reviewing the compliance function periodically;
26. Reviewing the following information:
    1) Management Discussion and Analysis of financial conditions and results of operations;
    2) Statement of significant related party transactions submitted by the management, etc;
    3) Management letters / letters of internal control weaknesses issued by the Statutory Auditors;
    4) The appointment, removal and terms of remuneration of the Chief Internal Auditor/Head of Internal Audit;
    5) Statement of deviations, annual statement of funds utilized for purposes other than those stated in the other document/prospectus/notice in case of fund raising activities.
27. Performing any other functions, duty as stipulated by the Companies Act, 2013, Reserve Bank of India, SEBI LODR, SEBI PIT Regulations and any other regulatory authority or under any applicable laws as prescribed from time to time.

3. Nomination and Remuneration Committee (NRC)

Pursuant to the provisions of the Companies Act, 2013, SEBI LODR and the extant guidelines of Reserve Bank of India, your Bank has constituted Board level Nomination & Remuneration Committee (NRC) which, inter alia, deals with the matters relating to appointments on the Board and Senior Management, performance appraisal and compensation related matters of the Bank.

NRC has formulated the criteria for determining qualifications, positive attributes and independence of a Director for the appointment/ re-appointment of Directors in tune with the 'fit and proper' criteria as per RBI guidelines issued from time to time which stipulates age, qualification, experience, track record, integrity, etc.

NRC is also reviewing and assessing the composition mix and performance of the Board as well as identifying appropriately qualified persons to confirm Board Diversity.

Chairman of the NRC was present at the last Annual General Meeting.

During the FY 2025-26, Nomination and Remuneration Committee met Eleven (11) times and the date of the meetings are mentioned below:

25/04/2025	17/07/2025	20/09/2025	27/02/2026
16/05/2025	14/08/2025	05/12/2025	23/03/2026
18/06/2025	03/09/2025	21/01/2026	

The details of attendance of each Director at the meetings held during the period from 01st April 2025 to 31st March 2026 are mentioned below:

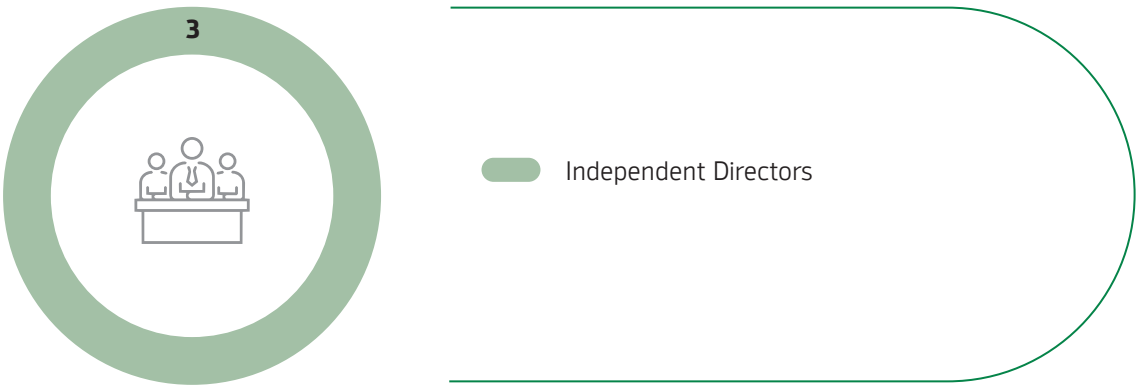
Name of the Directors	No. of Meetings during his/her tenure		Percentage (%)
	Conducted	Attended	
Shri Murali Ramaswami* Chairman of the Committee	11	11	100
Dr Meena Hemchandra, Chairperson	11	11	100
Shri R Vidhya Shankar $	4	4	100
Shri K G Mohan #	7	7	100

** Member of the Committee till 8th October 2025 and appointed as Chairman of the Committee from 9th October 2025*

$ Member of the Committee from 9th October 2025

 # Member of the Committee till 8th October 2025

Composition of Nomination and Remuneration Committee (NRC) as on 31st March 2026



The terms of reference of the Committee, inter-alia, include the following:

1. Formulate criteria for determining qualifications, positive attributes and independence of a director, in terms of fit and proper criteria issued by the RBI from time to time.
2. Devise/review a Policy on Appointment and Succession Planning for Directors.
3. Devise/review a policy on Board Diversity.
4. Formulate/review criteria for evaluation of performance of Chairperson, Whole-time Directors, Independent Directors, Board of Directors, Committees of Board.
5. Recommend persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the board of directors their appointment and removal.
6. Frame/review Compensation Policy towards ensuring effective alignment between remuneration and risk. Directors and Senior Management Personnel shall be part of the Compensation Policy.
7. Formulate the criteria for variable pay and fix the thresholds for applying malus & clawback on the grant of variable pay payable to MD & CEO/ED.
8. Review and recommend to the board, all remuneration, in whatever form, payable to Directors & senior management.
9. Consider grant of stock options to employees, administer and supervise the Employee Stock Option Plans in conformity with statutory provisions and guidelines.
10. Provide inputs, if required, to Board for making disclosures regarding policies, appointments, remuneration etc. of Directors and Senior Management Personnel in the Annual Reports/ Directors Reports/Financial Statements etc. as may be required by the regulations from time to time.
11. Perform any other functions or duties as stipulated by the Companies Act, RBI, SEBI, Stock Exchanges and any other regulatory authority or under any applicable laws as may be prescribed from time to time.

Evaluation of Board's Performance

Particulars	Category	Disclosures
Evaluation of	Board as a whole	Performance evaluation of the Board as a whole, Committees, Chairperson, Managing Director & CEO / Executive Director, and Individual Directors are carried out in compliance with applicable statutory guidelines. The evaluation of Individual Directors is conducted without the participation of the Director concerned. The evaluation process is based on structured questionnaires covering both qualitative and quantitative parameters.
	Board Committees	
	Chairperson	
	Managing Director & CEO / Executive Director(s)	
	Non – Executive Directors including Independent Directors	

Evaluation Mechanism → **Method**: Internal Assessment → **Process**:

- Questionnaire based on three core pillars i.e., Governance, Strategic & Operational Oversight and Regulatory Compliance
- On an effectiveness rating scale ranging from one to five

Evaluation Criteria

Nomination and Remuneration Committee re-examined the questionaries vetted by external agency during FY 2024-25 and adopted the same, in line with the applicable provisions of the Companies Act, 2013, SEBI LODR and as per the Guidance Note on Board Evaluation issued by SEBI for, evaluation framework comprehensively covers the performance assessment of the Board as a whole, its Committees, the Chairperson, the Managing Director & CEO / Executive Director, and Non-Executive Directors, including Independent Directors.

Category	Criteria
Board as a Whole	Criteria, inter-alia, includes such as composition, structure, independence, frequency of the meeting, defined roles and responsibilities, effectiveness of Board processes, familiarisation & training programs, information and functioning, management relations, strategy, risk management, integrity, sustainability, inputs from the Directors, ethical business culture, stakeholder-inclusive approach etc.,

Category	Criteria
Board's Committee	Criteria, inter-alia, includes such as composition, effectiveness, periodicity of meetings, function and duties, management relations, committee meetings and procedures, inputs on the minutes of committee meeting and chairperson of the respective committee, Independence of the Committee, effective recommendation to Board, cohesiveness in overall working etc.,
Chairperson	Criteria, inter-alia, includes such personal attributes, leadership qualities, ability to synthesise discussion, management of balance between stakeholders, maintenance of good working relationship and communication within the Board and among senior management, promoting sense of participation among the members and implementing best Corporate Governance practices, etc.,
Managing Director & CEO / Executive Director(s)	Criteria, inter-alia, includes such as leadership, strategy formulation & execution, developing and executing business plans, operational plans, risk management and maintaining collaborative working relationships with Board members and harmonious relationship with stakeholders, effective organization structure, foster innovation in process, technology and products, effective and timely decision making, maintain ethical, transparent and compliance culture etc.,
Non – Executive Directors including Independent Directors	Criteria, inter-alia, includes such as act in good faith, active participation, independent views & judgement, knowledge, expertise, skill updation, competence, candour in expressing views, quality of information to Directors etc.,

The Board of Directors in their meeting held on 7th May 2026 have carried out the annual evaluation on the performance of Board, its Committees, Chairperson, Managing Director & CEO and Independent Directors. Further Independent Directors in their Separate Meeting have carried out evaluation of Board as a whole and Non-Independent Directors. The evaluation process was initiated by putting in place, a structured questionnaire after taking into consideration of the inputs received from the Directors.

Board acknowledges that Independent Directors are having diversified expertise with competence and integrity and who express their opinions freely as well as exercise their own judgements.

Evaluation outcome | **Results** | **Action Plans, if any**

The disclosure in terms of SEBI Circular no. SEBI/HO/ CFD/CMD/CIR/P/2018/79 dated 10th May 2018, on board evaluation, is detailed as under:

1. **Observations of Board evaluation carried out for the year:**
   - Information optimisation: recommend to refine reporting formats to be more concise, focused and executive ready.
   - Diversification of Asset growth, Comprehensive liability strategy – encompassing sophisticated customer segmentation, innovative product design, and enhanced service delivery.
2. **Previous year's observations and actions taken:** Previous year's observations were:
   1) to strengthen the talent pipeline, leadership development-develop comprehensive compensation policy considering mix of IBA and CTC models in the bank and sharpen training & development process,

      Actions taken: Bank has updated the compensation policy to incorporate the aspects of existing IBA framework and CTC-based compensation models, in line with regulatory guidelines and internal governance norms. Bank has further strengthened the training processes and leadership development processes, with a focus on succession planning and capability building across critical roles to support long-term strategic objectives.

   2) review aspects pertaining to IT project management especially for the critical projects.

      Actions taken: IT projects are tracked and monitored through a Centralized Project Management Tool, which provides real-time visibility into project progress, task allocation, resource utilization, and interdependencies. The platform enables efficient execution and monitoring of project-related activities, thereby enhancing transparency, coordination, and timely decision-making.

3) to streamline further improvements in certain aspects of Board process.

Actions taken: To streamline the Board processes, the Investor Relations Cell (IRC) has taken the initiative to enhance presentation skills and apprise Senior Management of the Board's expectations. In addition, the Bank has initiated the process of collecting presentations from the respective verticals/departments for matters proposed to be placed before the Board and its Committees.

3. **Proposed action based on current year observations:** All the observations made by the Board during performance evaluation process have been conveyed to the concerned stakeholders, for appropriate action. The status of compliance with the said observations will be reviewed by the Board.

4. Customer Service and Stakeholders Relationship Committee (CS & SRC)

Reserve Bank of India vide its Master circular RBI/DOR/2025-26/170, DOR.MCS.REC.No.89/01-01-032/2025-26 dated 28th November 2025 (Erstwhile RBI/2015-16/59, DBR No.Leg. BC.21/09.07.006/2015-16 dated 1st July 2015) has suggested Banks to constitute a Customer Service Committee of the Board in compliance with the recommendations of Committee on Procedures and Performance Audit on Public Service (CPPAPS) and to include experts and representatives of customers as invitees to enable the Bank to formulate policies and assess the compliance thereof internally with a view to strengthening the Corporate Governance structure and bring about on-going improvements in the quality of customer service provided by the Banks, thereby improving the level of customer satisfaction for all categories of clientele consistently. The Committee is entrusted with the responsibility of monitoring the quality of services rendered to the customers and also ensuring the implementation of directives received from RBI in this regard.

Further, in terms of RBI Circular DOR.FIN.REC. No.75/20.16.056/2025-26 dated 28th November 2025 (Erstwhile DBOD.No.CID. BC.127/20.16.056/2013-14 dated 27th June 2014) Bank shall have a structured process of complaint redressal by constituting a Consumer Protection Committee under Board with respect to Credit Information Report submitted by the Bank. Pursuant to provisions of Section 178 of the Companies Act, 2013, a company which consists of more than one thousand shareholders, debenture-holders, deposit holders and any other security holders at any time during a financial year shall constitute a Stakeholders Relationship Committee and the SEBI LODR requires that, the Committee so constituted has to consider and resolve the grievances of investors.

In line with the above regulatory provisions, Bank has constituted a Customer Service and Stakeholders' Relationship Committee ("CS&SRC"). The Committee is chaired by a Independent Director and the Chairman of the CS&SRC was present at the last Annual General Meeting.

During the FY 2025-26, the Customer Service and Stakeholders Relationship Committee met two (2) times and the date of the meetings are mentioned below:

23/09/2025	17/02/2026

The details of attendance of each Director at the meetings held during the period from 01st April 2025 to 31st March 2026 are mentioned below:

Name of the Directors	No. of Meetings during his/her tenure		Percentage (%)
	Conducted	Attended	
Shri R Vidhya Shankar, Chairman of the Committee	2	2	100
Shri B Ramesh Babu, MD & CEO	2	2	100
CA Dr Chinnasamy Ganesan *	1	1	100

Name of the Directors	No. of Meetings during his/her tenure		Percentage (%)
	Conducted	Attended	
Dr Mythili Vutukuru *	1	1	100
Shri R Ramkumar #	1	1	100
Shri K G Mohan #	1	1	100
Shri B Sankar, ED $	1	1	100
Shri J Natarajan, ED ^	-	-	NA

** Member of the Committee from 9th October 2025*

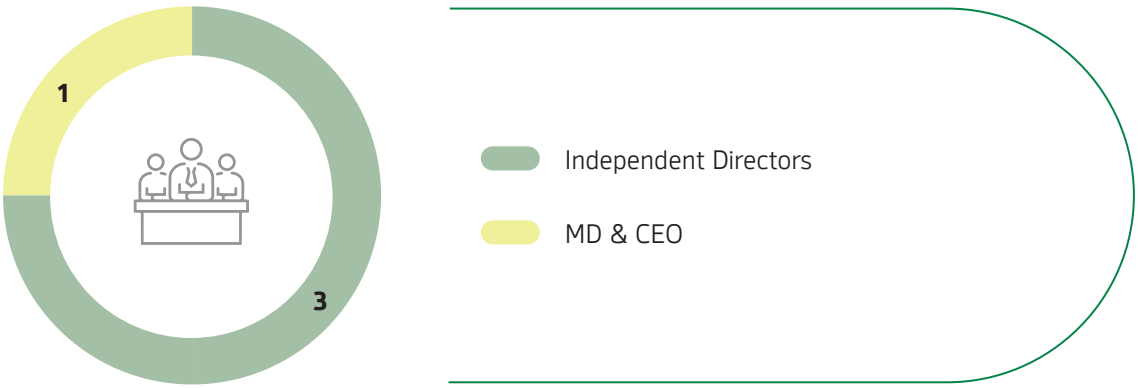
 # Member of the Committee till 8th October 2025

$ Member of the Committee from 22nd May 2025 till 8th October 2025

^ Member of the Committee till 21st May 2025 and no meeting has been scheduled during his tenure.

Shri Srinivasarao Maddirala, Company Secretary and Compliance Officer, is the Compliance Officer in terms of Regulation 6 of the SEBI LODR.

Composition of Customer Service and Stakeholders Relationship Committee (CS & SRC) as on 31st March 2026



The terms of reference of the Committee, inter-alia, include the following:

1. Formulating comprehensive Deposit Policy, incorporating the issues such as the treatment of death of a depositor (for operations of his/her account), the product approval process, annual survey of depositor satisfaction and the triennial audit of such services.
2. The Committee shall also examine any other issues which have a bearing on the quality of customer service rendered by the Bank.
3. Review the actions taken/being taken by the Bank to standardize the delivery of customer service.
4. Review the results of the surveys conducted that provide quantitative and qualitative feedback from customers' experience of the service rendered by the bank.
5. Review the updation, alteration of credit information, resolution of disputes, process of complaint redressal, with respect to Credit Information Report submitted in terms of RBI Circular.
6. Further, with a view to enhancing the effectiveness of the Customer Service Committee, banks should also:
   a) place all the awards given by the Banking Ombudsman before the Customer Service Committee to enable them to address issues of systemic deficiencies existing in banks, if any, brought out by the awards;
   b) place all the awards remaining unimplemented for more than three months with the reasons therefore before the Customer Service Committee to enable the Customer Service Committee to report to the Board such delays in implementation without valid reasons and for initiating necessary remedial action.

7. In terms of Master Circular issued by RBI on Internal Ombudsman for Regulated entities Directions requires:

   a) The Internal Ombudsman to furnish periodic reports (including the analysis of complaints) on his / her activities to the CS & SR Committee of the Board which is handling customer service and protection, preferably at quarterly intervals, but not less than half yearly intervals;

   b) To put in place a system for discussion of cases, in which the decision of the Internal Ombudsman has been rejected by the regulated entity, by the Customer Service Committee / Consumer Protection Committee of the Board of the regulated entity.

8. Review and monitor the mechanism to redressal the complaints received from security holders such as shareholders, bond holders and any other stake holders with specific reference to non-receipt of dividend, non-receipt of interest on bonds, annual report / statutory notice by the shareholders of the Bank, transfer or transmission of shares, issue of duplicate share certificate, splitting or consolidation, dematerialisation, rematerialisation, transmission of securities etc. The Bank shall seek confirmation in this regard from share transfer agents and verify adequacy and timeliness of complaint redressal received through these agents or through SCORES etc.

9. Review the adherence to the service standards adopted by the Bank in respect of various services being rendered by the Registrar & Share Transfer Agent to its shareholders;

10. Review of measures taken for effective exercise of voting rights by the shareholders and recommend measures for overall improvement in the quality of investor services.

11. Review various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants along with compliances with respect to IEPF etc.

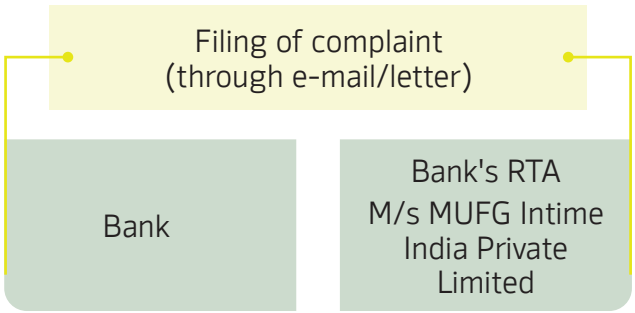
12. Review the polices related to Committee and recommend to the Board for approval.

13. Review such other matters, as the Committee may deem fit, from time to time.

Complaints Redressal Systems

Your Bank has ensured well-defined process for facilitating the redressal of investor grievances and offers multiple avenues for investors to file their complaints.

Filing of complaint



Shareholders may raise their grievances or service requests through the Bank's Registrar and Share Transfer Agent (RTA) or the Bank's Investor Relations Cell, as detailed below:

Registrar and Share Transfer Agent ("RTA"):

MUFG Intime India Private Limited,
"Surya", 35 Mayflower Avenue,
Behind Senthil Nagar,
Sowripalayam Road,
Coimbatore - 641028
Tamil Nadu.
Tel: +91 422 – 2314792/4958995/2539835/2539836
e-Mail: investor.helpdesk@in.mpms.mufg.com
Website: www.in.mpms.mufg.com
CIN: U67190MH1999PTC118368
For raising service request, visit: https://web.in.mpms.mufg.com/helpdesk/Service_Request.html
To know the outstanding dividend(s), visit: https://swayam.in.mpms.mufg.com/

Banks' Investor Relations Cell:

Investor Relations Cell,
The Karur Vysya Bank Limited,
Regd. & Central Office, No. 20, Erode Road,
Vadivel Nagar, L.N.S., Karur- 639002.
Phone: 04324-269441
e-Mail: kvb_sig@kvb.bank.in
Website: www.kvb.bank.in

As per the applicable statutory requirements, investor complaints are required to be resolved within 21 days. However, Bank has established more stringent internal service standards and endeavours to resolve investor complaints within 7 to 10 days from the date of receipt.

Further, in the event that a complaint is not redressed within the prescribed timelines or the investor is not satisfied with the resolution provided, the investor may escalate the matter through the channels indicated below:

SEBI Complaints Redress System (SCORES)

SEBI has formed a centralized web-based complaints redress system SEBI Complaints Redress System ("SCORES") during 2011, wherein complaints lodged by investors are forwarded to the listed entity through online. The purpose of SCORES is to provide a platform for aggrieved investors, whose grievances, pertaining to securities market, which remain unresolved by the concerned listed company or registered intermediary after a direct approach. The listed companies and SEBI registered intermediaries shall update the Action Taken Reports ("ATR") along with supporting documents, if any, electronically in SCORES. This acts as an oversight mechanism on the company's redressal system and does not allow them to shrug off their responsibilities towards investors grievances.

SEBI Online Dispute Resolution (ODR) Portal

SEBI has issued a Circular SEBI/HO/OIAE/OIAE_IAD-3/P/CIR/2023/195 Updated as on 20th December 2023, to streamline the existing dispute resolution mechanism in the Indian securities market by establishing a common Online Dispute Resolution Portal viz https://smartodr.in/login. In case the member is not satisfied with the resolution provided at Level 1 i.e., Directly writing to Bank/RTA and Level 2 i.e., SEBI SCORES portal, then the online dispute resolution process can be initiated through the SMART ODR portal.

The details of each complaints (category wise) received and redressed are furnished to the Customer Service & Stakeholders Relationship Committee of the Board on half-yearly basis.

Details of investor complaints received and resolved during FY 2025-26:

Opening as on 1st April 2025	Received during the year	Resolved during the year	Closing as on 31st March 2026
-	6	6	-

The majority of the complaints received during the period under review pertaining to dividend related aspects/request for physical annual report.

All the complaints were redressed within the prescribed timeline and the communication of the same was duly forwarded to the shareholders.

5. Risk Management and Asset Liability Management Committee (RM & ALM)

Pursuant to the guidelines of RBI on Risk Management Systems and SEBI LODR, your Bank has formed Risk Management and Asset Liability Management Committee (RM & ALM). The Committee, inter alia, review the Bank's risk management framework and ensure effective implementation of the risk management strategies in the Bank. In compliance with RBI circular guidelines, the Risk Management Department of the Bank is headed by the Chief Risk Officer. The Committee is headed by an Independent Director.

During the FY 2025-26, the Risk Management and Asset Liability Management Committee met seven (7) times and the date of the meetings are mentioned below:

08/05/2025	21/07/2025	24/11/2025	24/03/2026
12/06/2025	22/09/2025	18/02/2026	

The details of attendance of each Director at the meetings held during the period from 01st April 2025 to 31st March 2026 are mentioned below:

Name of the Directors	No. of Meetings during his/her tenure		Percentage (%)
	Conducted	Attended	
Dr Harshavardhan R, Chairman of the Committee	7	7	100
Dr Meena Hemchandra, Chairperson	7	7	100
Shri B Ramesh Babu, MD & CEO	7	7	100
Shri R Ramkumar *	3	3	100

Name of the Directors	No. of Meetings during his/her tenure		Percentage (%)
	Conducted	Attended	
Smt. Srimathy Sridhar *	3	3	100
Shri R Vidhya Shankar #	4	4	100
Shri B Sankar, ED @	3	3	100
Shri J Natarajan, ED ^	1	1	100

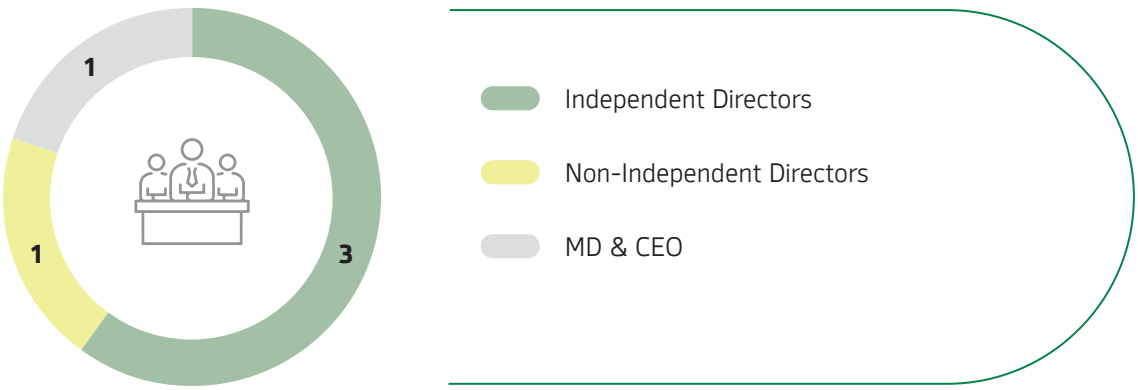
** Member of the Committee from 9th October 2025*

 # Member of the Committee till 8th October 2025

@ Member of the Committee from 22nd May 2025 till 8th October 2025

^ Member of the Committee till 21st May 2025

Composition of Risk Management and Asset Liability Management Committee (RM & ALM) as on 31st March 2026



The terms of reference of the Committee, inter-alia, include the following:

1. Assess the risk universe of the Bank and identify prioritize action plans to address the risk faced by the Bank.
2. Approves the development and implementation of risk assessment methodologies, frameworks, tools and reporting formats.
3. Identifying and regularly reporting on Key Risk indicators.
4. Facilitating and defining the definition of Risk Appetite of the Bank.
5. Monitor and oversee the implementation of the Risk Management Framework in the Bank.
6. Recommend suitable controls / mitigations for managing different risks.
7. Conduct review of stress testing and report the result.
8. Review of the Risk Management Policies related to IT related risks including cyber security risk in consultation with ITS & DTM Committee.
9. Review of IT / cyber security risk assessment on quarterly basis.
10. Review the methodologies, framework and tools for asset liability management of the Bank and report on their performance on regular basis.
11. Advise the Board on all risk matters.
12. Consider any major regulatory issues that may have a bearing on the risk profile and risk appetite of the Bank.
13. Formulate a detailed risk management policy which shall include:
    - A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
    - Measures for risk mitigation including systems and processes for internal control of identified risks.
    - Business continuity plan.

14. Approve the strategy and policies of the Bank, to ensure well integrated enterprise risk management in the Bank; and to periodically review the risk management policy, by considering the changing industry dynamics and evolving complexity.

15. Exercise oversight over the risk management function of the Bank.

16. Review regular risk management reports from management which enable the Committee to assess the risks involved in the Bank's business and how they are controlled and monitored and to give clear focus to current and forward-looking aspects of risk exposure.

17. Provide guidance and inputs to the Board and the Management on the hiring and reporting structure of the Chief Risk Officer of the Bank. The appointment, removal and terms of remuneration of the Chief Risk Officer, shall be subject to review by the Risk Management Committee.

18. Meet CRO on one-to-one basis, without the presence of the MD & CEO, at least on a quarterly basis, as CRO reports to the MD & CEO.

19. Review the Policies related to the committee and recommend to the Board for approval.

20. Review of effectiveness of the framework of EWS and status of Red Flagged Accounts on quarterly basis. The review should cover status of red flagged accounts, including the EWS alerts / triggers, remedial actions initiated by the bank, etc.

21. Approve EWS indicators identified for monitoring credit facilities / loan accounts and other banking transactions and to prescribe the TAT for examination of EWS alerts / triggers.

22. Review of Model Risk Management framework including the inputs or assumptions used in the credit risk models. Review of outcomes of the validation and suggest corrective measures, if any.

23. Review of exposure to Central Counterparties (CCPs), including exposures arising from trading through a CCP and exposures arising from CCP membership obligations such as default fund contributions on quarterly basis.

24. In terms of SEBI LODR, the Committee shall have powers to seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary.

25. Any other functions as may be stipulated by SEBI, Ministry of Corporate Affairs, RBI, Stock Exchanges and any other statutory authorities from time to time.

6. NPA Management Committee

Your Bank has constituted NPA Management Committee to monitor stressed assets, review the recovery process, study quick mortality assets and review NPA Accounts and suit filed with NCLT. In order to bring down the level of NPAs, Bank takes appropriate legal actions against the borrowers to realize the assets and recovery of dues from them. The Committee is vested with powers for approving settlement proposals in respect of NPAs and to initiate legal actions against the borrowers as per the Recovery Policy of the Bank. The Committee is headed by an Independent Director.

During the FY 2025-26, the NPA Management Committee met four (4) times and the date of the meetings are mentioned below:

	09/06/2025	**06/09/2025**	**03/11/2025**	**17/02/2026**

The details of attendance of each Director at the meetings held during the period from 01st April 2025 to 31st March 2026 are mentioned below:

Name of the Directors	No. of Meetings during his/her tenure		Percentage (%)
	Conducted	Attended	
Smt. Srimathy Sridhar $ Chairperson of the Committee	4	4	100
Shri B Ramesh Babu, MD & CEO	4	4	100
Shri R Vidhya Shankar	4	4	100
Shri R Ramkumar *	2	2	100
Dr Meena Hemchandra, Chairperson #	2	2	100
Shri B Sankar, ED @	2	1	50
Shri J Natarajan, ED ^	-	-	NA

$ Members of the Committee till 8th October 2025 & appointed as Chairperson of the Committee from 9th October 2025

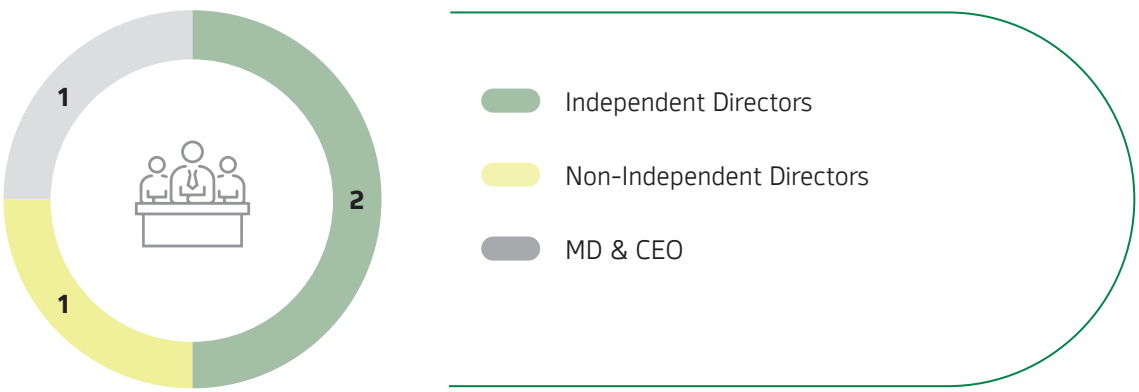
** Member of the Committee from 9th October 2025*

 # Chairperson of the Committee till 8th October 2025

@ Member of the Committee from 22nd May 2025 till 8th October 2025

^ Member of the Committee till 21st May 2025 & no meeting has been scheduled during his tenure

Composition of NPA Management Committee as on 31st March 2026



The terms of reference of the Committee, inter-alia, include the following:

1. Periodical review of the large corporate loans and advances appearing in SMA lists.
2. Periodical review of Non-Performing Assets of large value (₹ 2.5 Crore and above) and also a pool of NPAs in various categories (substandard, doubtful and loss).
3. Review the position of stressed assets (SMA 1, SMA 2) position in the Bank.
4. Review the progress of recovery and monitor the process of recovery mechanism of the Bank.
5. Review the status of SARFAESI compliance for every six months.
6. Review the trends of NPAs in the industry and direct the recovery measures.
7. Review the suits filed cases of large value (₹ 2.5 Crore and above).
8. Review the status on technical write off accounts.
9. Review the Policies related to the committee and recommend to the Board for approval.
10. To review Quick Mortality NPA and Fraud reported accounts.
11. Monitoring mechanism of the advances below and above ₹ 3 Crore.
12. Any other relevant matters identified from time to time or advised by the board/committee.

7. Special Committee of the Board for Monitoring and Follow-up of Fraud Cases (SCBMF)

Special Committee of the Board for Monitoring and Follow up of Fraud Cases is constituted in line with the RBI Master circular RBI/DOS/2024-25/118, DOS.CO.FMG.SEC. No.5/23.04.001/2024-25 dated 15th July 2024 (Erstwhile DBS.CO.CFMC.BC.No.1/23.04.001/2016-17 dated 1st July 2016 (updated on 3rd July 2017)). The main objective of the committee is to oversee investigation of frauds, conduct root cause analysis, review actions taken by the Bank against the perpetrators of such frauds and suggesting / reviewing corrective steps to plug systemic loopholes, if any.

In compliance with the RBI Master Direction, SCBMF will review all the frauds irrespective of the amount involved. However, SCBMF reviews frauds involving amount of ₹ 3 Crore and above at the earliest basis but not more than 90 days delay. The periodicity of SCBMF may be decided according to the number of cases involved. In addition, SCBMF should meet and review as and when a fraud involving an amount of ₹ 3 Crore and above comes to light. This Committee is headed by an Independent Director.

During the FY 2025-26, the Special Committee of the Board for Monitoring and Follow-up of Fraud Cases met four (4) times and the date of the meetings are mentioned below:

19/06/2025	16/09/2025	21/11/2025	13/02/2026

The details of attendance of each Director at the meetings held during the period from 01st April 2025 to 31st March 2026 are mentioned below:

Name of the Directors	No. of Meetings during his/her tenure		Percentage (%)
	Conducted	Attended	
Shri Murali Ramaswami, Chairman of the Committee	4	4	100
Shri B Ramesh Babu, MD & CEO	4	4	100
Shri R Ramkumar *	2	2	100
CA Dr Chinnasamy Ganesan	4	4	100
Dr Harshavardhan R #	2	2	100
Shri B Sankar, ED @	2	2	100
Shri J Natarajan, ED ^	-	-	NA

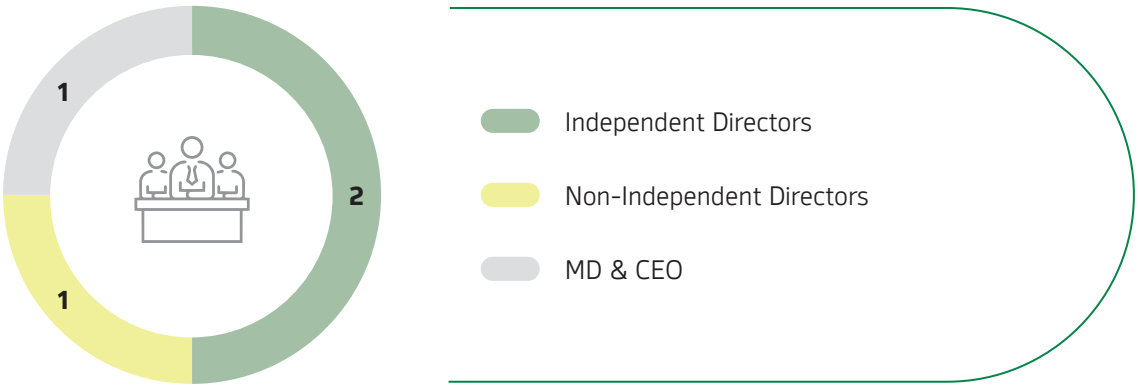
** Member of the Committee from 9th October 2025*

 # Member of the Committee till 8th October 2025

@ Member of the Committee from 22nd May 2025 and till 8th October 2025

^ Member of the Committee till 21st May 2025 & no meeting has been scheduled during his tenure

Composition of Special Committee of the Board for Monitoring and Follow-Up of Fraud Cases as on 31st March 2026



The terms of reference of the Committee, inter-alia, include the following:

The major functions of the Special Committee would be to monitor and review all the frauds to:

1. Responsible for review and monitor of frauds, including root cause analysis, and suggest mitigating measures for strengthening internal controls, risk management framework and minimizing the incidence of frauds and overseeing the effectiveness of fraud risk management in the bank.
2. Review frauds involving amount of ₹ 3 Crore and above within 90 days from the date of detection of Fraud.
3. Review frauds involving an amount of ₹ 50 Lakh and above as and when such frauds occurs.
4. A brief review covering the type of fraud, amount involved, recovery control gaps and mitigation measures taken shall be placed to SCBMF on quarterly basis covering details of frauds below ₹ 50 Lakh.
5. Identify the systemic lacunae, if any, which facilitated perpetration of the fraud and put in place measures to plug the same.
6. Identify the reasons for delay in detection, if any, reporting to top management of the bank and RBI.
7. Oversee the effectiveness of the framework for Early Warning Signals (EWS) and Red Flagged Accounts (RFA).
8. Cases remaining in red-flagged status beyond 180 days shall be reviewed by SCBMF.
9. Review the meetings of Executive Level Committees aligned to SCBMF (FMG and FIC).
10. Monitor progress of CBI/Police Investigation and recovery position.
11. Ensure that staff accountability is examined at all levels and staff-related action, if required, is completed expeditiously.

8. Information Technology Strategy and Digital Transaction Monitoring Committee (ITS & DTMC)

Your Bank has formed Information Technology Strategy and Digital Transaction Monitoring Committee (ITS & DTMC) pursuant to guidelines/circulars issued by RBI. The Committee, inter-alia, ensures that the Bank is appropriately placed in a rapidly changing technological environment and adopted the right technology at the right time to ensure continued competitiveness, safety, security, encouraging of digital transactions in line with national objectives, formulation of IT strategies and review IT investments.

The Committee shall consist of minimum of three members. The Chairperson of the Committee shall be an Independent Director with substantial expertise in Information Technology, including experience in managing or guiding IT-related initiatives. The members of the Committee shall be technically competent to effectively discharge their responsibilities.

During the FY 2025-26, the Information Technology Strategy and Digital Transaction Monitoring Committee met five (5) times, and the date of the meetings are mentioned below:

03/04/2025	11/06/2025	08/09/2025	21/11/2025	16/02/2026

The details of attendance of each Director at the meetings held during the period from 01st April 2025 to 31st March 2026 are mentioned below:

Name of the Directors	No. of Meetings during his/her tenure		Percentage (%)
	Conducted	Attended	
Dr Meena Hemchandra,^ Chairperson of the Committee	5	5	100
Shri B Ramesh Babu, MD & CEO	5	5	100
CA Dr Chinnasamy Ganesan	5	5	100

Name of the Directors	No. of Meetings during his/her tenure		Percentage (%)
	Conducted	Attended	
Dr Mythili Vutukuru *	2	2	100
Shri K G Mohan #	3	3	100
Shri B Sankar, ED $	2	1	50
Shri J Natarajan, ED @	1	0	-

^ Members of the Committee till 8th October 2025 & appointed as Chairperson of the Committee from 9th October 2025

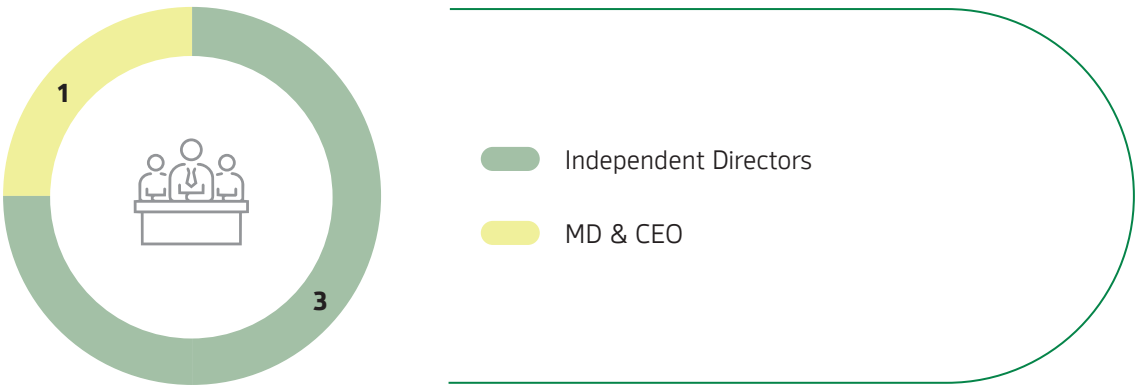
** Member of the Committee from 9th October 2025*

 # Member of the Committee till 8th October 2025

$ Member of the Committee from 22nd May 2025 to 8th October 2025

@ Member of the Committee till 21st May 2025

Composition of Information Technology Strategy and Digital Transaction Monitoring Committee (ITS & DTMC) as on 31st March 2026



The terms of reference of the Committee, inter-alia, include the following:

1. Suggest improvement and monitor the implementation of modern technology in the Bank.
2. Approving IT strategy and policy documents.
3. Ensuring that the management has put an effective strategic planning process in place.
4. Ratifying that the business strategy is indeed aligned with IT strategy.
5. Ensuring that the IT organizational structure complements the business model and its direction.
6. Ensuring that management has implemented processes and practices that ensure that the IT delivers value to the business.
7. Ensuring IT investments represent a balance of risks and benefits and that budgets are acceptable.
8. Monitoring the method that management uses to determine the IT resources needed to achieve strategic goals and provide high-level direction for sourcing and use of IT resources.
9. Ensuring proper balance of IT investments for sustaining bank's growth.
10. Understanding exposure to IT related risks; the proposed controls thereof and evaluating effectiveness of management's monitoring of IT risks.
11. Assessing Senior Management's performance in implementing IT strategies.
12. Issuing high-level policy guidance (e.g. related to risk, funding or sourcing tasks).
13. Confirming whether IT or Business Architecture has been designed, to derive the maximum business value.
14. Overseeing the aggregate funding of IT at a Bank-level and ascertaining if the management has resources to ensure the proper management of IT risks.
15. Reviewing IT performance measurement and contribution of IT to businesses (i.e., delivering the promised value).

16. Reviewing and monitoring the Bank's Digital Banking strategy i.e., penetration in market, setting of Digital transactions target, review of progress made to improve the digital transactions, review of initiatives taken for educating the customers & publicity in the front of digital transactions and providing direction on areas of focus.
17. Reviewing the Minutes of Executive Level Committees "Technology (IT Steering)" and Convener Department "Information & Technology Department (ITD)"; and "Information Security (IS)" and Convener Department "Information Security Group (ISG)".
18. Review, at least on annual basis, the adequacy and effectiveness of the Business Continuity Planning and Disaster Recovery Management of the bank.
19. Review of Senior Management and IT Steering Committee: Update ITSC and CEO periodically on the activities of IT Steering Committee. The IT Steering Committee shall meet at least on a quarterly basis.
20. Review of cyber security risks/arrangements/ preparedness of the Bank before the Board/MCB/ITSC at least on a quarterly basis.
21. To convene committee meetings with specific themes in each alternate meeting viz., Strategy, Program Management & Business Value, IT Governance and Information / Cyber Security together with external lectures on latest trends and technologies.
22. Review of the status of all ongoing IT projects through dashboard together with project management rigour.
23. Review of the status of CBS version upgrade.
24. Review of cost benefit Analysis of migrations from old to new technologies.
25. Review of observations and findings of Executive Level Steering Committee on CBS Migration project.
26. Review of Budget vs Achievement.
27. Any other terms of reference as may be included from time to time by the Board or in compliance with RBI Guidelines, IBA etc., from time to time.

9. Review Committee for Wilful Defaulters and Large Defaulters

Pursuant to the Reserve Bank of India circular letter no.RBI/2014-15/73 DBR No.CID.BC.57/20.16.003/2014-15 dated 1st July 2014 and circular letter No. RBI/2014-15/362 DBR.No.CID.BC.54/20.16.064/2014-15 dated 22nd December 2014, your Bank has constituted the Review Committee for Wilful Defaulters and Non-Cooperative Borrowers to review the orders passed by the Committee of Executives for Identification of Wilful Defaulters & Non-Cooperative Borrowers and provide final decision with regard to identified Wilful Defaulters & Non-Cooperative Borrowers. Based on the RBI vide its circular no. RBI/ DoR/2024-25/122 DoR.FIN.REC.No.31/20.16.003/2024-25 dated 30th July 2024, the name of the Committee has rechristened as "Review Committee for Wilful Defaulters and Large Defaulters". This Committee is headed by MD & CEO of the Bank.

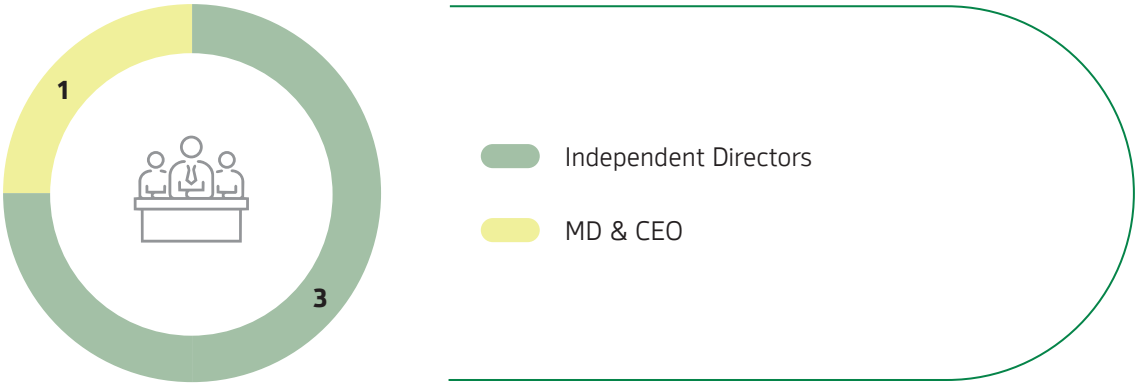
During the FY 2025-26, the Review Committee for Wilful Defaulters and Large Defaulters met three (3) times, and the date of the meetings are mentioned below:

09/06/2025	24/09/2025	16/02/2026

The details of attendance of each Director at the meetings held during the period from 01st April 2025 to 31st March 2026 are mentioned below:

Name of the Directors	No. of Meetings during his/her tenure		Percentage (%)
	Conducted	Attended	
Shri B Ramesh Babu, MD & CEO, Chairman of the Committee	3	3	100
CA Dr Chinnasamy Ganesan	3	3	100
Shri R Vidhya Shankar	3	3	100
Smt. Srimathy Sridhar	3	3	100

Composition of Review Committee for Wilful Defaulters and Large Defaulters as on 31st March 2026



The terms of reference of the Committee, inter-alia, include the following:

1. Review and confirm the order of the executive committee for Classification of borrowers as "Wilful Defaulters" or "Large Defaulters".
2. The proposal of the Identification Committee along with the written representation received shall be considered by the Review Committee.
3. The Review Committee shall provide an opportunity for a personal hearing also to the borrower/ guarantor/ promoter/ director/ persons who are in charge and responsible for the management of the affairs of the entity when they express their desire to be heard.
4. Any other matters identified from time to time or as advised by the Board.

10. Corporate Social Responsibility & Environmental, Social and Governance Committee (CSR & ESG)

In line with the requirements of section 135 of the Companies Act, 2013 and rules made there under with respect to Corporate Social Responsibility and in order to have an effective governance mechanism and oversee the development & implementation of the Bank's ESG framework, your Bank has constituted Corporate Social Responsibility & Environmental, Social and Governance Committee (CSR & ESG). Your Bank has in place Board approved CSR Policy recommended by CSR & ESG Committee. CSR policy of the Bank aims at promoting education, sanitation, safe drinking water facilitation, rural healthcare, promotion of sports, promotion of arts and culture, etc. In tune with CSR policy, your Bank has been supporting various projects and causes that seek to improve the economic and social wellbeing of the community at large.

The Committee is headed by MD & CEO of the Bank.

During the FY 2025-26, the Corporate Social Responsibility & Environmental, Social and Governance Committee met four (4) times and the date of the meetings are mentioned below:

	14/07/2025	11/08/2025	01/12/2025	23/03/2026

The details of attendance of each Director at the meetings held during the period from 01st April 2025 to 31st March 2026 are mentioned below:

Name of the Directors	No. of Meetings during his/her tenure		Percentage (%)
	Conducted	Attended	
Shri B Ramesh Babu, MD & CEO, Chairman of the Committee	4	4	100
Dr Meena Hemchandra, Chairperson	4	4	100
Shri R Ramkumar $	2	2	100

Name of the Directors	No. of Meetings during his/her tenure		Percentage (%)
	Conducted	Attended	
Shri Murali Ramaswami	4	4	100
Dr Harshavardhan R *	2	2	100
Shri B Sankar, ED #	2	2	100
Shri J Natarajan, ED ^	-	-	NA

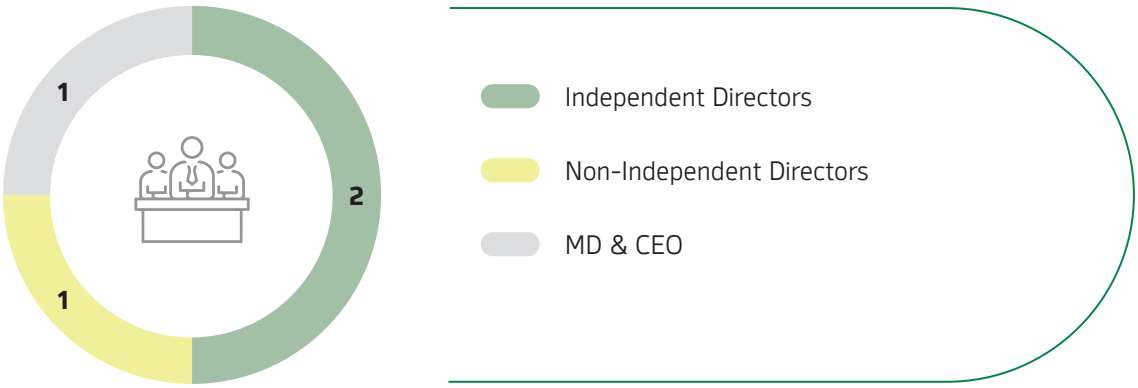
$ Member of the Committee from 9th October 2025

** Member of the Committee till 8th October 2025*

 # Member of the Committee from 22nd May 2025 to 8th October 2025

^ Member of the Committee till 21st May 2025 & no meeting has been scheduled during his tenure

Composition of Corporate Social Responsibility & Environmental, Social and Governance Committee (CSR & ESG) as on 31st March 2026



The terms of reference of the CSR & ESG Committee, inter-alia, include the following:

1. Formulate and recommend to the Board of Directors a Corporate Social Responsibility Policy indicating the activities to be undertaken by the Bank. Further review of Policy from time to time.
2. Provide guiding principles for selection, implementation and monitoring of projects.
3. Formulation of the Annual Action Plan (AAP) & recommend to Board.
4. Review the Annual Action Plan implementation & revision, if required.
5. Recommend the amount to be spent on the CSR activities.
6. Periodically review the effectiveness of CSR spends.
7. Ensure that CSR Activities are undertaken directly or through registered Implementation Agencies who meet the eligibility criteria prescribed under the CSR Policy Rules.
8. Review the impact assessment report & internal audit reports.
9. Review Certification by the Chief Financial Officer (CFO) or the person responsible for financial management regarding the utilization of the CSR Expenditure / payments.
10. Review the Disclosures of the Bank's CSR activities stipulated in applicable CSR laws and rules.
11. Review implementation of the CSR Policy and AAP, such that the CSR Project(s) / Program(s) that are being proposed to be undertaken are aligned to the Bank's social, environmental and economic activities to the extent possible.
12. Formulate and recommend to the Board of Directors an ESG Policy. Further review of Policy from time to time.
13. Oversee the development and implementation of the Bank's ESG framework.
14. Provide strategic direction to the Bank's ESG performance taking into consideration of the relevant risks and opportunities.

15. Oversee compliance with ESG regulations applicable to the Bank.
16. Monitor progress on the ESG framework implementation from time to time.
17. Oversee reporting and disclosure of the ESG performance in accordance with appropriate regulations and standards.
18. Review periodic report placed before the Committee regarding the activities undertaken in both CSR & ESG.

11. HUMAN RESOURCES COMMITTEE (HRC)

Human Resources Committee (HRC) is a non-statutory Board level Committee constituted during the year under report to provide a focused and dedicated approach to matters relating to Human Resources (HR) of the Bank.

The Committee is responsible for addressing, reviewing, and guiding HR-related aspects, with particular emphasis on employees belonging to cadres below the Senior Management Cadre. The HRC ensures that HR policies, practices, and initiatives for these cadres are aligned with the Bank's strategic objectives, regulatory requirements, and best governance standards. The Committee is headed by Independent Director.

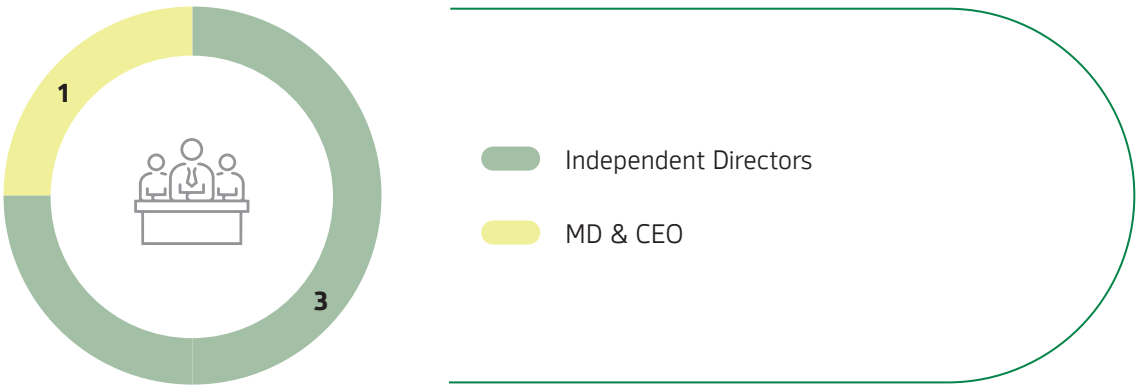
During the FY 2025-26, the Human Resources Committee met two (2) times and the date of the meetings are mentioned below:

07/11/2025	09/01/2026

The details of attendance of each Director at the meetings held during the period from 01st April 2025 to 31st March 2026 are mentioned below:

Name of the Directors	No. of Meetings during his/her tenure		Percentage (%)
	Conducted	Attended	
Smt. Srimathy Sridhar, Chairperson of the Committee	2	2	100
Dr Meena Hemchandra, Chairperson	2	2	100
Shri Ramesh Babu	2	2	100
Dr Harshavardhan R	2	2	100

Composition of Human Resources Committee (HRC) as on 31st March 2026



The terms of reference of the Human Resources Committee, inter- alia, include the following:

1. Oversight on various HR related Policies and to undertake periodic review on existing HR Policies of the Bank.
2. Review HR Strategy aligning with business strategy of the Bank.
3. Guide the Bank in Manpower Planning and Recruitment of staff below the Senior Management Cadre.
4. Guide management on engaging experts for HR related aspects.
5. Create benchmarks for evaluating performance levels of staff below Senior Management Cadre and to review their productivity levels with that of benchmarking.
6. Review skill gaps and talent pool creation by assessing learning initiatives.
7. Review and direct on employee engagement initiatives to drive organization success.
8. The regular operational level approvals to be continued within the terms of reference of MCB to have seamless functioning considering the periodicity of the MCB Meetings.
9. Any other matters identified from time to time or advised by the Board.

Other than the above Committees, Growth Strategy Committee constituted for the purpose of exploring various business development opportunities and strategic growth initiatives of the Bank. During the year under review, the Committee has met three (3) times & headed by Shri B Ramesh Babu, MD & CEO, and Independent Directors Dr Harshavardhan R and Shri Murali Ramaswami as members. The constitution of the Committee and terms of reference are in accordance with the Corporate Governance Policy of the Bank.

LEAD INDEPENDENT DIRECTOR

During the year under review, the Board of Directors have designated Dr Harshavardhan R, Senior Independent Director as Lead Independent Director of the Bank.

SEPARATE MEETINGS OF THE INDEPENDENT DIRECTORS:

Pursuant to the provision of the Companies Act, 2013 and SEBI LODR, the Independent Directors met two (2) times during the FY 2025-26 without the attendance of Non-Independent Directors and Members of the Management. The date of the meetings are mentioned below:

29/09/2025	30/03/2026

Independent Directors in the meeting held on 30th March 2026 have reviewed the performance of Non-Independent Directors and the Board as a whole after taking into account views of Executive and Non-Executive Directors. The Performance evaluation of Non-Independent Directors was on the basis of the criteria such as attendance and participation at the Board; knowledge and expertise; management of relationship with stakeholders; skillset, personal attributes, integrity and ethics, preparedness, etc., and assessed the quality, quantity and timelines of flow of information between the Bank Management and the Board. The Independent Directors expressed satisfaction about the quality, quantity and timelines of flow of information between the Senior Management and the Board.

The Independent Directors on the Board bring a diverse range of expertise and rich experience across various domains. They comprise: an experienced former Central Banker with over four decades of experience across all facets of banking; a seasoned professional with extensive experience in Strategic Planning and Risk Management, actively contributing to and overseeing the Bank's strategic planning processes; a retired Executive Director of a bank with over three decades of comprehensive experience in the banking sector; an eminent Chartered Accountant having extensive knowledge and experience in carrying out Bank/ NBFC audits, specializes in Financial Reporting (including Ind AS, IFRS and US GAAP), Company law matters, audit and taxation and contributing significantly to strengthening audit practices and internal control systems of the Bank; a distinguished expert in corporate law with recognized expertise in various legal and regulatory matters; a retired Executive Director with around four decades of extensive experience across multiple dimensions of the banking industry; a Professor from IIT Bombay with specialization in Information Technology, enabling the Board to benefit from expert guidance in a rapidly evolving technological environment, along with valuable inputs in other strategic areas.

Board recognizes that the Independent Directors comprise a diversified group of eminent professionals with high standards of competence and integrity. They contribute effectively by expressing their views independently and exercising sound and objective judgment in the decision-making process.

AFFIRMATION AND DISCLOSURE

SUCCESSION PLANNING

Succession Planning is a key element of governance, ensuring the smooth and effective functioning of the Board and Senior Management. It is a continuous process of identifying and developing talent with the necessary competencies to maintain leadership continuity in key roles. The bank maintains a progressive learning and development agenda to ensure success in this endeavor. Bank has framed a comprehensive Succession Planning Policy for the Board and a structured framework for Senior Management Personnel.

The Bank's Nomination and Remuneration Committee (NRC) oversees matters of succession planning of its Directors, Senior Management and Key Managerial Personnel. The Board of the Bank also ensures that proper plans are put in place for orderly succession of appointment to the Board and to senior management of the Bank.

SENIOR MANAGEMENT

Particulars of Senior Management of the Bank as on 31st March 2026:

Name Sarvashri	Designation	Position
Chandrasekaran M S	Chief General Manager	Chief Operating Officer
Shekhar Ramarajan*	General Manager	Head - Corporate Institutional Group
Immanuel Gnanaraj Daniel	General Manager	Chief Human Resources Officer
Ramshankar R	General Manager	Chief Financial Officer
V S R A Kumar Ravutu	General Manager	Head - Credit Monitoring & Recovery Department
Nitin Rangaswami A	General Manager	Head – Retail Assets
Jatla Sivaramakrishna	General Manager	Chief Risk Officer
Ravi S	General Manager	Head - Agricultural Banking Group
S T Gopal	General Manager	Head – Retail Liabilities
Mohan Kumar G	General Manager	Chief Compliance Officer
Saravanan S	General Manager	Chief Information Technology Officer
Ganesan R	General Manager	Head – Internal Audit
Vijayakumar P V	General Manager	Head - Operations
Muthu Kumar K P	General Manager	Head - Commercial Banking Group
Srinivasarao Maddirala	Deputy General Manager	Company Secretary
Ajin Raj	Assistant General Manager	Chief of Internal Vigilance

** Relieved on 30th June 2026 consequent to resignation.*

Changes in Senior Management during the FY 2025-26:

Employee Name Sarvashri	Designation	Remarks
Mohan Kumar G	General Manager – Chief Compliance Officer	Appointed as Chief Compliance Officer w.e.f. 01st May 2025
Saravanan S	General Manager – Chief Information Technology Officer	Elevated as General Manager and appointed as Chief Information Technology Officer w.e.f. 01st May 2025
Vijayakumar P V	General Manager – Head Operations	Designated as Head Operations w.e.f. 01st May 2025 & elevated as General Manager w.e.f. 20th May 2025
Muthu Kumar K P	General Manager – Head Commercial Banking Group	Elevated as General Manager & appointed as Head - Commercial Banking Group w.e.f. 20th May 2025
V S R A Kumar Ravutu	General Manager – Head Credit Monitoring and Recovery Department	Appointed as Head Credit Monitoring and Recovery Department w.e.f. 01st September 2025
Ganesan R	General Manager – Head Internal Audit	Appointed as Head Internal Audit w.e.f. 01st October 2025

Senior Management Personnel who demitted the office at the Bank during the FY 2025-26:

Employee Name Sarvashri	Designation	Remarks
Sudhakar K V S M	Chief General Manager – Chief Compliance Officer	Relieved on 30th April 2025 consequent to Resignation
Sekar S	General Manager – Chief Information Officer	Relieved on 30th April 2025 consequent to completion of term
Murali L	General Manager – Head Internal Audit	Superannuated on 30th September 2025
Mahendran K	General Manager – Country Head PMD	Relieved on 29th November 2025 consequent to completion of term

COMPENSATION POLICY

The Bank has in place a Comprehensive Compensation Policy in tune with the objectives as enumerated in the Companies Act, 2013, RBI guidelines and the SEBI LODR, as amended from time to time. The Compensation Policy of the Bank covers the compensation payable to all the employees including the MD&CEO/WTD, Key Managerial Personnel, Material Risk Takers, Control Function Staff as per the guidelines of RBI as also fee payable to Non-Executive Directors/Independent Directors. In terms of the said policy the compensation structure shall have fixed and variable components. The Variable pay shall be payable on the basis of achievement of performance criteria, consisting the qualitative and quantitative parameters applied by Nomination and Remuneration Committee. Such variable pay shall be subject to malus and clawback provisions and may be awarded in both cash and non-cash forms. The non-cash component shall be in the form of share-linked instruments.

The Bank is a party to Industry level Bi-partite settlement of IBA and has been following the emoluments/ compensation as arrived in the Bi-partite settlements. Remuneration to employees is defined by the IBA pay scale/CTC pay structure.

Remuneration to Non-Executive Directors

Sitting Fees

Non-Executive directors including independent directors are entitled to sitting fees for each meeting of the Board and Committees. Pursuant to the provisions of the Companies Act, 2013, sitting fees of ₹75,000/- and ₹50,000/- per meeting are paid to Non-Executive Directors for the FY 2025-26 for attending the Board and Board Level Committees respectively.

Fixed Remuneration

In accordance with the provision of the Companies Act, 2013 and RBI guidelines, Non-Executive Directors except Part-time Chairperson are eligible to receive fixed remuneration.

In order to enable the Bank to attract and retain qualified and competent individuals, the fixed remuneration payable to Non-Executive Directors (excluding the Non-Executive (Part-time) Chairperson) has been paid at 0.2% of the profits available for distribution, subject to maximum ceiling of ₹ 20,00,000/- per annum per Director for the financial year 2025-26.

The criteria of making payments to Non-Executive Directors/ Independent Directors of the Bank are contained in the Comprehensive Compensation Policy and it is available on the Bank's website at www.kvb.bank.in/docs/investor-compensation-policy.pdf

No material pecuniary relationship exists between the Non-Executive Directors vis-à-vis the Bank, other than payment of Sitting Fees for attending the Board/Committee Meetings and fixed remuneration and no stock options are granted to any of the Non-Executive Directors.

Remuneration paid to the Non-Executive Directors for the FY 2025-26 is mentioned below:

Name of the Director Sarvashri	Amount (₹ in Lakh)	
	Sitting Fees	Fixed Remuneration $
Dr Meena Hemchandra, Chairperson	26.25	NA
Dr Harshavardhan R	27.75	20.00
Murali Ramaswami	27.75	20.00
CA Dr Chinnasamy Ganesan	22.25	20.00
R Vidhya Sankar	22.75	20.00
Srimathy Sridhar	21.75	20.00
Dr Mythili Vutukuru #	7.75	10.36
K G Mohan*	13.75	10.63
R Ramkumar ^	23.25	20.00

$ Fixed Remuneration pertaining to FY 2025-26 has been paid during May 2026.

 # Appointed as Independent Director of the Bank on 24th September 2025.

** Demitted office at the close of office hours on 11th October 2025, consequent to completion of his tenure.*

^ Demitted office at the close of office hours on 24th June 2026, consequent to completion of his tenure.

Remuneration to Independent (Part-time) Chairperson

In line with the approval accorded by the Reserve Bank of India (RBI), the Bank has paid remuneration to Dr. Meena Hemchandra, Independent (Part-time) Chairperson, amounting to ₹ 29,05,645.15 for the financial year 2025-26. This amount is exclusive of sitting fees paid for attending Board and Committee meetings.

Remuneration to Whole-time Directors

In line with the RBI guidelines and Compensation policy of the Bank, compensation structure of Executive Directors of the Bank, consist of both fixed pay and variable pay with deferral arrangements.

- **Managing Director & CEO**

  In terms of Compensation policy, MD & CEO is one of the Material Risk Takers. During the financial year, Shri B Ramesh Babu, Managing Director & CEO was paid sum of ₹ 2,51,51,311.70/- as fixed pay of the FY 2025-26.

  Further, during the year, deferral payment of variable pay of ₹ 10,65,821/- for the FY 2021-22, deferral payment of variable pay of ₹ 10,74,235/- for the FY 2022-23 and deferral payment of variable pay of ₹ 15,91,507/- for the FY 2023-24 and upfront payment of variable pay of ₹ 64,25,000/- for the FY 2024-25 was also paid.

  Furthermore, during the year 23,631 shares, 16,658 shares and 15,697 shares were allotted to consequent to vesting of the stock option granted under deferral arrangement of variable for the FY 2021-22, FY 2022-23 and FY 2023-24 respectively under ESOS 2018.

- **Executive Directors**

  Shri B Sankar

  Executive Director being Material risk taker, during the financial year, he was paid sum of ₹ 1,09,65,661.89/- as fixed pay for FY 2025-26.

- **Former Executive Director**

  Shri J Natarajan

  Shri J Natarajan, Ex-Executive Director being Material risk taker, during the financial year, he was paid sum of ₹ 42,45,780.65/- as fixed pay of the FY 2025-26.

  During the year, deferral payment of variable pay of ₹ 5,60,897/- for the FY 2023-24 was paid, for the position he held as President and COO of the Bank, deferral payment of variable pay of ₹ 3,30,312/- for the position he held as President and COO of the Bank in FY 2024-25 (1st April 2024 to 21st May 2024), upfront payment of variable pay of ₹ 32,76,000/- for the position he held as Executive Director of the Bank (22nd May 2024 to 21st May 2025).

  Furthermore, during the year 22,893 shares, 14,266 shares and 5,532 shares were allotted to consequent to vesting of the stock option granted under deferral arrangement of variable for the FY 2021-22, FY 2022-23 and FY 2023-24 respectively under KVB ESOS 2018, for the position he held as President and COO of the Bank.

GENERAL BODY MEETINGS:

a) Location, day, date and time, where the last three Annual General Meetings (AGM) were held:

AGM	Financial Year	Location	Day, Date and Time
106th	2024-25	The Karur Vysya Bank Limited, Regd. & Central Office, No. 20, Erode Road, Vadivel Nagar, L.N.S., Karur- 639002. (through Video Conferencing)	Thursday, 21st August 2025, 11.00 A.M. IST
105th	2023-24	The Karur Vysya Bank Limited, Regd. & Central Office, No. 20, Erode Road, Vadivel Nagar, L.N.S., Karur- 639002. (through Video Conferencing)	Wednesday, 14th August 2024, 11.00 A.M. IST

AGM	Financial Year	Location	Day, Date and Time
104th	2022-23	The Karur Vysya Bank Limited, Regd. & Central Office, No. 20, Erode Road, Vadivel Nagar, L.N.S., Karur- 639002. (through Video Conferencing)	Wednesday, 23rd August 2023, 11.00 A.M. IST

b)	Whether any special resolutions passed in the previous three Annual General Meetings (AGM)	Yes. 1. At the 106th AGM held on 21st August 2025, one special resolution "To approve Karur Vysya Bank Employees Stock Option Scheme" was passed. 2. No Special Resolutions were passed in the 105th Annual General Meeting held on 14th August 2024. 3. No Special Resolutions were passed in the 104th Annual General Meeting held on 23rd August 2023
c)	Whether any special resolution passed last year through postal ballot- details of voting pattern	Yes. During the FY 2025-26, two Special Resolutions were approved on 17th May 2025 and one Resolution was approved on 20th December 2025, with requisite majority vide Postal Ballot Notice dated 27th March 2025 and 11th November 2025 respectively as detailed below: Description of the Resolution:
d)	Person who conducted the postal ballot exercise	Shri R K Bapulal (FCS No. 5893), Senior Partner, M/s Bapulal Yasar & Associates, Company Secretaries, Madurai
e)	Whether any special resolution is proposed to be conducted through postal ballot?	No Special Resolution requiring Postal Ballot is being proposed on or before the ensuing Annual General Meeting of the Bank.
f)	Procedure for the postal ballot	Not Applicable

1. To approve the re-appointment of Dr Meena Hemchandra (DIN: 05337181), as Non-Executive Independent Director of the Bank, for second term of five (5) years.

No. of Votes – Favour	% of Votes - Favour	No. of Votes – Against	% of Votes - Against
401274989	93.42	28266056	6.58

2. To approve the re-appointment of Shri Murali Ramaswami (DIN: 08659944), as Non-Executive Independent Director of the Bank, for second term of five (5) years.

No. of Votes – Favour	% of Votes - Favour	No. of Votes – Against	% of Votes - Against
399446861	93.00	30087342	7.00

3. To approve the Appointment of Dr Mythili Vutukuru (DIN: 10371961) as Non-Executive Independent Director of the Bank for a period of three (3) years.

No. of Votes – Favour	% of Votes - Favour	No. of Votes – Against	% of Votes - Against
494639079	99.99	54864	0.01

The aforementioned Postal Ballots were conducted through the Remote e-Voting process in accordance with the circulars issued by Ministry of Corporate Affairs, provisions of the Companies Act, 2013 and other applicable laws.

Means of Communication

Pursuant to Regulation 46 of SEBI LODR and NSE Circular Ref. No: NSE/CML/2022/32 dated 4th July 2022, your Bank maintains a functional website viz., www.kvb.bank.in and having separate section viz., "Investor Corner" which contains investors information about the Bank such as details of its business, financial results, shareholding pattern, compliance with the corporate governance requirements and other Corporate Communications made to the Stock Exchanges, Notices & Annual Reports of the Bank, unpaid/unclaimed dividend details, contact details of the designated officials who are responsible for assisting and handling investor grievances, etc.

In line with SEBI LODR, the Board of Directors of the Bank reviewed and taken on record/approved the quarterly un-audited financial results within 45 days from the end of respective quarters and the audited financial results for the quarter and year ending within 60 days from the end of the financial year. The results are promptly forwarded to the stock exchanges within the stipulated time and are published in English and regional language newspapers, within 48 hours of the conclusion of the Board meeting. The results as well as other official press releases are also updated on the Bank's website at www.kvb.bank.in.

The Bank conducts con-call meeting with Institutional Investors/ Analysts every quarter, after declaration of financial results. Apart from the quarterly meeting, Bank also participates in Institutional Investors/Analysts meet on event basis. The Schedule of Meeting and Investors Presentation/Transcript/ Audio Recordings/Outcome of the meeting are promptly filed with the stock exchanges as well as displayed on the Bank's website in terms of SEBI LODR.

As a part of voluntary initiative, Bank has been sending an email to all shareholders who registered their mail id with Bank's RTA/ Depository Participant about the financial results of the Bank every quarter.

Financial Calendar for the results during the FY 2025-26:

FY 2025-26	For the **Q1** ended 30th June 2025	For the **Q2** ended 30th September 2025	For the **Q3** ended 31st December 2025	For the **Q4** ended 31st March 2026
Date of Approval	**24th July 2025**	**17th October 2025**	**23rd January 2026**	**7th May 2026**

GENERAL SHAREHOLDER INFORMATION

107th Annual General Meeting	Date: 05th August 2026
	Day: Wednesday
	Time: 11.00 A.M. IST
	Venue: Through Video Conferencing("VC")/Other Audio Visual Means ("OAVM")
Financial Year	1st April 2025 to 31st March 2026
Dividend Payment Date	On or after 06th August 2026
Listing on Stock Exchanges	Equity Shares are listed in National Stock Exchange of India Limited, Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (East), Mumbai-400051. Listing fees payable to the National Stock Exchange where the Equity Shares are listed has been duly paid. Equity Shares of the Bank are traded under 'permitted' category in BSE under Stock Code:590003
Stock Code	NSE: KARURVYSYA
ISIN	Equity: INE036D01028

Registrar and Share Transfer Agent (RTA) (Both Physical and Demat Segments)	**Equity (INE036D01028):** MUFG Intime India Private Limited, "Surya", 35 Mayflower Avenue, Behind Senthil Nagar, Sowripalayam Road, Coimbatore -641028 Tamil Nadu. Tel: +91 422 – 2314792/4958995/2539835/2539836 e-Mail: investor.helpdesk@in.mpms.mufg.com Website: www.in.mpms.mufg.com CIN: U67190MH1999PTC118368
Share Transfer System	The Bank's shares which are in demat form are transferable through the depository system. Pursuant to Regulation 40 of the SEBI LODR, the requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialised form with a depository or Transmission or transposition of securities held in physical or dematerialised form shall be effected only in dematerialised form. The Board has delegated the authority for approving transfer of Bank's securities to the Company Secretary.
Bank's address for correspondence/ Compliance Officer Address	Shri Srinivasarao Maddirala, Company Secretary & Compliance Officer, Investor Relations Cell, The Karur Vysya Bank Limited, Regd. & Central Office, No. 20, Erode Road, Vadivel Nagar, L.N.S., Karur- 639002. Phone: 04324-269441 e-Mail: kvb_sig@kvb.bank.in Website: www.kvb.bank.in
Corporate Identity Number (CIN)	L65110TN1916PLC001295

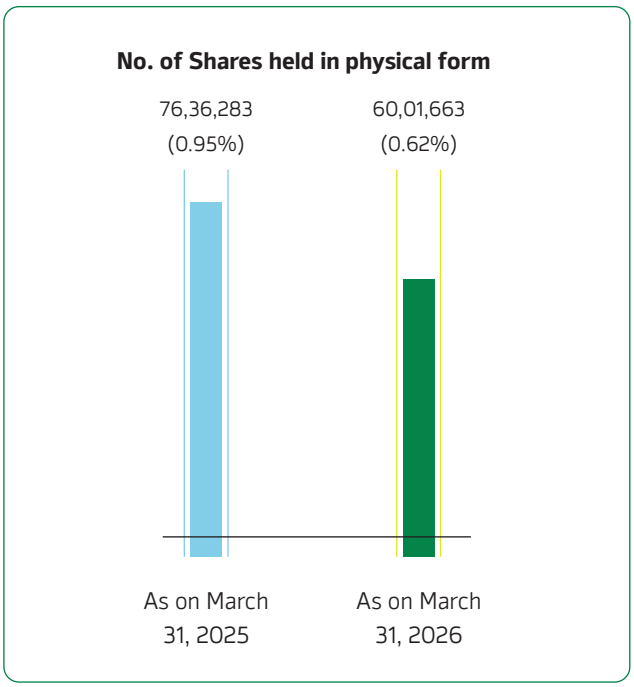
Dematerialization of shares and liquidity

Bank's Equity shares are available in both Demat and Physical form. The shares which are in Demat can be tradable and transferable through the Depository system - National Securities Depository Limited ('NSDL') and Central Depository Service (India) Limited ('CDSL'). The annual custody fees for the FY 2025-26 have been paid to NSDL and CDSL.

Particulars as on 31st March 2026	No. of Shares	% to the Total Shares
Demat	96,06,44,556	99.38
Physical	60,01,663	0.62

Out of 96,06,44,556 shares which held in Demat Mode, 85,34,30,800 are held in NSDL and 10,72,13,756 are held in CDSL.

Reduction in physical shareholders



Steps taken by the Bank for Dematerialization of Shares held by physical shareholders

In terms of the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI guidelines issued from time to time, the Bank encourages its shareholders to hold equity shares in dematerialised form. Dematerialization of shares facilitates faster transfer, eliminates risks associated with physical share certificates such as loss, theft or damage, and ensures ease of trading and settlement.

Shareholders holding shares in physical form are advised to dematerialise their shares by opening a demat account with a SEBI-registered Depository Participant (DP). The Bank and its Registrar and Share Transfer Agent (RTA) periodically communicate with shareholders to promote dematerialisation and to ensure compliance with applicable SEBI regulations.

Further, SEBI vide its master circular SEBI/HO/MIRSD/MIRSD-PoD/P/CIR/2025/91 dated 23rd June 2025, has stipulated that listed companies shall issue the securities in dematerialized form only while processing the following service request: i. Issue of duplicate securities certificate; ii. Claim from Unclaimed Suspense Account; iii. Renewal / Exchange of securities certificate; iv. Endorsement; v. Sub-division / Splitting of securities certificate; vi. Consolidation of securities certificates/ folios; vii. Transmission; viii. Transposition.

Awareness of importance of KYC Updations through Video at Annual General Meeting

During the Annual General Meeting held on 21st August 2025, Bank presented an awareness video of approximately four minutes, highlighting the importance of timely updation of Know Your Customer (KYC) details and aspects relating to unclaimed dividends. The initiative was undertaken to enhance shareholder awareness and facilitate compliance, thereby enabling shareholders to claim their entitlements without delay.

Bonus 2025 Escrow Account

Members of the Bank at their 106th Annual General Meeting held on 21st August 2025, have approved issue of Bonus Equity Shares in the proportion of 1 (one) fully paid-up bonus equity share of ₹ 2/- each for every 5 (five) fully paid-up equity share of ₹ 2/- each held by the members.

In accordance with Regulation 294 of SEBI ICDR Guidelines read with Section 29 of Companies Act, 2013, Bonus shares were issued in demat mode only. Bonus shares with respect to shareholders who were holding shares in physical form have been kept in the "KVB BONUS 2025 ESCROW ACCOUNT" of the Bank and the Bonus shares will be transferred to the demat account of shareholder(s) after receiving a valid claim request.

In order to claim Bonus Equity Shares from "KVB BONUS 2025 ESCROW ACCOUNT", we request you to provide us the following information / documents:

1. Duly filled in Claim Form & signed by the shareholder(s) (including joint holders) to transfer the shares.
2. Form ISR-1, ISR-2 along with related original cancelled cheque leaf, ISR-3/SH-13 and Form ISR-4 duly completed with related documents. (Including joint holders).
3. Latest Client Master List (CML) of your demat account duly certified by Depository Participant (DP) with seal, signature and the same should be self-attested by demat account holder(s).
4. Self-attested copy of PAN card of the registered holder/s (including joint holders).
5. Self-attested copy of address proof of the registered holder/s (like Aadhar Card, Voter Card, Passport, any utility bill not more than three-month old).
6. Self-attested photocopy of existing physical share certificate(s) of your shareholding (if available).

The format of said forms are available on website of the Bank's RTA at: https://www.in.mpms.mufg.com → Resource → Downloads → KYC →Formats for KYC and the Bank's website at https://www.kvb.bank.in/investor-corner/ → Share Holder FAQ.

Reconciliation of Share Capital Audit

Pursuant to Regulation 76 of SEBI (Depositories and Participants) Regulations, 2018, Reconciliation of Share Capital Audit has been carried out by a Practicing Company Secretary on quarterly basis. The Audit report confirms, inter-alia, the total issued and listed capital of the Bank with that of total share capital admitted/held in dematerialised form with NSDL and CDSL and those held in physical form. Report issued in this regard are submitted to NSE and placed before the Board of Directors for its review on quarterly basis.

List of Shareholders holding more than 1% shares in the Bank as on 31st March 2026 (PAN-Based):

Sr. No	Particulars	No. of Shares	% of Holding
1	HDFC Mutual Fund (Various Funds)	7,19,88,817	7.45
2	HSBC Mutual Fund (Various Funds)	4,21,15,979	4.36
3	Rekha Jhunjhunwala	4,01,85,019	4.16
4	Nippon Mutual Fund (Various Funds)	3,39,42,495	3.51
5	Axis Mutual Fund (Various Funds)	2,51,25,504	2.60
6	SBI Life Insurance Co. Ltd	1,68,28,858	1.74
7	HDFC Life Insurance Company Limited	1,61,70,559	1.67
8	Edelweiss Mutual Fund (Various Funds)	1,55,81,795	1.61
9	Canara Robecco Mutual Fund (Various Funds)	1,39,67,070	1.44
10	Invesco India Mutual Fund (Various Funds)	1,36,77,517	1.41
11	Axis Max Life Insurance Limited	1,36,47,094	1.42
12	Bajaj Allianz Life Insurance Company Ltd	1,18,69,502	1.23
	Total	**31,51,00,209**	**32.60**

Distribution of shareholding as on 31st March 2026

S. No	Shareholding of Shares	Number of Shareholders	% of Total Shareholders	Shares	% of Total Share Capital
1	1 to 500	2,25,234	79.76	2,12,56,078	2.20
2	501 to 1000	22,867	8.10	1,65,16,860	1.71
3	1001 to 2000	15,009	5.32	2,08,67,687	2.16
4	2001 to 3000	5,104	1.81	1,25,80,465	1.30
5	3001 to 4000	3,109	1.10	1,08,71,496	1.12
6	4001 to 5000	1,865	0.66	84,26,161	0.87
7	5001 to 10000	4,165	1.47	2,94,02,668	3.04
8	10001 & above	5,036	1.78	84,67,24,804	87.60
	Total	**2,82,389**	**100**	**96,66,46,219**	**100**

Disclosures

During the financial year ended 31st March 2026:

a) Related Party Transactions:

During the year under review, transactions entered with Related Parties were in the ordinary course of business and on arm's length basis and do not attract the provisions of Section 188 of the Companies Act, 2013. The Bank has not entered any materially significant related party transactions which could lead to a potential conflict with the interests of the Bank. Omnibus approval from the Audit Committee has been obtained for the transactions which are of repetitive nature and the said transactions with related parties were placed before the Audit Committee of the Board for its review as per the Regulations from time to time. Details of related party transaction under AS - 18 entered during the FY 2025-26 are given in notes to the financial statements. Board has put in place a policy on materiality of related party transactions and also on dealing with Related Party Transactions pursuant to the provisions of the Companies Act, 2013, SEBI LODR and the same has been available on the website of the Bank at https://www.kvb.bank.in/docs/related-party-transactions-policy.pdf.

b) Recommendation of Committee(s) of the Board:

During the year under review, all recommendations of the Committee(s) which are mandatorily required were accepted by the Board.

c) Strictures and Penalties:

There are no instances of non-compliance by the Bank; no penalties or strictures have been imposed by Stock

Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during last three years.

During the year under review, the Reserve Bank of India (RBI) imposed a penalty of ₹1,65,550/- due to deficiencies observed in soiled note remittances by currency chests, non-compliance with mutilated note exchange facilities at branches, and instances of cash-outs in ATMs. The Bank has subsequently recovered ₹ 94,150/- from service providers in connection with such deficiencies. Further, RBI has reversed a penalty of ₹ 5,000/- relating to a currency chest, pursuant to the Bank's representation.

d) Code of Conduct:

Pursuant to regulation 26(3) of SEBI LODR, all the Directors and Senior Managerial Personnel of the Bank have affirmed the compliance of the Code of Conduct laid down by the Bank. MD & CEO's affirmation that the Code of Conduct has been complied with by the persons covered under the Code is furnished at the end of this report.

e) MD & CEO/CFO Certification:

The MD & CEO and the CFO of the Bank have given certification on financial reporting and internal controls to the Board in terms of Regulation 17(8) of SEBI LODR. The said certificate is annexed and forms part of this report.

f) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

The Bank is committed to ensuring a safe, respectful, and inclusive workplace environment for all employees. The provisions relating to the prevention of sexual harassment at workplace are included under the Bank's Anti-Harassment Policy. The policy outlines the definition of unacceptable behaviour at workplace, the rights of employees, and the mechanism to report and resolve complaints in a time-bound and confidential manner.

Sexual harassment is treated as a major misconduct under The Karur Vysya Banks Officer Employees' (Conduct) Regulations and Bipartite settlement.

In compliance to the POSH Act 2013 the bank has a well-defined internal mechanism to address complaints related to sexual harassment. The complaints are handled with utmost sensitivity and confidentiality, ensuring fairness and adherence to legal norms. The system enables swift and impartial investigation and resolution of issues, reinforcing the Bank's Zero-Tolerance stance towards harassment.

The Bank places high priority on creating awareness about acceptable behaviour at the workplace. To this end, 'Harmony-Acceptable Behaviour at the Workplace' has been made an integral part of all training programs. Furthermore, an e-learning module on POSH Awareness has been developed and launched as a mandatory course for all employees. We sensitize employees with regards to their rights, responsibilities, and the grievance redressal mechanism available to them.

The details of complaints received, disposed and pending during the FY 2025-26 is as follows:

Number of complaints filed	Number of complaints disposed-off	Number of complaints pending
0	0	0

g) Whistle Blower Policy:

The details pertaining to Whistle Blower Policy are furnished in the Directors' Report that forms part of this Annual Report.

h) Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity:

Bank has not issued any GDRs/ADRs/Warrants or convertible instruments. Hence outstanding instruments, conversion date and likely impact on equity is not applicable.

i) Plant Locations:

The Bank is engaged in the business of Banking/ Financial Services and there are no Plant Locations. However, the Bank has 940 Branches (including Asset Recovery Branches, Corporate Business Units, Business Banking Units, OMC, Precious Metal Division and excluding three Extension Counters and four Satellite Offices), 1538 ATMs, 675 Bunch Note Recycler Machines (BNRM) and 397 Self-Service Passbook Kiosks as on 31st March 2026.

j) Disclosure on Commodity Price Risks and Foreign Exchange Risks and commodity hedging activities:

Commodity price risk arises from adverse movements in the prices of commodities such as gold and other precious metals. The Bank manages this risk within a comprehensive market risk framework governed by the Board approved Market Risk Management Policy and Integrated Treasury Policy, which together define the risk control framework for managing commodity price risk and foreign exchange risk.

The Board has prescribed a set of prudential risk limits to manage foreign exchange exposures, including the overall Net Overnight Open Position (NOOP) limit, stop loss limits for trading activities, Aggregate Gap Limit (AGL), and Value at Risk (VaR) limits. These limits are monitored on an ongoing basis to ensure that exposures remain within the approved risk appetite and control framework.

In respect of commodity linked exposures, the Bank has stipulated appropriate margin requirements for lending against commodities. A robust monitoring mechanism is in place to assess the adequacy of margins on a continuous basis, taking into account movements in prevailing commodity prices, thereby mitigating potential market driven risks.

The Bank uses derivative instruments such as forward contracts and foreign exchange swaps to hedge currency and interest rate risks arising from foreign currency balance sheet exposures, customer related transactions.

All such activities are undertaken within the overall risk limits and governance framework approved by the Board. The management of treasury products and related activities is governed by Board approved policies, ensuring prudent risk management, regulatory compliance, and effective oversight.

k) Mandatory Requirements:

The Bank has complied with all mandatory requirements under the provisions of SEBI LODR and amendments thereon from time to time.

l) Non-Mandatory Requirements:

In addition to the Mandatory Requirements, your Bank has ensured the implementation of the non-mandatory requirements as suggested in Regulation 27 of the SEBI LODR.

1. The Board:

The Bank is maintaining a Chairman's Office at its Registered & Central Office. Further, as on date, Bank has three women Independent Directors on the Board, as against the minimum requirement of one-woman Independent Director prescribed under the SEBI LODR.

2. Shareholders' Rights:

Your Bank places highest value on the shareholders and in order to enable the shareholders to be aware of their rights, bank has placed the details of Shareholders' Rights in its website at www.kvb.bank.in/investor-corner/.

The Bank discloses its financial results of every quarter to Stock Exchange within the prescribed timeline and it is available in the Stock Exchange's website. The same is also available on Bank's website at www.kvb.bank.in which is accessible to the public. The results are published in English Newspapers having wide circulation in India and a Tamil Newspaper having wide circulation in Tamil Nadu. Further, Bank has been sending an email to all shareholders who registered their mail id with Bank's RTA/Depository Participant about the financial results of the Bank on every quarter.

3. Unmodified Audit opinion/reporting:

The Auditors have expressed an unmodified opinion on the financial statement of the Bank.

4. Separate posts of Chairperson and the Managing Director (MD) or the Chief Executive Officer (CEO)

Your Bank has already separated the post of Chairperson and the MD & CEO in terms of RBI Regulations during 2008 and Bank is in compliance with SEBI LODR. Dr Meena Hemchandra, Independent Director, is the Part-time Chairperson of the Bank and she is not related to any other Directors of the Bank. Shri B Ramesh Babu is the Managing Director & CEO of the Bank.

5. Reporting of Internal Auditor:

In terms of RBI Guidelines, the Head of Internal Audit will report to MD & CEO and Audit Committee of the Board shall be reviewing the performance.

Audit Committee shall meet the Head of Internal Audit once in a quarter without the presence of the Senior Management, including the WTD.

6. Independent Directors:

During the FY 2025-26, Independent Directors has met twice on 29th September 2025 and 30th March

2026, without the presence of Non-Independent Directors and Members of the Management.

m) Disclosure on political contributions:

During the FY 2025-26, Bank has not made any political contribution.

n) Certificate under Regulation 34(3) of SEBI LODR:

Pursuant to the Regulation 34(3) read with Schedule V of the SEBI LODR, a certificate has been obtained from M/s. S.A.E. & Associates LLP, Company Secretaries confirming that none of the Directors on the Board of the Bank as on 31st March, 2026 have been debarred or disqualified from being appointed or continuing as Director of the Bank either by Securities and Exchange Board of India or the Ministry of Corporate Affairs or any other Statutory Authorities.

o) Directors E-KYC

The Ministry of Corporate Affairs (MCA) has vide amendment to the Companies (Appointment and Qualification of Directors) Rules, 2014, mandated registration of KYC of all the Directors through e-form DIR-3 KYC. All Directors of the Bank have complied with the aforesaid requirement.

p) Fees paid to Statutory Auditors (including Branch Statutory Auditors):

The total fees incurred by the Bank for services rendered by Statutory Auditors (including Branch Statutory Auditors) are given below. Further, your Bank does not have any subsidiary. There was no non-audit fees paid to Statutory Auditors for the FY 2025-26.

Particulars	FY 2025-26 (₹ in Lakh)
Audit fees/ Statutory certificates	439.02
Reimbursement of expenses*	21.88
Total (excluding GST)	**460.90**

** OPE of branch auditors included in reimbursement of expenses.*

Note: Figures are debits made to PL during the year, including provisions

q) Details of utilization of funds:

During the year under review, there was no Preferential Allotment or Qualified Institutional Placement as specified under Regulation 32(7A) of the SEBI LODR.

r) Policies of the Bank:

As a part of good Corporate Governance, the Bank has adopted various policies/codes from time to time which are hosted on the website of the Bank at https://www.kvb.bank.in/.

s) Credit Ratings and Change/Revisions in Credit Ratings for Debt Instruments and Certificate of Deposit Program during the FY 2025-26:

Credit Rating Agency	Instrument	Rating
CRISIL	Certificate of Deposits Program for ₹ 5,000 Cr	CRISIL A1+
CARE	Short Term Fixed Deposit of ₹ 12,000 Crore	CARE A1+
	Fixed Deposit	CARE AA; Stable
ICRA	Issuer Rating	[ICRA]AA (Stable)
ICRA	Certificate of Deposit Program for ₹ 10,000 Cr (Enhanced from ₹ 5,000 Cr)	[ICRA] A1+

Other than the same, there is no change /revision in Credit Ratings for Debt Instruments and Certificate of Deposit Program. More details on the Credit Ratings are disclosed in the Directors' Report which forms part of this Annual Report.

t) All disclosures in compliance with the Corporate Governance requirement specified in regulation 17 to 27 and clause (b) to (i) of sub regulation (2) of Regulation 46 to the extent applicable is available on Bank's website at www.kvb.bank.in. The Bank has obtained certificate affirming the Compliances with these regulations from M/s. S.A.E. & Associates LLP, Company Secretaries and forms part of this Report. It may be noted that their certificate confirms that the Bank has complied with the conditions of Corporate Governance as prescribed under SEBI LODR.

Compliance with SEBI (Prohibition of Insider Trading) Regulations, 2015

In compliance with the Securities and Exchange Board of India (SEBI) (Prohibition of Insider Trading) Regulations, 2015 ("PIT Regulations") as amended, Bank has formulated "Internal Code of Conduct for Prevention of Insider Trading" as per Regulation 9 and also the "Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information" as per Regulation 8. The Code is applicable to the Directors,

Designated Persons and their immediate relatives along with the Promoters and Promoter Group of the Bank. The Persons are required to ensure fullest compliance with the Internal Code at the time of trading in Bank's Securities. Company Secretary has been designated as the Compliance Officer and Chief Financial Officer (CFO) has been designated as the Chief Investor Relations Officer (CIRO) for this purpose. In terms of the PIT regulations and Bank's internal Code, Structured Digital Database is in place. The Code requires pre-clearance for dealing in the Bank securities beyond threshold limits. Further it prohibits the trade in the Bank's securities by the Directors, Designated Persons and their immediate relatives along with Promoters and Promoter Group of the Bank while in possession of UPSI in relation to the Bank and during the trading window closure period. Trading window shall be closed from the end of every quarter till two days after the declaration of financial results. The details of Trading Window closure during the period under report are mentioned below:

Trading Window Closure Period	Purpose of closure of Trading Window
1st April 2025 to 21st May 2025	Declaration of Audited Financial Results of the Bank for the quarter and Year ended March 2025
1st July 2025 to 26th July 2026	Declaration of Un-Audited Financial Results of the Bank for the quarter ended June 2025
1st October 2025 to 19th October 2025	Declaration of Un-Audited Financial Results of the Bank for the quarter and half year ended September 2025
1st January 2026 to 25th January 2026	Declaration of Un-Audited Financial Results of the Bank for the quarter and nine month ended December 2025

SHAREHOLDERS INFORMATION

Dividend

The Board of Directors of the Bank in its meeting held on 7th May 2026, has recommended dividend of ₹ 2.60/- per equity share on the face value of ₹2/- each (i.e., 130%) for the financial year ended 31st March 2026, subject to the approval of regulatory authorities, if any and shareholders at the 107th Annual General Meeting (AGM) of the Bank.

Dividend history of the Bank over the past five years

Year	Rate of Dividend	Dividend Payout ratio
2021-22	80%	19.01%
2022-23	100%	14.50%
2023-24	120%	12.03%
2024-25	130%	10.95%
2025-26	130% (Proposed)	10.01%

Dividend Distribution Policy

Pursuant to Regulation 43A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), the Bank has Board approved "Dividend Distribution Policy". The Bank shall declare dividend only after ensuring compliance with the Banking Regulation Act, 1949, various regulatory guidelines on dividend declaration issued by RBI from time to time, the provisions of the Companies Act, 2013 & the rules made thereunder, SEBI LODR, as amended to the extent applicable for Banking Companies. The Policy is available on the website of the Bank at https://www.kvb.bank.in/docs/dividend-distribution-policy.pdf

Updation of KYC – Physical Shareholders

SEBI vide its Master Circular No. HO/38/13/(4)2026-MIRSD-POD/I/4298/2026 dated 6th February 2026 mandated that the shareholders (holding securities in physical form), shall update/furnish the PAN, Contact details (Postal Address with PIN and Mobile Number), Bank Account Details and Specimen Signature in their folio(s). Even though updating of Email ID and choice of nomination are optional, the shareholders are requested to register email id to avail online services and nomination to avoid legal complications.

Discontinuation of issuance of physical dividend warrants:

In terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 amendment, the provisions under Regulation 12 read with Schedule I relating to the issuance of dividend warrants have been omitted, with effect from 18th November 2025.

Due to aforesaid regulatory change:

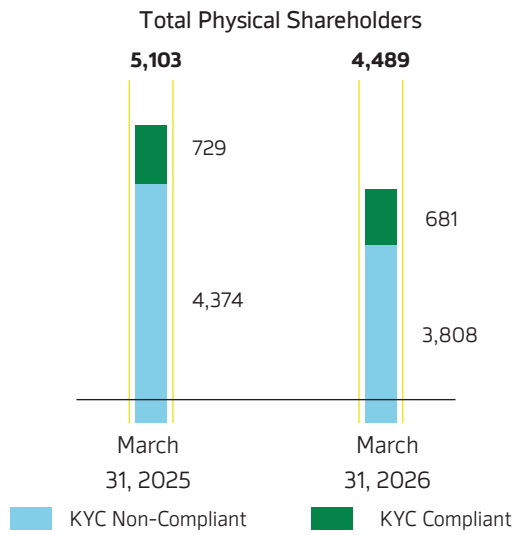
1. All future dividend payments shall be made only through electronic mode of payment approved by the Reserve Bank of India.
2. The Bank will not be paying dividend(s) through physical mode i.e., 'Dividend Warrants'.
3. Shareholders who have not registered or updated their bank account details will not be able to receive dividends until such details are duly registered/updated.

In view of the above, shareholders are requested to:

1. Ensure that bank account details are correctly registered/ updated with the respective Depository Participant (for demat shareholders) or with the Registrar and Share Transfer Agent (for physical shareholders) to enable electronic credit of dividend.
2. Update their email address and mobile number for timely receipt of dividend intimations and other electronic communications.

Further, as per the Central Board of Direct Taxes (CBDT) notification, it is mandatory to link PAN with Aadhaar number. RTAs shall accept only valid PANs and the ones which are linked to the Aadhaar number. All physical security holders who are yet to link the PAN with Aadhaar number are requested to get the same done and as such folios (non-linking of PAN and Aadhaar number) would be also considered as non-KYC compliant.

Comparative status on KYC upadation Status over last year



Specimen copy of letter and prescribed forms for updating KYC and Nomination is available on the Bank's website at https://www.kvb.bank.in/investor-corner/.

Initiative taken by the Bank

To enhance the KYC compliant, your Bank has been closely following up with the Non-KYC compliant shareholders via., mails/telephonic conversation, whose data are registered with the Bank.

In order to ensure more attention, follow up are also made through the Divisional offices/Branches based on the shareholders' locations. Bank would ensure/explore other means to reach shareholders in this regard.

Further, in all the notices issued to shareholders furnished in the Newspaper having regional circulation as well as nation-wide circulation was accompanied with the procedure for KYC Updation.

The Bank is actively taking all necessary measures to significantly reduce KYC non-compliant cases.

Special Window for Transfer and Dematerialization of Physical Securities of the Karur Vysya Bank

Pursuant to SEBI Circular No. HO/38/13/11(2)2026-MIRSD-POD/I/3750/2026 dated 30th January 2026, another special window is open from 5th February 2026 to 4th February 2027 for re-lodgement of transfer requests of physical shares. This facility is available for transfer and dematerialization ("demat") of physical securities which were sold/purchased prior to 1st April 2019 and transfer deeds lodged prior to 1st April 2019, which were rejected, returned, due to deficiencies in documents.

The shares transferred during this special window period shall be mandatorily credited to the transferee only in demat mode and shall be under lock in period for a duration of one year from the date of registration of transfer. Such shares shall not be transferred/lien-marked/pledged during the said lock in period.

Special Window Period: 5th February 2026 to 4th February 2027

This facility is available for transfer deeds executed prior to 1st April 2019 subject to the following eligibility:

Execution Date of Transfer Deed	Lodged for transfer before 1st April 2019?	Original Security Certificate Available?	Eligible to lodge in the current window?
Before 1st April 2019	No (It is fresh lodgement)	Yes	✓
	Yes (It was rejected/returned earlier)		
	Yes	No	×
	No		×

The following cases will not be considered in the Special window:

(i) Cases involving disputes between transferor and transferee (to be settled through court/NCLT process);

(ii) Shares which have been transferred to Investor Education and Protection Fund (IEPF);

(iii) Re-lodgement/fresh lodgement of transfer requests executed prior to 1st April 2019 where original share certificate is not available.

Note: Shares re-lodged under this window shall be issued only in Demat mode after due verification of original share certificates.

Eligible investors who have missed the earlier deadline shall submit their transfer request along with the requisite documents to the Banks' RTA.

Disclosure of details of Unclaimed Shares Suspense Account under Regulation 39(4) of SEBI LODR:

Sr. No	Particulars	Number of shareholders	No. of shares
1	Aggregate number of shareholders and the outstanding shares as on 1st April 2025	1,425	2,26,438
2	Add: Bonus issued during 2025, shares pertaining to 1,023 shareholders has been credited to Unclaimed Shares Suspense Account during the FY 2025-26	-	44,153
3	Less: No. of shareholders who approached the Bank for transfer of shares and to whom shares were transferred during the FY 2025-26	22	33,087
4	Less: No. of shares pertaining to 30 shareholders transferred to the IEPF authority in terms of Section 124(6) of the Companies Act, 2013	-	11,762
5	Aggregate number of shareholders and the outstanding shares as on 31st March 2026	1,403	2,25,742

The voting rights on the above mentioned 2,25,742 shares shall remain frozen till the rightful owner of such shares claims the same.

Unpaid/Unclaimed Dividend

Pursuant to the provisions of Section 124 (5) of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended from time to time, Bank is statutorily required to transfer to the Investor Education & Protection Fund ('IEPF'), established by the Central Government, all dividends remaining unpaid/unclaimed for a period of 7 years, from the date of such transfer to the unclaimed dividend account. Once such amounts are transferred to IEPF, no claim of the shareholder shall lie against the Bank.

The following table gives the unclaimed amount from the year 2018-19 with the position as on 31st March 2026 and the last date for claiming the dividend before transfer to the said Fund.

Financial Year	Date of Declaration	Div. amount per share and %	Total Amount	Unclaimed Amount (₹) and %	Last date for claiming the Dividend
Unclaimed Dividend Warrants:					
2018-19	19th July 2019	0.60 (30%)	47,95,92,431.40	13,89,195.00 (0.29%)	18th August 2026
2019-20	Dividend was not declared as per the RBI circular dated 17th April 2020				
2020-21	11th August 2021	0.50 (25%)	39,96,60,854.00	14,57,781.00 (0.36%)	12th September 2028
2021-22	3rd August 2022	1.60 (80%)	128,01,82,040.00	46,90,540.00 (0.37%)	2nd September 2029
2022-23#	23rd August 2023	2.00 (100%)	160,51,09,532.00	57,27,691.00 (0.36%)	22nd September 2030
2023-24#	14th August 2024	2.40 (120%)	193,13,41,821.60	1,35,77,153.40 (0.70%)	17th September 2031

Financial Year	Date of Declaration	Div. amount per share and %	Total Amount	Unclaimed Amount (₹) and %	Last date for claiming the Dividend
2024-25	21st August 2025	2.60 (130%)	209,38,56,585.60	1,48,68,419.40 (0.71%)	21st September 2032
Unclaimed Refund Orders & Fractional Warrants of Bonus Issue:					
Bonus 2025 Fractional Warrant	26th September 2025	Not Applicable	Not Applicable	6,21,357.84	30th October 2032
Unclaimed Debenture Interest Warrant					
2021-22 Debenture Interest Warrant	12th March 2022	Not Applicable	58,19,65,000	11,950	10th April 2029

 # in accordance with SEBI guidelines, dividend have been withheld in respect of shareholders holding shares in physical form who have not completed the mandatory KYC requirements, including updation of PAN, Contact details (Postal Address with PIN and Mobile Number), Bank Account Details and Specimen Signature. Bank has undertaken appropriate communication initiatives and issued reminders to the concerned shareholders, as prescribed under SEBI regulations, to facilitate updation of records and release of the withheld dividend amounts.

Shareholders/Debenture holder who have not claimed their dividend/interest warrants for the period as specified above are advised to send their request letter along with supported documents to Registrars and Share Transfer Agents or Nodal Officer of the Bank Shri Srinivasarao Maddirala. The details of unpaid/unclaimed dividends and Debenture Interests are available on the website of the Bank at www.kvb.bank.in.

Pursuant to Regulation 6(2)(d) SEBI LODR, Bank has created a separate e-Mail ID for redressal of Investor Complaints and Grievances. The said e-Mail ID is kvb_sig@kvb.bank.in.

Transfer of shares to Investor Education and Protection Fund (IEPF)

In terms Section 124 (6) of the Companies Act, 2013 and read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), as amended from time to time, all shares pertaining to any shareholder in respect of which dividend/s have not been claimed for the last 7 consecutive years shall be transferred to the IEPF Authority. Subsequent to such transfer of shares to IEPF Authority, all future benefits which may accrue, on these shares, including future dividend, will be credited to the said IEPF Authority only.

As per the said Rules, Bank is required to transfer all shares in respect of which dividends remained unclaimed by the shareholders for a period of seven consecutive years (i.e., from FY 2017-18). Bank has sent individual communication to the concerned shareholders whose shares are liable to be transferred to IEPF Authority, for taking appropriate action and by submitting requisite documents to claim the unclaimed dividend amount. Subsequently, a public notice was issued in Business Standard for all India Circulation and Dinamalar in Trichy Edition covering Karur.

Pursuant to the IEPF Rules, 2,13,296 shares in respect of which unclaimed/unpaid dividends were not claimed from FY 2017-18 (Final) for seven consecutive years were transferred to IEPF Authority during October 2025 bearing demat account no IN300708-10656671.

The details of the shareholder who have not claimed the dividends for last seven years are available on the Bank's website at www.kvb.bank.in.

Saksham Niveshak – 100 Days Campaign (IEPFA Initiative)

FY 2025-26

The Saksham Niveshak – 100 Days Campaign, initiated by the Investor Education and Protection Fund Authority (IEPFA), Ministry of Corporate Affairs, aims to enhance investor awareness and facilitate the redressal of issues relating to unclaimed dividends and shares.

During the year under review, the Bank has undertaken the following initiatives in compliance with the said campaign:

- A brief write-up on the Saksham Niveshak campaign was included in the Notice convening the 106th Annual General Meeting (AGM) of the Bank.
- During the AGM held on 21st August 2025, the Bank presented an awareness video of approximately four minutes, highlighting the importance of KYC updation and issues relating to unclaimed dividends.
- Bank has created a dedicated contact number for shareholders to enquire on Unclaimed Dividends.

- An advertisement regarding the campaign was published on 3rd September 2025 in:
  - Business Standard (English – all editions), and
  - Dinamalar (Tamil – Trichy edition).
- A dedicated search facility, namely the KYC Status Verification System, has been developed on the Bank's corporate website exclusively for shareholders holding securities in physical form, enabling them to conveniently verify their KYC status online.
- Bank also conducted an awareness outreach through emails and SMS notifications to shareholders regarding the campaign.

FY 2026-27

Second Saksham Niveshak – 100 Days Campaign, initiated by the Investor Education and Protection Fund Authority (IEPFA), Ministry of Corporate Affairs, aims to enhance investor awareness and facilitate the redressal of issues relating to unclaimed dividends and shares.

During the year under review, the Bank has undertaken the following initiatives in compliance with the said campaign:

- An advertisement regarding the campaign was published on 29th April 2026 in:
  - Business Standard (English – all editions), and
  - Dinamalar (Tamil – Trichy edition).
- Bank also conducted an awareness outreach through emails and SMS notifications to shareholders regarding the campaign.
- Bank has undertaken extensive awareness initiatives for the campaign by sending email communications to shareholders, including details of unpaid dividends, wherever email IDs are available. For shareholders without registered email IDs, physical communications containing the relevant details have been dispatched, thereby ensuring broad outreach and effective communication across the shareholder base.

Initiatives taken for reduction of Unclaimed Dividends:

The Bank has implemented a series of proactive measures to assist shareholders in claiming their unclaimed dividend.

Shareholder Communication

- Bank has been regularly sending reminder communications to shareholders for encashing unclaimed dividends and to bondholders for claiming unclaimed interest, as a proactive measure to minimize the transfer of such amounts to the Investor Education and Protection Fund (IEPF). These communications are intended to ensure that shareholders and bondholders are adequately informed and are able to take timely action to claim their rightful entitlements.
- During the year, the Bank undertook a special remittance exercise to directly credit unclaimed dividends to the updated bank accounts of shareholders. This proactive initiative enabled timely receipt of dividends by shareholders and contributed to a reduction in the quantum of unclaimed dividend amounts.

Targeted Outreach Efforts

In May 2025, the bank dispatched **663 letters** to shareholders whose shares were identified for transfer to IEPF authority, out of which **344 letters** were returned due to incorrect or outdated registered addresses.

Public awareness campaigns

To broaden awareness, public notices and advertisements concerning the transfer of unclaimed dividend to the IEPF were published in:

- Business Standard (National Circulation)
- Dinamalar (Trichy Edition) covering Karur

Direct Shareholder Engagement

In order to facilitate the payment of unpaid dividends/interest and to reduce transfers to the Investor Education and Protection Fund (IEPF), Bank has initiated personal outreach efforts for shareholders and bondholders who have not yet claimed their dues, especially in cases where the unpaid dividend amount is ₹ 2,500 and above. These initiatives are being carried out through the Bank's divisional offices/branches using the addresses available in the Bank's records, encouraging the concerned shareholders/bondholders to claim their dividend/ interest.

Despite these sustained efforts, the response and claim ratio remained low, primarily due to the following reasons:

- Shareholders no longer residing at the registered addresses available in the Bank's records; and
- Nonupdation of mobile numbers and/or email addresses in their folio or demat records.

Information Accessibility

The folio-wise and demat-wise details of unclaimed dividend and interest are publicly available on the Bank's website under the 'Investor Corner' section (https://www.kvb.bank.in/investor-corner/), thereby ensuring transparency and facilitating ease of access for shareholders to claim their entitlements.

Despite sustained and significant follow-up efforts undertaken over the years, certain shares, dividends, and interest amounts continue to remain unclaimed. The Bank remains committed to making proactive and continuous efforts to reduce such unclaimed amounts.

Guidelines to claim the shares/dividend transferred to Investors Education and Protection Fund (IEPF)

Pursuant to Rule 7 of IEPF Rules, the shareholders whose shares/dividend transferred to IEPF can claim the same from IEPF Authority by following the below mentioned process:

1. **Online Application vide Form IEPF-5 on MCA V3:** Claimant can claim dividends and/or shares by filing the Form IEPF-5 on MCA V3 Portal at https://www.iepf.gov.in/. All the required documents to be attached to the form.
2. **Dispatch of documents to the Nodal/Deputy Nodal Officer of the Company:** Claimant to dispatch hard copy of the self-attested Form IEPF-5 along with other requisite documents, to Shri Srinivasarao Maddirala, Nodal Officer (IEPF) of the Bank in an envelope marked "Claim for refund from IEPF Authority" at the below mentioned address.
3. **Upload of proof of dispatch on MCA V3 Portal:** Claimant to update date of dispatch and upload proof thereof, on the MCA V3 Portal.
4. **Submission of E-Verification Report by the Company:** Claim forms completed in all aspects will be verified by the Bank and within 30 days of receiving the IEPF-5 claim, the Company is required to submit E-Verification Report on MCA V3 Portal.
5. **IEPFA to release shares and/or dividends:** on the basis of Bank's verification report, refund will be released by the IEPF Authority in Favor of claimants' account through electronic transfer.

The general information about the Bank for filling the IEPF - 5 form are as under:

a)	Corporate Identification Number (CIN) of Bank	L65110TN1916PLC001295
b)	Name of the Bank	The Karur Vysya Bank Limited
c)	Address of Registered & Central Office of the Bank	The Karur Vysya Bank Limited, Investor Relations Cell, Regd. & Central Office, No. 20, Erode Road, Vadivel Nagar, L.N.S, Karur - 639002. e-Mail: kvbiepf@kvb.bank.in

Disclosure of certain types of agreements binding listed entities

The Bank has not received any intimation under clause 5A of paragraph A of Part A of Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding agreements made which impact the management or control of the listed entity or impose any restriction or create any liability upon the listed entity.

Declaration as required under Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

The Members of the Board of Directors and Senior Management Personnel of the Bank have affirmed compliance with the Code of Conduct of the Bank for the year ended 31st March 2026.

B Ramesh Babu
Managing Director & Chief Executive Officer
DIN: 06900325

Place: Karur
Date: 07th July 2026

CEO / CFO CERTIFICATION

As stipulated under Regulation 17(8) of the SEBI Listing Obligations & Disclosure Requirements Regulations (LODR) 2015, we hereby certify that –

a) We have reviewed financial statements for the year ended 31st March 2026 and that to the best of our knowledge and belief these statements :

   i. do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   ii. together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the period which are fraudulent, illegal or in violation of the Company's code of conduct.

c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Bank pertaining to financial reporting and have disclosed to the auditors and the Audit Committee, that there are no significant changes in internal control over financial reporting during the year ended 31st March 2026 and deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

d) We have also indicated to the Auditors and the Audit Committee that:

   - There are no changes in accounting policies followed in the preparation of financial results for the year ended 31st March 2026 as compared to those followed for the year ended 31st March 2025 and the same has been disclosed in the notes to the financial statements;
   - The financial results do not contain any false or misleading statement or figures and do not omit any material fact which may make the statements or figures contained therein misleading; and
   - There are no instances of significant fraud of which we have become aware and the involvement therein of the management or an employee having a significant role in the Company's internal control system over financial reporting.

R Ramshankar
General Manager and CFO

B Ramesh Babu
Managing Director & CEO
DIN: 06900325

Place: Karur
Date: 07th May 2026

CERTIFICATE OF COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

[Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To
The Members
THE KARUR VYSYA BANK LIMITED
No.20, Erode Road, Vadivel Nagar,
L.N.S., Karur - 639002

We, S.A.E & Associates LLP, Company Secretaries have examined the compliance of conditions of Corporate Governance by The Karur Vysya Bank Limited ("the Bank"), having CIN L65110TN1916PLC001295 and registered office at No.20, Erode Road, Vadivel Nagar, L.N.S., Karur 639002, for the financial year ended on 31st March 2026 as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46 (2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR).

MANAGEMENT'S RESPONSIBILITY:

The compliance of conditions of Corporate Governance is the responsibility of the management. This responsibility includes design, implementation and maintenance of internal control and procedures to ensure compliance with the conditions of Corporate Governance as stipulated in LODR.

AUDITOR'S RESPONSIBILITY:

- Our responsibility is limited to a review of the procedures and implementation thereof adopted by the Bank for ensuring compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Bank.
- We have examined the records and documents of the Bank, to the extent relevant, for the purpose of providing reasonable assurance on compliance with Corporate Governance requirements by the Bank.

OPINION:

- To the best of our information and based on our examination of the relevant records and the explanations given to us and the representations provided by the directors and the management, we certify that the Bank has complied with the conditions of corporate governance as stipulated in Regulation 17 to 27 and clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the LODR, during the financial year ended 31st March 2026.
- We state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **S.A.E & Associates LLP**
Company Secretaries

Sri Vidhya Kumar, Partner
FCS. No. 11114, C.P. NO. 20181
FRN: L2018TN004700
Peer Review Certificate No. 2822/2022
UDIN: F011114H000768387

Place: Chennai
Date: 07th July 2026

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(PURSUANT TO REGULATION 34(3) AND SCHEDULE V PARA C CLAUSE (10)(i) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015)

To
The Members,
The Karur Vysya Bank Limited
No.20, Erode Road, Vadivel Nagar,
L.N.S., Karur - 639002.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of The Karur Vysya Bank Limited having CIN L65110TN1916PLC001295 and registered office at No.20, Erode Road, Vadivel Nagar, L.N.S., Karur 639002 (hereinafter referred to as 'the Bank'), produced before us by the Bank for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Bank & its officers, we hereby certify that none of the Directors on the Board of the Bank as stated below as on the financial year ended 31st March 2026 have been debarred or disqualified from being appointed or continuing as Directors of Bank by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority viz., Reserve Bank of India.

Sr. No.	Name of Director	DIN	Date of appointment in the Bank
1	Dr Meena Hemchandra	05337181	26th May 2022
2	Shri B Ramesh Babu	06900325	29th July 2020
3	Shri R Ramkumar*	00275622	25th June 2018
4	Dr Harshavardhan R	01675460	30th July 2020
5	Shri Murali Ramaswami	08659944	14th June 2022
6	CA Dr Chinnasamy Ganesan	07615862	25th April 2023
7	Shri R Vidhya Shankar	00002498	22nd April 2024
8	Smt. Srimathy Sridhar	10627997	26th September 2024
9	Shri B Sankar	08846754	12th March 2025
10	Dr Mythili Vutukuru	10371961	24th September 2025

**Demitted office at the close of office hours on 24th June 2026, consequent to completion of his tenure.*

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Bank. Our responsibility is to express an opinion based on our verification of the records and disclosures. This certificate is neither an assurance as to the future viability of the Bank nor of the efficiency or effectiveness with which the management has conducted the affairs of the Bank.

For **S.A.E & Associates LLP**
Company Secretaries

Sri Vidhya Kumar, Partner
FCS. No. 11114, C.P. NO. 20181
FRN: L2018TN004700
Peer Review Certificate No. 2822/2022
UDIN: F011114H000768343

Place: Chennai
Date: 07th July 2026

INDEPENDENT AUDITORS' REPORT

To The Members of **The Karur Vysya Bank Limited**

Report on the Audit of the Financial Statements

OPINION

1. We have audited the accompanying financial statements of **The Karur Vysya Bank Limited** ('the Bank'), which comprise the Balance Sheet as at 31st March 2026, the Profit and Loss Account and the Statement of Cash Flows for the year then ended, and notes to financial statements including a summary of significant accounting policies and other explanatory information in which are included the returns for the year ended on that date, of:

   i) 21 branches including Treasury Branch audited by us and

   ii) 995 branches including processing centres audited by statutory branch auditors located across India.

2. In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of the statutory branch auditors as referred to in paragraph 6 below, the aforesaid financial statements, read with notes thereon, give the information required by the Banking Regulation Act, 1949 as well as the Companies Act, 2013 ('the Act'), as amended in the manner so required for banking companies and circulars and guidelines issued by the Reserve Bank of India ('RBI'), and give a true and fair view and are in conformity with the accounting principles generally accepted in India including the Accounting Standards prescribed under section 133 of the Act read with Companies (Accounting Standards) Rules, 2021, of the state of affairs of the Bank as at 31ST MARCH 2026, its profit and its cash flows for the year ended on that date.

BASIS FOR OPINION

3. We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the *'Auditor's Responsibilities for the Audit of the Financial Statements'* section of our report. We are independent of the Bank in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (the "ICAI") together with ethical requirements that are relevant to our audit of the financial statements in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Act read with Companies (Accounting Standards) Rules, 2021, provisions of section 29 of the Banking Regulation Act, 1949, circulars and guidelines issued by the RBI from time to time and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained and that obtained by the statutory branch auditors, in terms of their reports referred in paragraph 6 is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

4. Key audit matters are those matters that, in our professional judgment, and based on the consideration of the reports of the statutory branch auditors as referred to paragraph 6 below, were of most significance in our audit of the financial statements for the financial year ended 31ST March 2026. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

5. We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the *'Auditor's responsibilities for the audit of the financial statements'* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

A. Identification of Non-Performing Assets ('NPA') and Provisions thereon

(Schedule 9 read with Note 3 of Schedule 17 and Note 4.1 and Note 14.5 of Schedule 18 to the financial statements)

Key Audit Matter

Identification of Non-Performing Assets ("NPA") and provisions in respect of NPAs and restructured advances are made based on management's assessment in accordance with norms, circulars and directions issued

INDEPENDENT AUDITORS' REPORT (Contd.)

by the RBI on Prudential Norms on Income Recognition, Asset Classification and Provisioning ("IRACP") pertaining to Advances from time to time which are also used to classify investments.

The Bank is also expected to apply its judgement to determine the identification and provisioning required against NPA by applying quantitative as well as qualitative factors. The provision on NPA is based on the valuation of the security available and also requires management estimates and judgements. The provision on NPA is estimated based on its ageing and classification of NPAs, recovery estimates, nature of loan product, value of security and other qualitative factors and is subject to the minimum provisioning as per IRAC and Board approved policy in this regard.

Accordingly, our audit focused on identification of NPAs and provision on assets as a key audit matter because of the level of management estimates and judgment involved in determining the provision and the valuation of the security of the NPA loans and the resultant impact on the financial statements of the Bank. Given the significance of the amount of advances and investments and its significance to overall audit due to stakeholder and regulatory focus, identification of non-performing assets and provision thereon has been considered as Key Audit Matter.

AUDITOR'S RESPONSE

Our key audit approach/procedures towards Classification of Advances, Identification of Non-performing Advances, Income Recognition and Provision on Advances and investments included:

- Understanding and considering the Bank's policies for NPA identification and provisioning and assessing compliance with the IRACP Norms.
- Understanding, evaluation and testing the design and operating effectiveness of key controls (including system based controls) for identification and provisioning of non-performing assets based on the extant guidelines on IRACP laid down by the RBI.
- Performing other procedures including substantive audit procedures covering the identification of NPAs by the Bank. These procedures included:
  - (a) Considering the accounts reported by the Bank and other banks as Special Mention Accounts ("SMA") in the RBI's central repository of information on large credits (CRILC) to identify stress.
  - (b) Reviewing account statements, drawing power calculation, security and other related information of the borrowers selected based on quantitative and qualitative risk factors.
  - (c) Reading of minutes of management committee and credit committee meetings and performing inquiries with the credit and risk departments to ascertain if there were indicators of stress or an occurrence of an event of default in a loan account or any product.
  - (d) Considering key observations arising out of Internal Audits, Systems Audits, Credit Audits and Concurrent Audits conducted as per the policies and procedures of the Bank.
  - (e) Examination of advances including stressed/ restructured advances on a sample basis with respect to compliance with the RBI Master Circulars / Guidelines.
  - (f) Visits to branches/offices and examination of documentation and other records relating to advances.
  - (g) Considered the branch audit reports submitted by the Statutory Branch Auditors of branches of the Bank.
    - For Non-performing advances identified, we, based on factors including stressed sectors and account materiality, tested on a sample basis the asset classification dates, compliance of income recognition, value of available security and provisioning as per IRACP norms. We recomputed the provision for NPA on such samples after considering the key input factors and compared our measurement outcome to that prepared by management.
    - Assessed the appropriateness, accuracy and adequacy of presentation and disclosures in accordance with the applicable accounting standards, IRAC and other requirements of RBI.

B. Information Technology - IT Systems and Controls

Key Audit Matter

The Bank's operations utilise many independent and inter-dependent information technology systems for processing and recording large volume of transactions in numerous locations on a daily basis. As a result, there

is a high degree of reliance and dependency on such IT systems for financial reporting process of the Bank. Controls over access and changes to IT systems are critical to the recording of financial information and the preparation of a financial statements which provides a true and fair view of the Bank's financial position and performance. Appropriate automated general and application controls are required to ensure that such IT systems and applications are able to process the data, as required, completely, accurately and consistently, which directly impacts the completeness and accuracy of financial reporting.

Since, IT systems and controls significantly impact the financial recording and reporting of transactions, it is a key audit matter as our audit approach could significantly differ depending on the effective operation of the Bank's IT controls.

AUDITOR'S RESPONSE

We tested the technology control environment for key IT applications (systems) used in processing significant transactions and recording balances in the general ledger. We also tested key automated controls embedded within these systems which link the technology-enabled business processes. Our further audit procedures included:

- Identification of critical application softwares used in the Bank with reference to its functionalities and impact on the books and records of the Bank.
- Assessing the governance and higher-level controls across the IT Environment, including those regarding policy design, review and awareness, and IT Risk Management practices;
- Evaluation and understanding the key IT systems being used by the Bank;
- Design and operating effectiveness testing of controls across the User Access Management Lifecycle, Change Management as well as effectiveness testing of automated business process controls including segregation of duties;
- Design and operating effectiveness testing of controls to enable Change Management including how changes are initiated, documented, approved, tested and authorised prior to migration into the production environment of critical IT Applications. We assessed the appropriateness of users with access to release changes to IT application production environments in the Bank;
- Evaluated other areas including password policies, security configurations, controls over changes to applications and databases and access controls to developers and production support.
- Verified the audit trail (edit log) on test check basis for identified accounting softwares.
- We have relied on the testing performed by the internal departments of the Bank relating to information technology.

Reviewing effectiveness of mappings and flagging of financial transactions and automated reconciliation controls (both between systems and intra-system) and data integrity of critical system reports used in our audit to select samples and analyse data used by management to generate financial reporting.

C. Direct and Indirect Taxes

(Schedule 5 and 12 read with Note 13 and 15 of Schedule 17 and Note 14.13 of Schedule 18 to the financial statements)

Key Audit Matter

This matter has been identified as a key audit matter due to the significant level of management judgment required in the estimation of provision for taxes including any write back of provisions, due to factors like uncertain tax positions and provision for tax involves interpretation of various rules and law. It also involves consideration of on-going disputes and related disclosures.

AUDITOR'S RESPONSE

- Our audit procedures to test uncertain tax positions included understanding processes, evaluation of relevant controls and testing thereof over provision for taxation, assessment of uncertain tax positions and disclosure of contingencies.
- We have obtained details of completed tax assessments and demands from the management of the Bank.
- We discussed with appropriate senior management personnel, evaluated the management's underlying key assumptions in estimation of tax provisions and independently assessed management's estimate of the possible outcome of the disputed cases. We have also relied upon the opinion given by tax consultants while evaluating management's assessment for the uncertain tax positions.

INDEPENDENT AUDITORS' REPORT (Contd.)

- We considered past assessments and appellate orders for earlier years and other relevant legal precedence and rulings in evaluating management's position on these uncertain tax positions, the provisions made, and/or written back.
- We also considered the adequacy and completeness of the disclosures made in relation to matters where management concluded that no provision should be recorded.

OTHER MATTERS

6. We did not audit the financial statements / information of 995 branches including processing centres included in the financial statements of the Bank whose financial statements / financial information reflects total assets of ₹ 1,18,34,92,979 thousand as at 31st March 2026 and total revenue of ₹ 11,41,50,766 thousand for the year ended on that date, as considered in the financial statements. These branches and processing centres cover 77.10% of advances, 82.22% of deposits, 58.78% of non-performing assets as at 31st March 2026 and 86.75% of revenue for the year ended 31st March 2026. The financial statements/ information of these branches have been audited by the statutory branch auditors whose reports have been furnished to us and our opinion on the financial statements, in so far as it relates to the amounts and disclosures included in respect of branches including processing centres, and our report in terms of Section 143(3) of the Act, in so far as it relates to the aforesaid branches including processing centres, are based solely on the reports of such statutory branch auditors.

   Our opinion on the financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the statutory branch auditors.

   Our opinion is not modified in respect of above matters.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITORS' REPORT THEREON

7. The Bank's Board of Directors is responsible for the other information. The other information comprises the Corporate Overview, Directors' Report including annexures to Directors' Report, Management Discussion and Analysis, Basel III – Pillar 3 disclosures and Corporate Governance report included in the Annual Report, but does not include the financial statements and our auditor's report thereon. The other information is expected to be made available to us after the date of this auditor's report.

   Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

   In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

   When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governances.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

8. The Bank's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Bank in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Act read with Companies (Accounting Standards) Rules, 2021 in so far as they apply to the Bank and provisions of Section 29 of the Banking Regulation Act, 1949 and circulars and guidelines issued by the RBI from time to time. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Bank and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

9. In preparing the financial statements, the Board of Directors is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

10. The Board of Directors are also responsible for overseeing the Bank's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

11. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

12. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

    - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

    - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Bank has adequate internal financial controls system with reference to financial statements in place and the operating effectiveness of such controls.

    - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the financial statements made by management.

    - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the bank to cease to continue as a going concern.

    - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

    - Obtain sufficient appropriate audit evidence regarding the financial information of the Bank to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit of the financial information of the Bank and such branches included in the financial statements, of which we are the independent auditors. For the other branches included in the financial statements, which have been audited by statutory branch auditors, such branch auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

13. Materiality in the magnitude of the misstatements in the financial statements that, individually or aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning of the scope of our audit work and evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatement in the financial statements.

INDEPENDENT AUDITORS' REPORT (Contd.)

14. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

15. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

16. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the financial year ended 31st March 2026 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

17. The Balance Sheet and the Profit and Loss Account have been drawn up in accordance with Section 29 of the Banking Regulation Act, 1949 and Accounting Standards as per section 133 of the Act read with Companies (Accounting Standards) Rules, 2021.

18. As required by sub-section (3) of section 30 of the Banking Regulation Act, 1949, and on the consideration of the reports of the statutory branch auditors as referred in paragraph 6 above, we report that:

    a) we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit and have found them to be satisfactory;

    b) the transactions of the Bank, which have come to our notice, have been within the powers of the Bank; and

    c) the returns received from the offices and branches of the Bank have been found to be adequate for the purpose of our audit.

19. With respect to the matter to be included in the auditor's report under section 197(16) of the Act, we report that since the Bank is a banking company as defined under the Banking Regulation Act, 1949; the reporting under section 197(16) of the Act in relation to whether the remuneration paid by the Bank is in accordance with the provisions of section 197 of the Act and whether any excess remuneration has been paid in accordance with the aforesaid section is not applicable.

20. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the statutory branch auditors as referred to in paragraph 6 above, we further report to the extent applicable that:

    (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.

    (b) In our opinion, proper books of accounts as required by law have been kept by the Bank so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branches not visited by us.

    (c) The reports on the accounts of the branches and processing centres of the Bank audited under section 143(8) of the Act by the statutory branch auditors of the Bank have been sent to us and have been properly dealt with by us in preparing this report.

    (d) The Balance Sheet, Profit and Loss Account and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

    (e) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act read with Companies (Accounting Standards) Rules, 2021 to the extent they are not consistent with the policies prescribed by the RBI.

    (f) On the basis of the written representation received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2026 from being appointed as a director in terms of section 164(2) of the Act.

    (g) With respect to the adequacy of internal financial controls with reference to the financial statements of the Bank and the operating effectiveness of

such controls, our separate report in Annexure A is attached.

(h) The entity being a banking company as defined under Banking Regulation Act, 1949, the remuneration to its directors during the year ended 31st March 2026 has been paid / provided by the Bank in accordance with the provisions of Section 35B(1) of the Banking Regulation Act, 1949.

(i) With respect to the other matters to be included in the Auditors Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our knowledge and belief and according to the information and explanation given to us:

i. The Bank has disclosed the impact of pending litigations on its financial position in Schedule 12 and Note 14.13 of Schedule 18 to the financial statements.

ii. The Bank has made provision as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts as detailed in Schedule 12 and note 7 of Schedule 18 to the financial statements and

iii. There has been no delay in transferring the amounts required to be transferred to the Investor Education and Protection Fund by the Bank during the year ended 31st March 2026.

iv. a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the note 15 of Schedule 18 to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Bank to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Bank ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the note 15 of Schedule 18 to the financial statements, no funds have been received by the Bank from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Bank shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

Based on such audit procedures that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) above contain any material misstatement.

v. As stated in note 1.2 of Schedule 18 to the financial statements and as disclosed in Profit and Loss Account under 'Appropriations' to the Financial Statements:

(a) The final dividend proposed in the previous year, declared, and paid by the Bank during the year is in accordance with Section 123 of the Act, as applicable.

(b) The Bank did not pay any interim dividend during the year.

(c) The Board of Directors of the Bank have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable, until the date of this report.

Based on our examination which included test checks, the accounting softwares used by the Bank for maintaining the books of account,

INDEPENDENT AUDITORS' REPORT (Contd.)

have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective software except that in absence of an appropriate conclusion in the independent auditor's report in relation to maintenance of audit trail (edit log) at database level of Loan Origination System, we are unable to comment on whether audit trail facility was enabled at database level.

Further, for the periods where audit trail (edit log) feature was enabled and operated throughout the year for the respective accounting software, we did not come across any instance of the audit trail feature being tampered with during the course of our audit.

Pursuant to the requirements of Rule 3(1) of the Companies (Accounts) Rules, 2014 and as required under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014, the audit trail has been preserved by the Bank in compliance with the applicable statutory requirements for record retention except for the matter stated above and logs were retained for the period commencing from 13st June 2023, 9th July 2023 and 1st February 2024 for digital gold loan, people soft HRMS and bullion precious metal software, respectively.

Kalyaniwalla & Mistry LLP
Chartered Accountants
Firm Regn. No. 104607W/W100166

Sushant S Lahoti
Partner
Membership No.114092
Date: 7th May 2026
Place: Karur
UDIN: 26114092EEIQSR2931

Varma & Varma
Chartered Accountants
Firm Regn. No. 004532S

Radhesh L Bhat
Partner
Membership No. 214229
Date: 7th May 2026
Place: Karur
UDIN: 26214229MSTKZB4398

ANNEXURE "A"

TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 20 (g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date on the Financial Statements of the Karur Vysya Bank Limited for the year ended 31st March 2026)

REPORT ON THE INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

We have audited the internal financial controls with reference to financial statements of The Karur Vysya Bank Limited ("the Bank") as of 31st March 2026, in conjunction with our audit of the financial statements of the Bank for the year ended on that date which includes internal financial controls with reference to financial statements of the Bank's branches including processing centres.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Bank's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Bank considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Bank's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Banking Regulation Act, 1949 and the circulars and guidelines issued by the RBI.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Bank's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing (SAs) issued by the ICAI, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal financial controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the branch auditors, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Bank's internal financial controls with reference to financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

A Bank's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Bank's internal financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Bank; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Bank are being made only in accordance with authorisations of management and directors of the Bank; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Bank's assets that could have a material effect on the financial statements.

ANNEXURE "A"

TO THE INDEPENDENT AUDITOR'S REPORT (Contd.)

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion, and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the statutory branch auditors referred to in the Other Matters paragraph of our report on the audit of the financial statements, the Bank has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31st March 2026, based on the criteria for internal control with reference to financial statements established by the Bank considering the essential components of internal control stated in the "Guidance Note on Audit of Internal Financial Controls Over Financial Reporting" issued by the ICAI.

OTHER MATTERS

Our aforesaid report insofar as it relates to the operating effectiveness of internal financial controls with reference to financial statements of 971 branches including processing centres is based on the corresponding reports of the respective statutory branch auditors of those branches including processing centres.

Our opinion is not modified in respect of this matter.

Kalyaniwalla & Mistry LLP
Chartered Accountants
Firm Regn. No. 104607W/W100166

Sushant S Lahoti
Partner
Membership No.114092
Date: 7th May 2026
Place: Karur
UDIN: 26114092EEIQSR2931

Varma & Varma
Chartered Accountants
Firm Regn. No. 004532S

Radhesh L Bhat
Partner
Membership No. 214229
Date: 7th May 2026
Place: Karur
UDIN: 26214229MSTKZB4398

BALANCE SHEET

AS AT 31ST MARCH 2026

(₹ 000's omitted)

	SCHEDULE	AS AT 31st March 2026	AS AT 31st March 2025
CAPITAL & LIABILITIES			
Capital	1	193 32 92	161 02 49
Reserves and Surplus	2	13914 53 78	11768 51 83
Deposits	3	115665 73 78	102077 99 01
Borrowings	4	2622 56 07	1216 98 23
Other Liabilities and Provisions	5	4206 92 55	4142 90 21
TOTAL		**136603 09 10**	**119367 41 77**
ASSETS			
Cash and Balances with			
Reserve Bank of India	6	5154 38 68	7354 18 75
Balance with Banks and Money			
at call and short notice	7	148 24 97	452 53 32
Investments	8	29019 88 65	23831 25 45
Advances	9	98190 60 79	84004 53 63
Fixed Assets	10	501 62 56	490 17 29
Other Assets	11	3588 33 45	3234 73 33
TOTAL		**136603 09 10**	**119367 41 77**
Contingent Liabilities	12	11357 35 58	13222 54 21
Bills for collection		3304 11 49	3143 24 31
Significant Accounting Policies	17		
Notes on Accounts	18		

The schedules referred to above form an integral part of Balance Sheet.

DR.MEENA HEMCHANDRA	CA DR. CHINNASAMY GANESAN	B. RAMESH BABU	SANKAR BALABHADRAPATRUNI	RAMSHANKAR R	M.SRINIVASA RAO
Non-executive Independent (Part-time) Chairperson	Audit Committee Chairman	Managing Director & C E O	Executive Director	Chief Financial Officer	Company Secretary
DIN: 05337181	DIN: 07615862	DIN: 06900325	DIN: 08846754		

As per our report of even date

For **Kalyaniwalla & Mistry LLP**
Chartered Accountants
FRN: 104607W/W100166

Sushant S. Lahoti
Partner
M. No. 114092

For **Varma & Varma**
Chartered Accountants
FRN:004532S

Radhesh L Bhat
Partner
M. No. 214229

Place : Karur
Date : 7th May 2026

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST MARCH 2026

(₹ 000's omitted)

		SCHEDULE	Year Ended 31st March 2026	Year Ended 31st March 2025
I	**INCOME**			
	Interest earned	13	11074 35 23	9678 04 02
	Other Income	14	2084 31 87	1829 55 22
	TOTAL		**13158 67 10**	**11507 59 24**
II	**EXPENDITURE**			
	Interest expended	15	6135 80 41	5418 11 66
	Operating expenses	16	2947 88 59	2877 14 72
	Provisions and Contingencies		1564 64 94	1270 69 19
	TOTAL		**10648 33 94**	**9565 95 57**
III	**PROFIT**			
	Net Profit (before exceptional item)		2510 33 16	1941 63 67
	Net Profit		2510 33 16	1941 63 67
	Profit brought forward from previous year		221 12 70	203 34 34
	TOTAL		**2731 45 86**	**2144 98 01**
IV	**APPROPRIATIONS**			
	Transfer to Statutory Reserve		627 60 00	485 50 00
	Transfer to Capital Reserve		9 55 20	21 90
	Transfer to Revenue & Other Reserves		1526 00 00	1055 00 00
	Transfer to Investment Reserve		Nil	Nil
	Transfer to Investment Fluctuation Reserve		31 13 40	120 00 00
	Transfer to Special Reserve U/s 36(1)(viii) of IT Act, 1961		59 85 00	70 00 00
	Dividend (pertains to previous year paid during the year)		209 38 57	193 13 41
			2463 52 17	**1923 85 31**
	Balance carried over to balance sheet		267 93 69	221 12 70
	TOTAL		**2731 45 86**	**2144 98 01**
Basic Earnings Per Share		(in ₹)	25.98	20.10
Diluted Earnings Per Share		(in ₹)	25.97	20.10

The schedules referred to above form an integral part of Profit and Loss account.

DR.MEENA HEMCHANDRA	CA DR. CHINNASAMY GANESAN	B. RAMESH BABU	SANKAR BALABHADRAPATRUNI	RAMSHANKAR R	M.SRINIVASA RAO
Non-executive Independent (Part-time) Chairperson	Audit Committee Chairman	Managing Director & C E O	Executive Director	Chief Financial Officer	Company Secretary
DIN: 05337181	DIN: 07615862	DIN: 06900325	DIN: 08846754		

As per our report of even date

For **Kalyaniwalla & Mistry LLP**
Chartered Accountants
FRN: 104607W/W100166

Sushant S. Lahoti
Partner
M. No. 114092

For **Varma & Varma**
Chartered Accountants
FRN:004532S

Radhesh L Bhat
Partner
M. No. 214229

Place : Karur
Date : 7th May 2026

SCHEDULES

SCHEDULE 1 - CAPITAL

(₹ 000's omitted)

	AS AT 31st March 2026	AS AT 31st March 2025
Authorised Capital		
125,00,00,000 / (100,00,00,000) Equity shares of ₹2/- each	250 00 00	200 00 00
Issued Capital:		
80,57,23,472 / (80,50,42,932) Equity shares of ₹2/- each	161 14 47	161 00 86
Add: 4,86,121 /(6,80,540) Equity shares of ₹2/- each under ESOS 2011 & 2018 allotted. 16,11,85,653 / Nil Equity shares of ₹2/- each under Bonus Equity shares.	32 33 44	13 61
	193 47 91	**161 14 47**
Subscribed & Paid up Capital:		
80,51,24,659 / (80,43,76,998) Equity shares of ₹2/- each	161 02 49	160 87 54
Add: 4,86,121 /(6,80,540) Equity shares of ₹2/- each under ESOS 2011 & 2018. 16,10,35,439 / Nil Equity shares of ₹2/- each under Bonus Equity shares. Nil /(61,019) Equity shares of ₹2/-each under Rights issue 2017. Nil / (6,102) Equity shares of ₹2/- each under Bonus 2018.	32 30 43	14 95
	193 32 92	**161 02 49**

SCHEDULE 2 - RESERVES AND SURPLUS

(₹ 000's omitted)

		AS AT 31st March 2026	AS AT 31st March 2025
I	**Statutory Reserve**		
	Opening Balance	3188 79 31	2703 29 31
	Add: Addition during the year	627 60 00	485 50 00
	TOTAL	**3816 39 31**	**3188 79 31**
II	**Capital Reserve**		
	Opening Balance	436 81 64	436 59 74
	Add: Addition during the year	9 55 20	21 90
	TOTAL	**446 36 84**	**436 81 64**
III	**Share Premium**		
	Opening Balance	2089 17 19	2084 90 38
	Add: Additions during the year	3 54 18	4 26 81
	Less: Bonus issue	(32 20 71)	Nil
	TOTAL	**2060 50 66**	**2089 17 19**
IV	**Revenue and Other Reserves**		
	a) General Reserve		
	Opening Balance	4886 64 77	3570 07 16
	Add: Addition during the year	1526 00 00	1055 00 00
	Add: Depreciation on investment transferred	Nil	58 05 87
	Add: Transfer from Investment reserve	Nil	202 92 00
	Add: Lapsed ESOS reserve transferred	Nil	59 74
	TOTAL	**6412 64 77**	**4886 64 77**
	b) AFS Reserve		

SCHEDULES (Contd.)

(₹ 000's omitted)

		AS AT 31st March 2026	AS AT 31st March 2025
	As per last Balance Sheet	78 02 88	Nil
	Add: Addition during the year	Nil	78 02 88
	Less: Deduction during the year	(126 60 57)	Nil
	TOTAL	**(48 57 69)**	**78 02 88**
c)	**Investment Reserve**		
	Opening Balance	Nil	202 92 00
	Add: Addition during the year	Nil	Nil
	Less: Deduction during the year	Nil	(202 92 00)
	TOTAL	**Nil**	**Nil**
d)	**Investment Fluctuation Reserve**		
	Opening Balance	268 86 60	148 86 60
	Add: Addition during the year	31 13 40	120 00 00
	TOTAL	**300 00 00**	**268 86 60**
e)	**Special Reserve U/s 36(1) (viii) of Income Tax Act, 1961**		
	Opening Balance	595 00 00	525 00 00
	Add: Addition during the year	59 85 00	70 00 00
	TOTAL	**654 85 00**	**595 00 00**
f)	**Employee Stock Option**		
	Opening Balance	4 06 74	4 20 25
	Add: Addition during the year	3 04 78	2 74 89
	Less: Lapsed ESOS transferred to General Reserve	Nil	(59 74)
	Less: Shares allotted during the year transferred to Share Premium	(2 70 32)	(2 28 66)
	TOTAL	**4 41 20**	**4 06 74**
V	**Balance in Profit and Loss account**	**267 93 69**	**221 12 70**
TOTAL I, II, III, IV & V		**13914 53 78**	**11768 51 83**

SCHEDULE 3 - DEPOSITS

(₹ 000's omitted)

		AS AT 31st March 2026	AS AT 31st March 2025
A	**I. Demand Deposits**		
	i) From Banks	2 00 10	6 18 85
	ii) From Others	9136 15 44	8346 74 09
	TOTAL	**9138 15 54**	**8352 92 94**
II.	**Savings Bank Deposits**	**21983 70 53**	**19478 83 92**
III.	**Term Deposits**		
	i) From Banks	1026 62 46	35 25 00
	ii) From Others	83517 25 25	74210 97 15
	TOTAL	**84543 87 71**	**74246 22 15**
TOTAL I, II & III		**115665 73 78**	**102077 99 01**
B	**Deposits of Branches**		
	i) In India	115665 73 78	102077 99 01
	ii) Outside India	Nil	Nil
	TOTAL	**115665 73 78**	**102077 99 01**

SCHEDULES (Contd.)

SCHEDULE 4 - BORROWINGS

(₹ 000's omitted)

		AS AT 31st March 2026	AS AT 31st March 2025
I	**Borrowings in India**		
	i) Reserve Bank of India	Nil	Nil
	ii) Other Banks	Nil	Nil
	iii) Other Institutions and Agencies	2622 14 03	1173 98 10
	iv) Subordinated debt - bonds	Nil	Nil
	TOTAL	**2622 14 03**	**1173 98 10**
II	**Borrowings outside India**	**42 04**	**43 00 13**
	TOTAL I & II	**2622 56 07**	**1216 98 23**
Secured Borrowings included in I and II above		**1205 99 53**	**40 95 99**

SCHEDULE 5 - OTHER LIABILITIES AND PROVISIONS

(₹ 000's omitted)

		AS AT 31st March 2026	AS AT 31st March 2025
I	Bills Payable	704 52 95	512 18 34
II	Inter-Office Adjustments (Net)	2 18 43	62 27
III	Interest Accrued	683 06 38	590 43 85
IV	Others (including provisions)	2817 14 79	3039 65 75
TOTAL		**4206 92 55**	**4142 90 21**

SCHEDULE 6 - CASH AND BALANCES WITH RESERVE BANK OF INDIA

(₹ 000's omitted)

		AS AT 31st March 2026	AS AT 31st March 2025
I	Cash in Hand	744 02 58	665 63 28
	(Including Foreign Currency Notes)		
II	Balances with Reserve Bank of India		
	(a) in Current Account	3424 36 10	3783 55 47
	(b) in Other Accounts	986 00 00	2905 00 00
	TOTAL	**5154 38 68**	**7354 18 75**

SCHEDULE 7 - BALANCES WITH BANKS AND MONEY AT CALL & SHORT NOTICE

(₹ 000's omitted)

		AS AT 31st March 2026	AS AT 31st March 2025
I	**In India**		
	i) Balances with Banks		
	(a) In Current Accounts	2 47 76	8 23 00
	(b) In Other Deposit Accounts	55 41	48 89
	ii) Money at Call and Short Notice		
	(a) With Banks	Nil	Nil
	(b) With Other Institutions	Nil	Nil
	TOTAL	**3 03 17**	**8 71 89**

SCHEDULES (Contd.)

(₹ 000's omitted)

		AS AT 31st March 2026	AS AT 31st March 2025
II	**Outside India**		
(a)	In Current Accounts	31 41 60	66 70 99
(b)	In Other Deposit Accounts	113 80 20	377 10 44
(c)	Money at call and short notice	Nil	Nil
TOTAL		**145 21 80**	**443 81 43**
TOTAL I & II		**148 24 97**	**452 53 32**

SCHEDULE 8 - INVESTMENTS

(₹ 000's omitted)

		AS AT 31st March 2026	AS AT 31st March 2025
I	**Investments in India**	29393 82 82	24205 83 50
	Less: Provision for Investment Depreciation & NPI	(374 30 06)	(374 88 37)
TOTAL		**29019 52 76**	**23830 95 13**
	Break-up		
i)	Government Securities	26970 57 22	22255 49 69
ii)	Other Approved Securities	Nil	Nil
iii)	Shares	165 09 47	159 34 24
iv)	Debentures and Bonds	1477 65 86	625 89 32
v)	Subsidiaries and Joint Ventures	Nil	Nil
vi)	Others (includes Security Receipts, Mutual Funds, CDs and CP)	406 20 21	790 21 88
		29019 52 76	**23830 95 13**
II	**Investments outside India**		
i)	Government Securities (including local authorities)	Nil	Nil
ii)	Subsidiaries and/or joint ventures abroad	Nil	Nil
iii)	Other Investments (Shares - net of Depreciation)	35 89	30 32
		35 89	**30 32**
TOTAL I & II		**29019 88 65**	**23831 25 45**

SCHEDULE 9 - ADVANCES (NET OF PROVISIONS)

(₹ 000's omitted)

			AS AT 31st March 2026	AS AT 31st March 2025
A	i)	Bills purchased and discounted	1318 62 13	1296 67 15
	ii)	Cash Credits, Overdrafts and Loans repayable on demand	53376 52 00	45557 92 25
	iii)	Term Loans	43495 46 66	37149 94 23
	TOTAL		**98190 60 79**	**84004 53 63**
B	i)	Secured by tangible assets	95651 61 40	80765 70 00
	ii)	Covered by Bank / Government guarantees	1005 43 51	1440 40 13
	iii)	Unsecured	1533 55 88	1798 43 50
	TOTAL		**98190 60 79**	**84004 53 63**

SCHEDULES (Contd.)

(₹ 000's omitted)

			AS AT 31st March 2026	AS AT 31st March 2025
C	I	Advances in India		
		i) Priority Sector	41471 43 39	34940 63 59
		ii) Public Sector	777 62 15	736 81 36
		iii) Banks	Nil	Nil
		iv) Others	55941 55 25	48327 08 68
	TOTAL		**98190 60 79**	**84004 53 63**
	II	Advances outside India		
		i) Due from banks	Nil	Nil
		ii) Due from others		
		a) Bills purchased and discounted	Nil	Nil
		b) Syndicated loans	Nil	Nil
		c) Others	Nil	Nil
	TOTAL		**Nil**	**Nil**
TOTAL CI & CII			**98190 60 79**	**84004 53 63**

SCHEDULE 10 - FIXED ASSETS

(₹ 000's omitted)

		AS AT 31st March 2026	AS AT 31st March 2025
I	Premises:		
	At cost as on 31st March of the preceding year	289 59 80	288 61 69
	Add : Addition during the year	1 10 18	98 10
		290 69 98	**289 59 79**
	Less: Deduction during the year	(12 41 64)	Nil
		278 28 34	**289 59 79**
	Less: Depreciation to date	(106 99 31)	(101 44 12)
	TOTAL	**171 29 03**	**188 15 67**
II	Premises under construction	35 40	33 83
III	Capital Work-in-Progress	46 45 90	38 69 45
IV	Other Fixed Assets (including Furniture & Fixtures)		
	At cost as on 31st March of the preceding year	1654 12 93	1502 94 92
	Add: Addition during the year	142 32 65	151 77 62
		1796 45 58	**1654 72 54**
	Less: Deduction during the year	(1 24 14)	(59 63)
		1795 21 44	**1654 12 91**
	Less: Depreciation to date	(1511 69 21)	(1391 14 57)
		283 52 23	**262 98 34**
TOTAL I, II, III & IV		**501 62 56**	**490 17 29**

SCHEDULES (Contd.)

SCHEDULE 11 - OTHER ASSETS

(₹ 000's omitted)

		AS AT 31st March 2026	AS AT 31st March 2025
I	Inter Office Adjustments (Net)	Nil	Nil
II	Interest Accrued	2184 55 13	1753 64 58
III	Tax paid in advance / Tax deducted at source (Net)	Nil	Nil
IV	Stationery and Stamps	4 40 11	4 29 04
V	Non Banking Assets acquired in satisfaction of claims	10 74 28	37 88 09
VI	Others	1388 63 93	1438 91 62
TOTAL		**3588 33 45**	**3234 73 33**

SCHEDULE 12 - CONTINGENT LIABILITIES

(₹ 000's omitted)

		AS AT 31st March 2026	AS AT 31st March 2025
I	Claims against the Bank not acknowledged as debts	33 02 89	45 37 71
II	Liability for partly paid investments	Nil	Nil
III	Liability on account of outstanding forward exchange contracts	3504 69 58	7337 30 88
IV	Guarantees given on behalf of constituents		
	(a) In India	5108 25 79	3973 57 57
	(b) Outside India	Nil	Nil
V	Acceptances, Endorsements and other Obligations	783 17 27	896 15 32
VI	Other items for which the Bank is contingently liable@	1928 20 05	970 12 73
TOTAL		**11357 35 58**	**13222 54 21**

@Includes transfer to DEAF of ₹ 279 40 53 (Previous year of ₹ 248 69 94)

SCHEDULE 13 - INTEREST EARNED

(₹ 000's omitted)

		Year Ended 31st March 2026	Year Ended 31st March 2025
I	Interest / discount on advances/bills	9111 36 68	8007 65 39
II	Income on Investments	1883 92 01	1622 46 69
III	Interest on balances with Reserve Bank of India & other inter-bank funds	39 09 35	20 11 96
IV	Others	39 97 19	27 79 98
TOTAL		**11074 35 23**	**9678 04 02**

SCHEDULE 14 - OTHER INCOME

(₹ 000's omitted)

		Year Ended 31st March 2026	Year Ended 31st March 2025
I	Commission, Exchange and Brokerage	1050 23 01	964 64 01
II	Profit on sale of investments	202 38 65	88 66 51
	Less: Loss on sale of investments	(39 57 99)	(20 30 30)
	Less: Depreciation on investments	Nil	Nil
III	Profit on revaluation of investments	Nil	Nil
	Less: Loss on revaluation of investments	Nil	Nil

SCHEDULES (Contd.)

(₹ 000's omitted)

		Year Ended 31st March 2026	Year Ended 31st March 2025
IV	Profit on sale of land, buildings and other assets	20 29 38	6 12 64
	Less: Loss on sale of land, buildings and other assets	(79 76)	(3 06 32)
V	Profit on exchange transactions	2893 35 59	65 08 08
	Less: Loss on exchange transactions	(2853 13 34)	(32 54 04)
VI	Income earned by way of dividends, etc. from subsidiaries/companies and/or joint ventures abroad/in India	Nil	Nil
VII	Miscellaneous Income*	811 56 33	760 94 64
TOTAL		**2084 31 87**	**1829 55 22**

** Includes Recovery from technically written off accounts of ₹ 582 38 11 (Previous year ₹ 529 40 71)*

SCHEDULE 15 - INTEREST EXPENDED

(₹ 000's omitted)

		Year Ended 31st March 2026	Year Ended 31st March 2025
I	Interest on Deposits	5927 37 62	5237 11 65
II	Interest on Reserve Bank of India / Inter-bank borrowings	7 67 31	28 47 50
III	Others	200 75 48	152 52 51
TOTAL		**6135 80 41**	**5418 11 66**

SCHEDULE 16 - OPERATING EXPENSES

(₹ 000's omitted)

		Year Ended 31st March 2026	Year Ended 31st March 2025
I	Payments to and Provisions for employees	1434 04 27	1449 21 42
II	Rent, Taxes and Lighting	275 83 34	257 03 58
III	Printing and Stationery	20 83 83	18 78 23
IV	Advertisement and Publicity	6 25 86	7 82 08
V	Depreciation on bank's property	127 01 89	113 73 77
VI	Directors' fees, allowances and expenses	3 72 41	3 63 73
VII	Auditors' fees and expenses (including branch auditors)	4 60 90	4 05 09
VIII	Law Charges	1 61 30	1 42 49
IX	Postages, Telegrams, Telephones, etc.	33 08 82	28 86 88
X	Repairs and Maintenance	115 65 20	107 10 90
XI	Insurance	144 62 11	124 39 61
XII	Other Expenditure	780 58 66	761 06 94
TOTAL		**2947 88 59**	**2877 14 72**

SCHEDULE 17 - SIGNIFICANT ACCOUNTING POLICIES

A. BACKGROUND

The Karur Vysya Bank Limited ('the Bank') was incorporated in Karur, Tamil Nadu, India is a publicly held banking company governed by the Banking Regulation Act, 1949, the Companies Act, 2013 and other applicable Acts / Regulations and is engaged in providing a wide range of banking and financial services including commercial banking and treasury operations.

B. BASIS OF PREPARATION

The financial statements are prepared following the going concern concept, on historical cost basis and conform to the Generally Accepted Accounting Principles (GAAP) in India which encompasses applicable statutory provisions, regulatory prescriptions and extant disclosure norms prescribed by the Reserve Bank of India (RBI) from time to time, notified Accounting Standards (AS) issued under Section 133 of the Companies Act, 2013, read together with Companies (Accounting Standards) Rules, 2021 and current practices prevailing in the banking industry in India. The accounting policies adopted in the preparation of financial statements are consistent with those followed in the previous year.

Use of Estimates

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities including contingent liabilities as of the date of the financial statement and the reported income and expenses during the reported period. The Management believes that the estimates and assumptions used in the preparation of the financial statements are prudent and reasonable. Actual results could differ from these estimates. The differences, if any, between estimates and actual will be dealt appropriately prospectively in the current and future periods.

C. PRINCIPAL ACCOUNTING POLICIES

1. Revenue Recognition

Income and Expenditure are generally accounted on accrual basis, except otherwise stated.

Interest/other charges from loans, advances and investments other than on non-performing assets, are recognized on accrual basis. Interest income on non-performing advances (NPA)/ investments (NPI), income from funded interest term loan accounts (FITL) are recognized upon realisation, as per prudential norms prescribed by RBI.

The policy of income recognition shall be objective and based on the record of recovery. No interest will be taken into income account on any NPA or NPI. This will apply to Government guaranteed accounts also. However, interest on advances against Term Deposits, National Savings Certificates (NSCs), Indira Vikas Patras (IVPs), Kisan Vikas Patras (KVPs) and life policies will be taken to income account on the due date, provided adequate margin is available in the accounts.

Accounting for recoveries made in NPA

Recoveries made in NPA are appropriated in the order of charges, interest and principal dues unless otherwise agreed to with the borrower in a different sequence; in cases where the borrower requires the recovery to be appropriated in a different sequence, the same is undertaken accordingly. In respect of One Time Settlement accounts, the recoveries are first adjusted to principal balance.

In compromise settlement cases / sale to Asset Reconstruction Companies (ARC), sacrifice on settlement is accounted at the time of closure of account.

Commission on bank guarantees / letters of credit, locker rent, annual fee on cards, commission on bancassurance and third party products, premium on sale of Priority Sector Lending Certificate and Commission received on Government Agency Business are accounted on receipt basis. Processing / other fees collected on loans approved / disbursed, along with related loan acquisition costs are recognised at inception / renewal of the facility. Dividend income and interest on income tax refund is recognised when the right to receive payment is established. Stationery and security items are charged to the Profit and Loss Account on consumption basis.

2. Investments

Classification and Valuation of Bank's Investments are carried out in accordance with the extant RBI guidelines and Fixed Income Money Market and

Derivatives Association ('FIMMDA') and Financial Benchmark Private Limited ('FBIL') guidelines respectively, prescribed in this regard from time to time.

All investments shall be categorized as stipulated by RBI guidelines viz. i) Held to Maturity (HTM), ii) Available for Sale (AFS), iii) Fair Value through Profit and Loss (FVTPL). Held for Trading (HFT) shall be a separate investment Sub category within FVTPL.

All the investments will be presented in the Balance Sheet as per the regulatory guidelines viz., (i) Government Securities, (ii) Other Approved Securities, (iii) Shares, (iv) Debentures & Bonds, (v) Subsidiaries and / or Joint Ventures and (vi) Others- Units of Mutual Funds, Certificate of Deposits, Commercial Paper, Security Receipts and other investments, in accordance with RBI guidelines.

Investments made outside India are classified under three categories- (i) Government Securities (including local authorities), (ii) Subsidiaries and / or Joint Ventures abroad and (iii) Other Investments.

The category of the investment shall be decided by the bank before or at the time of acquisition.

HTM Securities

Securities that fulfil the following conditions shall be classified by the bank under HTM:

(i) The securities acquired with the intention and objective of holding it to maturity, i.e., the financial assets are held with an objective to collect the contractual cash flows.

(ii) The contractual terms of the security give rise to cash flows that are solely payments of principal and interest on principal outstanding ('SPPI criterion') on specified dates.

SLR & NSLR securities can be acquired in HTM subject to fulfilling the above-mentioned Criterion and other RBI guidelines. Any discount or premium on acquisition of debt securities under HTM/FVTPL shall be amortised over the remaining life of the instrument.

Securities held in HTM shall be carried at cost and shall not be marked to market (MTM) after initial recognition.

AFS Securities:

Securities that fulfil the following conditions shall be classified by the bank under AFS:

(i) The securities acquired with an objective that is achieved by both collecting contractual cash flows and selling securities; and

(ii) The contractual terms of the security meet the 'SPPI criterion'. AFS securities shall inter-alia include debt securities held for asset liability management (ALM) purposes that meet the SPPI criterion where the bank's intent is flexible with respect to holding to maturity or selling before maturity. Further, on initial recognition, bank may make an irrevocable election to classify an equity instrument that is not held with the objective of trading/short term resale/ profit from short term price movements/ locking in arbitrage profits under AFS.

Any discount or premium on the acquisition of SLR/Non-SLR debt securities under AFS shall be amortised over the remaining life of the instrument.

The securities held in AFS shall be fair valued at least on a quarterly basis. The valuation gains and losses across all performing investments, irrespective of classification held under AFS shall be aggregated. The net appreciation or depreciation shall be directly credited or debited to a reserve named AFS Reserve without routing through the Profit & Loss Account.

FVTPL (Non HFT) Securities:

Securities that fulfil the following conditions shall be classified by the bank under FVTPL :

Securities that do not qualify for inclusion in HTM or AFS shall be classified under FVTPL. Securities that do not meet SPPI criteria would need to be classified under FVTPL. Based on the nature of the transaction and existing RBI guidelines Bank will classify the category as FVTPL.

Any discount or premium on the acquisition of debt securities under FVTPL shall be amortised over the remaining life of the instrument. The amortized amount is netted with the interest received on investment account and shall be reflected in Schedule 13 'Income on Investments'.

SCHEDULE 17 - SIGNIFICANT ACCOUNTING POLICIES (Contd.)

The securities held in FVTPL shall be fair valued at least on a quarterly basis and the net gain or loss arising on such valuation shall be directly credited or debited to the Profit and Loss Account.

FVTPL (HFT) Securities

Securities that fulfil the following conditions shall be classified by the bank under FVTPL (HFT):

Any instrument that are held for one or more of the following purposes shall be designated as a HFT and these instruments shall not have any legal impediment against selling or fully hedging it:

(a) short-term resale (b) profiting from short-term price movements (c) locking in arbitrage profits (d) hedging risks that arise from instruments meeting (a), (b) or (c) above (e) listed equities and any other instruments that fulfils the conditions of RBI guidelines shall be classified under HFT a sub-category of FVTPL.

Securities held in HFT shall be fair valued on a daily basis and the net gain or loss arising on such valuation shall be directly credited or debited to the Profit and Loss Account.

Initial Recognition:

All investments shall be measured at fair value on initial recognition. Unless facts and circumstances suggest that the fair value is materially different from the acquisition cost, it shall be presumed that the acquisition cost is the fair value.

Day 1 Gain/ Losses:

Day 1 Gain/ Losses arising due to difference between fair value and acquisition cost on the date of initial recognition are accounted as under:

a. Day 1 gain/ loss on level 1/ level 2 instruments shall be recognized in the Profit and Loss Account, under Schedule 14: 'Other Income' within the subhead 'Profit on revaluation of investments' or 'Loss on revaluation of investments', as the case may be.

b. Day 1 gains arising from Level 3 investments shall be deferred. In the case of debt instruments, the Day 1 gain shall be amortized on a straight-line basis up to the maturity date (or earliest call date for perpetual instruments), while for unquoted equity instruments, the gain shall be set aside as a liability until the security is listed or derecognized.

c. Day 1 loss arising from Level 3 investments shall be recognized immediately.

Transfer of Securities between categories:

Transfer of Securities between categories are accounted as per the RBI Guidelines. Banks shall not reclassify investments between categories (viz. HTM, AFS and FVTPL) without the approval of their Board of Directors. Further, reclassification shall also require the prior approval of the Department of Supervision (DoS), RBI.

Transfer of Scrip from HTM to AFS is made at fair value. Any gain or loss arising from a difference between the revised carrying value and the previous carrying value shall be recognised in AFS-Reserve.

Transfer of Scrip from HTM to FVTPL is made at fair value. Any gain or loss arising from a difference between the revised carrying value and the previous carrying value shall be recognised in the Profit and Loss Account under Item (III): 'Profit on revaluation of investments' under Schedule 14: 'Other Income'.

Transfer of Scrip from AFS to HTM is made at fair value. The cumulative gain/loss previously recognised in the AFS Reserve shall be withdrawn therefrom and adjusted against the fair value of the investments at the reclassification date to arrive at the revised carrying value.

Transfer of Scrip from AFS to FVTPL is made at fair value. The cumulative gain or loss previously recognised in AFS Reserve shall be withdrawn therefrom and recognised in the Profit and Loss Account, under Item (III): 'Profit on revaluation of investments' under Schedule 14:'Other Income'.

Transfer of Scrip from FVTPL to HTM and AFS is made at carrying value. The carrying amount representing the fair value at the reclassification date remains unchanged.

Valuation Process:

The Bank follows settlement date method of accounting for purchase / sale of investments, and

SCHEDULE 17 - SIGNIFICANT ACCOUNTING POLICIES (Contd.)

security wise weighted average cost method for determining cost and accounting of profit on sale of investments.

Bank shall recognize the income as per the RBI guidelines based on the nature of the instrument.

Brokerage, commission and securities transaction tax (STT) etc., pertaining to investment, paid at the time of acquisition are charged to the Profit and Loss Account. Broken period interest on debt instruments and Government securities is treated as a revenue item.

The fair value of quoted government securities which qualify for determining the Statutory Liquidity Ratio included in the AFS and FVTPL along with sub category HFT is computed as per the prices published by the FBIL.

Special bonds such as DICOM bonds, Uday Bonds, etc. that does not qualify for SLR are valued at the prices published by FBIL or as per extant FIMMDA / RBI Guidelines.

Traded bonds investments are valued based on the trade / quotes on the recognized stock exchanges, or prices / yields published by a Primary Dealers Association of India (PDAI) jointly with FIMMDA / FBIL, periodically.

In case of unquoted bonds, debentures and preference shares where interest/dividend is received regularly (i.e. not overdue beyond 90 days), the market price is derived based on the Yield to Maturity (YTM) for Government Securities as published by FIMMDA / PDAI and suitably marked up for credit risk applicable to the credit rating of the instrument. The matrix for credit risk mark-up for each category and credit ratings along with residual maturity issued by FIMMDA/FBIL are adopted for this purpose.

Valuation of listed equity shares should be done at the closing price published by NSE, BSE (whichever is lower). Equity shares, for which current quotations are not available or where the shares are not quoted on the stock exchanges, are valued at break-up value (without considering revaluation reserves, if any) which is ascertained from the company's latest balance sheet. In case the latest balance sheet is not available, or is more than 18 months old, the shares are valued at ₹ 1/- per company.

Treasury Bills, Commercial Paper and Certificate of Deposits, being discounted instruments, are valued at carrying cost.

Units of mutual funds are valued at the latest repurchase price/ Net Asset Value (NAV) declared by the mutual fund.

Units of Alternative Investment Fund (AIF) are valued in accordance with the RBI Guidelines. Units of AIF are marked to market based on the NAV provided by the AIF based on the latest financial statements.

Security Receipts are valued at NAV provided by the issuing ARC from time to time. Additional provision required, if any, is made as per RBI guidelines, based on the age of the underlying non-performing asset sold to the ARC.

Investment in Security Receipts which are not redeemed as at the end of the resolution period (i.e., five years or eight years as the case may be) shall be treated as loss asset in the books and provided for.

Other investments shall be valued as per the regulatory guidelines based on the nature/type of the instrument.

Non-Performing Investments are identified and valued based on RBI guidelines.

Sale / Redemption of Investments

Sale of Investments from HTM

Any profit or loss on the sale of investments in HTM shall be recognised in the Profit and loss account under Schedule 14 of 'Other Income'.

The profit on sale of an investment in HTM shall be appropriated from the Profit and Loss Account to the 'Capital Reserve Account'. The amount so appropriated shall be net of taxes and the amount required to be transferred to Statutory Reserve.

Sale of Investments from AFS

Upon sale or maturity of a debt instrument in AFS category, the accumulated gain/ loss for that security in the AFS-Reserve shall be transferred from the AFS Reserve and recognized in the Profit and Loss Account (under Profit on sale of Investments Schedule 14-Other Income).

SCHEDULE 17 - SIGNIFICANT ACCOUNTING POLICIES (Contd.)

In the case of equity instruments designated under AFS at the time of initial recognition, any gain or loss on sale of such investments shall not be transferred from AFS-Reserve to the Profit and Loss Account. Instead, such gain or loss shall be transferred from AFS-Reserve to the Capital Reserve.

Sale of Investments from FVTPL & FVTPL-(HFT)

Upon sale or maturity of any instrument in FVTPL & FVTPL-(HFT) category the net gain or loss arising on such valuation shall be directly credited or debited to the Profit and Loss Account.

Short sales

Short sale transactions, including 'notional' short sale, are undertaken in Government securities as per RBI guidelines. The short sales positions are reflected in 'Securities Short Sold (SSS)' A/c and categorized under HFT category. These positions are marked–to-market along with other securities under HFT portfolio and resultant Mark-to-Market (MTM) gains / losses are accounted for on daily basis as per RBI guidelines.

Investment Fluctuation Reserve

As per the RBI guidelines, the Bank is required to create an Investment Fluctuation Reserve (IFR) until the amount of IFR is at least two per cent of the AFS and FVTPL (including HFT) portfolio, on a continuing basis, by transferring to the IFR an amount not less than the lower of the following:

i. Net profit on sale of investments during the year.

ii. Net profit for the year, less mandatory appropriations.

Further, the Banks shall, be permitted to draw down the balance available in IFR in excess of two percent of its AFS and FVTPL (including HFT) portfolio, for credit to the balance of profit/loss as disclosed in the profit and loss account at the end of any accounting year.

In the event the balance in the IFR is less than two percent of the AFS and FVTPL (including HFT) investment portfolio, a draw down shall be permitted subject to the following conditions:

i. The drawn down amount is used only for meeting the minimum CET 1/Tier 1 capital requirements by way of appropriation to free reserves or reducing the balance of loss.

ii. The amount drawn down shall not be more than the extent the MTM provisions/losses during the aforesaid year exceed the net profit on sale of investments during that year

Repurchase (Repo) and Reverse Repurchase (Reverse Repo) transactions

Repo and reverse repo transactions in Government Securities and corporate debt securities including those conducted under the Liquidity Adjustment Facility (LAF) and Marginal Standby Facility (MSF) with RBI are accounted as collateralized borrowing and lending respectively. Borrowing cost on repo transactions is accounted as interest expense and revenue on reverse repo transactions is accounted as interest income.

3. Advances

Advances, including bullion/metal loans, are classified into performing and non-performing assets (NPAs) and provisions are made as per the prudential norms prescribed by RBI. Advances stated in the balance sheet are net of provisions, claims received from credit guarantee institutions and recoveries pending appropriation and held in sundry/ suspense account. Interest on non-performing advances is transferred to an unrealized interest account and not recognized in the Profit and Loss Account until received. Amounts recovered in written off accounts is recognised as income; provisions no longer considered necessary based on the current status of the asset, is reversed to the Profit and Loss Account.

In respect of restructured/rescheduled assets, provisions are made in accordance with RBI guidelines, including diminution in the fair value of the assets to be provided on restructuring, as applicable. In respect of loans and advances accounts subjected to restructuring, the asset classification is as per extant RBI guidelines.

Acquisition and transfer of loan exposure is undertaken as per extant RBI guidelines.

Term reverse repo of original tenor greater than 14 days will be classified under Advances.

SCHEDULE 17 - SIGNIFICANT ACCOUNTING POLICIES (Contd.)

Provision for Unhedged Foreign Currency Exposure of borrower entities is made considering their unhedged exposure to the Bank.

Provision for standard assets, is made in accordance with the guidelines and at levels stipulated by RBI from time to time.

4. Fixed Assets

Premises and other fixed assets are accounted for at historical cost as reduced by accumulated depreciation, amortisation and impairment loss, if any. The cost includes cost of purchase and all expenditure such as site preparation, installation cost, expenditure incurred for development of software, professional fees and GST (net of ITC). Subsequent expenditure incurred on the assets already in use are capitalised only when it increases the future benefits from such assets or their functioning capacity.

Capital work-in-progress includes cost of fixed assets that are not ready for their intended use.

5. Depreciation

Depreciation on Fixed Assets is provided on Straight Line Method (SLM) in respect of all fixed assets other than buildings which are depreciated on Written Down Value (WDV) method.

Useful life of the assets (except Computers, including servers, network equipments and software, which are depreciated under SLM at the rate of 33.33%) has been estimated in line with Schedule II of the Companies Act, 2013, as determined by the Management, as under and depreciation is provided for as under –

Class of Asset	Useful life (years)	Method
a. BUILDING	58	WDV
b. PLANT & MACHINERY		SLM
ATM, Cash Deposit Machine, Cash Dispenser, Bunch Note Recyclers, Cash / Currency Sorting Machine, Air-conditioner / Air Coolers, Generator, general electrical works and other plant & machinery etc.	10	
Safe Deposit Lockers, Safe / Strong Room Door / Cage, Wind Mill	15	
c. FURNITURE & FIXTURES		
Furniture & Fixtures at bank premises (owned)	10	
Improvements at leased premises	10 years or lease period whichever is less.	
Furniture & Fixtures at staff quarters / guest house	5	
Electric & Electronic items, cellular / mobile phones etc.	3	
d. MOTOR VEHICLES	8	
e. COMPUTERS (including software, servers, network equipments)	3	

Depreciation on assets purchased and sold during the year is recognised on a pro-rata basis from the date of purchase/till the date of sale. Assets purchased less than ₹5000/- will be debited in operating expenses and will not be capitalised.

In case of Non Banking assets, it is shown separately in the Balance sheet under other assets as per RBI guidelines. Hence, as the assets are not utilised for the business purposes, depreciation will not be charged.

6. Foreign Exchange Transactions

As per the guidelines of Foreign Exchange Dealers Association of India (FEDAI) and the requirements of AS-11 – The Effects of Changes in Foreign Exchange Rates, all foreign currency monetary assets and monetary liabilities like Nostro balances, Foreign Currency Non-Resident deposits, Resident Foreign Currency deposit, Pre and Post Shipment Credit in Foreign Currency and Foreign Currency Term Loans are valued at the closing rates announced by FEDAI

SCHEDULE 17 - SIGNIFICANT ACCOUNTING POLICIES (Contd.)

as at the Balance Sheet date and the resultant revaluation profit or loss, as the case may be, is taken to in the Profit and Loss Account.

Forward contracts (excluding investment swaps) and other forward maturity items like cheques/ bills purchased and negotiated are valued at the appropriate Financial Benchmark India Private Limited FIBIL rates and the resultant profit or loss is discounted using FBIL Mumbai Interbank Offered Rate Overnight Index Swap curve (MIBOR-OIS curve). Foreign exchange investment swaps against foreign currency deposits / borrowings are valued at the contracted rates and the premium/discount thereon is recognised in the profit and loss account on accrual basis.

Non-fund based assets like Guarantees, Letters of Credit, Acceptances, Endorsements and other obligations in foreign currencies are translated at closing rates notified by FEDAI at the Balance Sheet date.

7. Bullion Business

The Bank imports, on a back-to-back basis, consignments of bullion, including precious metal bars, for sale to its clients. The price quoted to the customer is based on price quoted by the supplier. The difference between the price paid by the customer and the cost of bullion is accounted under other income.

The Bank also borrows and lends bullion in accordance with RBI guidelines, which is treated as borrowings & lending and interest paid / received is accounted on an accrual basis.

Metal Loan Advances are valued based on the prevailing market rate and foreign exchange rates as on the date of Balance Sheet.

8. Derivatives

Interest rate swaps pertaining to trading position and which are outstanding as on balance sheet date are marked to market and net appreciation is ignored and net depreciations recognized in the Profit & Loss Account. Foreign currency options and swaps are accounted in accordance with the guidelines issued by FEDAI.

9. Proposed Dividend

In terms of Accounting Standard (AS) 4 "Contingencies and Events occurring after the Balance Sheet date", proposed dividend or dividend declared after balance sheet date is not shown as 'other liability' in the Balance Sheet instead a note on the same will be included in the financial statement. Such proposed dividend will be appropriated from the 'Reserves & Surplus' only after the approval of the shareholders.

10. Employee Benefits

Short-Term Employee Benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits and recognized in the period in which the employee renders the related service. The Bank recognizes the undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered, as a liability (accrued expense) after deducting any amount already paid.

Long-term Employee Benefits

a. Post-Employment Benefits

a1. Defined Contribution Plan

The following benefits provided to the employees of the Bank are classified as Defined Contribution Plan.

Provident Fund - Employees covered under provident fund scheme are entitled for retirement benefit in the form of provident fund. Aggregate contributions along with interest thereon are paid on retirement, death, incapacitation, or termination of employment. Both the employee and the Bank contribute at specific rates of the salary to the provident fund account maintained with the Karur Vysya Bank Limited Employees' Provident Fund Trust. The contribution made by the Bank to the Trust, administered by the trustees, is charged to the Profit and Loss account.

New Pension Scheme (NPS) - In respect of employees who are covered under NPS, the Bank contributes certain percentage of the sum of basic salary and dearness allowance

of employees to the aforesaid scheme, which is managed and administered by pension fund management companies and regulated by Pension Fund Regulatory and Development Authority (PFRDA). NPS contributions are recognised in the Profit and Loss Account in the period in which they accrue. The Bank has no liability other than its contribution and recognises such contributions as an expense in the year incurred.

a2. Defined Benefit Plan

The defined benefit obligations recognized in the Balance Sheet represent the present value of the obligation to its employees as reduced by the fair value of the plan assets, if applicable. Any defined benefit asset (negative defined benefit obligations resulting from this calculation) is recognized representing the present value of available refunds and reductions in future contributions of the plan.

All expenses represented by current service cost, past service cost, if any and net interest on the defined benefit liability / asset together with the remeasurements of the net benefit liability / asset comprising of actuarial gains and losses and return on the plan assets (excluding the amount included in the net interest on the net defined benefit liability / asset) are recognized in the Profit and Loss Account.

Gratuity - All employees of the Bank are entitled for gratuity benefit. The Bank makes contributions to The Karur Vysya Bank Employees' Gratuity Fund Trust, which is administered and managed by the Trustees whose funds are managed by insurance companies. Liabilities with regard to the gratuity plan are determined by an independent actuary as on the Balance Sheet date, based upon which, the Bank contributes all the ascertained liabilities to the said Trust. The actuarial calculations entails assumptions about demographics, early retirement, salary increases and interest rates.

Pension Fund - Employees covered under pension scheme are entitled to get pension benefits. The Bank contributes at specific rates of the salary to the Karur Vysya Bank Limited Pension Trust set up by the Bank and administered by the Trustee. Additional amount being the liability shortfall as ascertained by an independent actuary, contributed to the said Trust, is determined on actuarial basis on projected unit credit method as on the Balance Sheet date. The contribution is made by the Bank to the said Trust. At the time of retirement or death of the pension eligible employee, the pension trust purchases annuity from insurance company out of the contributions made by the Bank. Employees covered by the pension plan are not eligible for employers' contribution under the provident fund plan.

Other Long Term Employee Benefits

Compensated absences, comprising of Medical Leave, Privilege Leave and Unavailed casual leave are recognized when they accrue to the employees. These are not expected to occur wholly within twelve months after the end of the period in which the employees render the related services. These liabilities are determined by an independent actuary as on the Balance Sheet date using the Projected Unit Credit Method. Liability towards compensated absences is unfunded.

Employee Share Based Payments

The Bank's Employee Stock Options Schemes (ESOS) are in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2021 ('SEBI share-based employee benefits regulation'). The Scheme provides for grant of options on equity shares to its employees including its Key Managerial Personnel / Material Risk Takers, to acquire the equity shares of the bank that vest in a graded manner and that are to be exercised within a specified period.

Hitherto (till 31st March 2021), in accordance with the SEBI share-based employee benefits regulation and the Guidance note on accounting for employee share-based payments, issued by the Institute of Chartered Accountants of India the cost of equity settled transactions is measured using the intrinsic value method. The

SCHEDULE 17 - SIGNIFICANT ACCOUNTING POLICIES (Contd.)

intrinsic value, being the excess, if any, of the fair market price of the share under ESOS over the exercise price of the option is recognised as deferred employee compensation with a credit to Employees' Stock Option outstanding account. The fair market price is the latest available closing price, preceding the date of grant of the option, on the stock exchange on which the shares of the Bank are listed.

Effective from 1st April 2021, consequent to the RBI's clarification dated August 30, 2021 on Guidelines on compensation to Whole Time Directors / Chief Executive Officers / Material Risk Takers and Control Function Staff which advised the banks to fair value share-linked instruments on the date of grant using Black-Scholes Model, the Bank has changed its accounting policy from intrinsic value method to fair value method for all employee stock options granted after 31st March 2021.The Fair Value of the stock-based compensation is estimated on the date of grant using Black-Scholes model.

The deferred employee compensation cost is amortised on a straight line basis over the vesting period of the option. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the number of equity instruments that are outstanding.

The options that do not vest because of failure to satisfy vesting conditions are reversed by a credit to employee compensated expense in 'Payment to and provision for employee cost' equal to the amortised portion of value of lapsed portion.

In respect of the options which expire unexercised the balance standing to the credit of Employees' stock option outstanding account is transferred to 'General Reserve'.

The options granted are also subject to clawback clause wherein under circumstances specified at the time of grant of employee stock option, the option grantee shall relinquish any benefit that accrued to or return any benefit that is received to the Bank.

Where the terms of an equity-settled award are modified, the minimum expense recognised in 'Payments to and provision for employees' is the expenses as if the terms had not been modified. An additional expense is recognised for any modification which increases the total intrinsic value of the share based payment arrangement or is otherwise beneficial to the employee as re-measured as at the date of modification.

11. Segment Reporting

The Bank recognises the business segment as the primary reporting segment and geographical segment as the secondary reporting segment, in accordance with RBI guidelines and in compliance with AS 17.

Business Segment is classified into (a) Treasury (b) Corporate and Wholesale Banking, (c) Retail Banking * and (d) Other Banking Operations.

* Retail banking shall be sub-divided into (i) Digital Banking and (ii) Other Retail Banking segments. The business involving digital banking products acquired by Digital Banking Units (DBUs) or existing digital banking products would qualify to be clubbed under 'Digital Banking' Segment.

12. Earnings per Share

Earnings per Share is calculated by dividing the net profit or loss for the year attributable to the equity share-holders by the weighted average number of equity shares outstanding during the year.

Diluted Earnings per Share is computed by using the weighted average number of equity shares and dilutive potential equity share outstanding as at the year end.

13. Income Tax

Income Tax expense comprises of current tax provision made after due consideration of the judicial pronouncements and legal opinion (i.e. the amount of tax for the period determined in accordance with the Income Tax Act, 1961, the rules framed thereunder and considering the material principles set out in Income Computation and Disclosure Standards) and the net change in the deferred tax asset or liability during the year.

SCHEDULE 17 - SIGNIFICANT ACCOUNTING POLICIES (Contd.)

Deferred income taxes recognizes timing differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are recognized only if there is reasonable certainty that there will be sufficient future taxable income available to realize the assets. Deferred Tax Liabilities are recognized fully in the year of accrual.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date.

14. Impairment of Assets

The Bank assesses at each balance sheet date whether there is any indication that an asset may be impaired. Impairment loss, if any, is provided in the Profit and Loss Account to the extent the carrying amount of assets exceeds their estimated recoverable amount. In case the asset is carried at revalued amount, any impairment loss of the revalued asset is treated as a reduction in revaluation to the extent a revaluation reserve is available for that asset.

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Profit and Loss Account, to the extent the amount was previously charged to the Profit and Loss Account. In case of revalued assets such reversal is not recognised.

15. Provisions and Contingent Liabilities

A provision is recognised when there is a present obligation as a result of past event, and there is a probability of an outflow of resources that will be required to settle the obligation and in respect of which a reliable estimate can be made. Provisions are determined based on the Management's best estimate required to settle the obligation as at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

In case where the available information indicates that the loss on the contingency is reasonably possible but the amount of loss cannot be reasonably estimated, a disclosure is made in the financial statements. In case of remote possibility, neither provision nor disclosure is made in the financial statement.

Contingent Assets are neither recognized nor disclosed in the financial statements since this may result in the recognition of income that may never be realized.

16. Country risk

In addition to the provisions required to be held according to the asset classification status, provisions are also required to be made towards country-wise net funded exposure on foreign exchange transactions exceeding the threshold limits (other than for home country). Provision will be made where the net funded exposure of any country is 1% or more of the bank's total funded assets.

Further, till such time internal rating systems are developed by the Bank, the seven-category classification followed by Export Credit Guarantee Corporation of India Ltd. (ECGC) will be utilised for the purpose of classification of country risk exposures viz., countries will be classified into seven risk categories namely insignificant (A1), low (A2), moderately low (B1), moderate (B2), moderately high (C1), high (C2) and very high (D).

17. Corporate Social Responsibility

Expenditure towards corporate social responsibility, in accordance with Companies Act, 2013 is recognised in the Profit and Loss Account.

18. Operating Lease

Leases where all the risks and rewards of ownership are retained by the lessor are classified as 'Operating lease'. Operating lease payments are recognised as an expense in the Profit and Loss Account as per the lease terms. Initial direct costs in respect of operating leases such as legal costs, brokerage costs etc., are recognised as expense immediately in the Profit and Loss Account.

19. Net Profit

The net profit disclosed in the Profit and Loss Account is after providing for :

- Provision for taxes, standard assets and non-performing assets;
- Provision for depreciation on investments,
- Provision for employee benefits; and
- Other usual and necessary provisions

SCHEDULE 18 – NOTES ON ACCOUNTS FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2026

The schedule provides disclosure for the year ended 31st March 2026 (with comparative position of previous year, wherever applicable) as per Reserve Bank of India's (RBI) Master Circular on Disclosure in Financial Statements.

(Amounts given herein are denominated in Rupees Crore unless specified otherwise)

1. CAPITAL RATIO (CRAR) – BASEL III

a. Composition of Regulatory Capital

(₹ Crore)

SN	Particulars	As at	
		31st March 2026	31st March 2025
1	Common Equity Tier 1 capital (CET 1)	13,416.01	11,343.99
2	Additional Tier 1 capital	Nil	Nil
3	Tier 1 capital (1+2)	13,416.01	11,343.99
4	Tier 2 capital	783.19	697.00
5	Total capital (3+4)	14,199.20	12,040.99
6	Total Risk Weighted Assets (RWAs)	75,694.90	66,260.82
7	Common Equity Tier 1 capital ratio (%)	17.72	17.12
8	Tier 1 capital ratio (%)	17.72	17.12
9	Tier 2 capital ratio (%)	1.04	1.05
10	Total Capital ratio (CRAR) (%)	18.76	18.17
11	Leverage Ratio (Basel III) (%)	9.42	9.14
12	Percentage of the shareholding of a) Government of India b) State Government c) Sponsor Banks	Nil	
13	Amount of equity capital raised during the year *	32.30	0.15
14	Amount of non-equity Tier 1 capital raised during the year of which (Basel II or Basel III compliant)	Nil	
	- PNCPS		
	- PDI		
15	Amount of Tier 2 capital raised during the year of which (Basel II or Basel III compliant)	Nil	
	- Debt capital instruments		
	- Preference share capital instruments		
	- Perpetual cumulative preference shares (PCPS)		
	- Redeemable non-cumulative preference shares (RNCPS)		
	- Redeemable cumulative preference shares (RCPS)		

** - includes 486121 shares of face value ₹ 2/- each allotted to employees under ESOS and bonus shares issued 161035439 during the year ended 31st March 2026 (747661 shares of face value of ₹ 2/- each allotted to employees under ESOS during the previous year).*

b. Draw down from Reserves

During the year, there has been no draw down from the reserves to the Profit & Loss account.

Basel III disclosures

In accordance with RBI circular DOR.CAP.REC.70/21-01-002/2025-26 dated 28th November 2025, read together with RBI circular DBR.No.BP.BC.1/21.06.201/2015-16 dated 1st July 2015, Banks are required to make Pillar 3 disclosures under Basel III capital regulations. Accordingly, necessary disclosures have been made available on the Bank's website - https://www.kvb.bank.in/about-us/disclosures/pillar-III-disclosures/. These disclosures have not been subjected to audit by the Joint Statutory Central Auditors.

1.1 Tier II Capital

During the year ended 31st March 2026, the Bank did not raise any subordinated debt bonds qualifying for Tier II capital.

1.2 Proposed Dividend

The Board of Directors have recommended a dividend of 130% i.e. ₹2.60 per equity share of ₹ 2.00 each for the year 2025-26 (Previous year 130% - ₹ 2.60 per equity share), subject to the approval of the shareholders at the ensuing Annual General Meeting.

In accordance with Accounting Standards 4 - Contingencies and Events Occurring after the Balance Sheet date notified under the Companies (Accounting Standards) Rules 2021, the proposed dividend has not been shown as an appropriation from the Profit and Loss account for the year ended 31st March 2026 and correspondingly not reported under Other Liabilities and Provisions as at 31st March 2026. However, capital adequacy ratio has been computed by reducing the proposed dividend.

2. ASSET LIABILITY MANAGEMENT

2a. Maturity pattern of certain items of assets and liabilities

(₹ Crore)

Particulars	Deposits		Gross Advances		Gross Investments		Borrowings		Foreign Currency Assets		Foreign Currency Liabilities	
	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25
1 day	696.97	480.19	2,969.95	2,729.50	4,350.26	4,054.30	1,206.41	2.04	61.50	89.72	116.40	167.70
2 to 7 days	1,738.26	1,171.04	812.05	687.92	2,393.60	2,357.88	0.00	1.71	126.05	46.75	2.03	5.26
8 to 14 days	1,919.82	866.21	733.69	436.42	2,229.45	1,948.58	0.00	0.85	55.34	310.71	4.20	2.58
15 to 30 days	5,394.58	2,003.43	2,546.68	1,800.30	777.36	771.95	0.00	20.48	126.92	103.05	43.83	46.77
31 days to 2 months	5,796.22	3,337.00	3,446.08	3,096.56	1,042.41	731.39	0.00	17.92	164.53	253.21	44.35	29.65
Over 2 months and to 3 months	7,282.20	4,770.06	3,925.69	3,246.60	816.02	714.10	170.00	0.00	211.69	132.27	17.97	16.22
Over 3 months and up to 6 months	11,005.20	6,798.82	10,629.45	8,387.03	2,855.04	2,139.08	12.66	370.00	157.08	91.86	132.92	78.82
Over 6 months and up to 1 year	22,730.22	14,169.45	16,394.76	13,327.77	6,137.64	4,783.73	753.00	100.64	1.96	2.78	575.45	305.35
Over 1 year and up to 3 years	21,254.97	21,282.86	31,874.53	29,266.91	4,370.58	3,667.45	480.49	703.34	14.67	9.84	434.18	594.64
Over 3 years and up to 5 years	14,948.44	15,276.39	6,776.45	5,449.70	2,322.17	1,384.28	0.00	0.00	96.46	35.88	3.12	27.24
Over 5 years	22,898.86	31,922.54	18,644.68	16,061.85	2,099.66	1,653.89	0.00	0.00	30.33	41.95	0.00	0.09
Total	**115,665.74**	**102,077.99**	**98,754.01**	**84,490.56**	**29,394.19**	**24,206.63**	**2,622.56**	**1216.98**	**1046.53**	**1,118.02**	**1,374.45**	**1,274.32**

The above data has been compiled on the basis of the guidelines of RBI and certain assumptions made by management and have been relied upon by joint statutory central auditors.

2b. Liquidity Coverage Ratio (LCR)

i. Qualitative disclosure

Pursuant to RBI guidelines on implementation of Basel III framework applicable to banks in India with effect from 1st January 2015, measurement of LCR by Bank is undertaken for stress testing. LCR promotes short term resilience of banks to potential liquidity disruptions by ensuring that they have sufficient high quality liquid assets (HQLAs) to survive an acute stress scenario lasting for 30 days. As per extant regulatory guidelines, the minimum LCR to be maintained by banks is specified at 100%.

i.a Objective

LCR standard aims to ensure that a bank maintains an adequate level of unencumbered HQLAs that can be converted into cash to meet its liquidity needs for a 30 calendar day time horizon under a significantly severe liquidity stress scenario specified by supervisors. At a minimum, the stock of liquid assets should enable the bank to survive until day 30 of the stress scenario, by which time it is assumed that appropriate corrective actions can be taken.

Bank has consistently maintained LCR above 100% during FY 2025-26 (as well as during FY 2024-25) i.e. at levels higher than the required regulatory minimum level, on an ongoing basis.

i.b Composition of HQLA

- Cash in hand
- Excess CRR balance as on that particular day
- Excess Government Securities in excess of minimum SLR requirement
- Government Securities within the mandatory SLR requirement to the extent allowed by RBI under MSF (presently to the extent of 2% of NDTL as allowed for MSF)
- Facility to avail liquidity for liquidity coverage ratio at 15% of NDTL
- AAA rated bonds and AA- & above and marketable securities representing claims guaranteed by sovereigns having risk weights higher than 20% but not higher than 50%
- Common equity shares not issued by the bank or any of its affiliated entities and included in NSE CNX Nifty and / or S&P BSE Sensex indices.

ii. Quantitative disclosure

The following table sets forth the daily average of un-weighted and weighted values for all the quarters in FY 2025-26

(₹ Crore)

Particulars		Quarter ended 31ST MARCH 2026		Quarter ended 31st December 2025		Quarter ended 30th September 2025		Quarter ended 30th June 2025		Quarter ended 31st March 2025	
		Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
High Quality Liquid Assets											
1	Total High Quality Liquid Assets (HQLA)		25,174.21		24,915.31		23,138.46		21,732.73		21,064.24
Cash Outflows											
2	Retail deposits and deposits from small business customers, of which:	76,994.63	7,418.11	63,904.14	6,134.17	62,958.61	6,044.66	61,231.15	5,875.70	59,821.12	5,742.03
(i)	Stable deposits	5,627.00	281.35	5,124.90	256.25	5,024.06	251.20	4,948.20	247.41	4,801.58	240.08
(ii)	Less stable deposits	71,367.63	7,136.76	58,779.24	5,877.92	57,934.55	5,793.46	56,282.95	5,628.29	55,019.54	5,501.95
3	Unsecured wholesale funding, of which:	16,298.84	12,791.36	25,747.37	12,379.01	24,570.57	12,041.97	23,577.02	11,702.49	24,035.97	11,771.52
(i)	Operational deposits (all counterparties)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(ii)	Non-operational deposits (all counterparties)	16,298.84	12,791.36	25,747.37	12,379.01	24,570.57	12,041.97	23,577.02	11,702.49	24,035.97	11,771.52
(iii)	Unsecured debt	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4	Secured wholesale funding		0.00		0.00		0.00		0.00		0.00
5	Additional requirements, of which	8,859.17	1,868.10	8,774.32	1,959.73	8,277.71	2,013.95	7,733.63	1,976.96	7,652.45	1,858.14
(i)	Outflows related to derivative exposures and other collateral requirements	55.74	55.74	69.82	69.82	84.26	84.26	89.33	89.33	132.66	132.66

SCHEDULE 18 – NOTES ON ACCOUNTS FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2026 (Contd.)

(₹ Crore)

Particulars		Quarter ended 31ST MARCH 2026		Quarter ended 31st December 2025		Quarter ended 30th September 2025		Quarter ended 30th June 2025		Quarter ended 31st March 2025	
		Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
(ii)	Outflows related to loss of funding on debt products	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(iii)	Credit and liquidity facilities	8,803.44	1,812.36	8,704.50	1,889.91	8,193.45	1,929.68	7,644.30	1,887.63	7,519.79	1,725.48
6	Other contractual funding obligations	5,629.96	168.90	643.93	643.93	829.12	829.12	639.40	639.40	845.77	845.77
7	Other contingent funding obligations	584.23	584.23	5,327.74	159.83	5,078.23	152.35	5,017.07	150.51	4,601.97	138.06
8	**Total Cash Outflows**		**22,830.70**		**21,276.67**		**21,082.04**		**20,345.06**		**20,355.52**
Cash Inflows											
9	Secured lending (e.g. reverse repos)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
10	Inflows from fully performing exposures	4,526.70	2,711.11	4,157.98	2,563.37	5,309.24	3,663.26	5,987.95	4,170.37	5,117.72	3,464.08
11	Other cash inflows	56.15	56.15	70.55	70.55	85.77	85.77	90.71	90.71	138.22	138.22
12	**Total Cash Inflows**	**4,582.85**	**2,767.26**	**4,228.53**	**2,633.92**	**5,395.01**	**3,749.03**	**6,078.66**	**4,261.08**	**5,255.94**	**3,602.30**
			Total Adjusted Value		Total Adjusted Value		Total Adjusted Value		Total Adjusted Value		Total Adjusted Value
13	**TOTAL HQLA**		**25,174.21**		**24,915.31**		**23,138.46**		**21,732.73**		**21,064.24**
14	**Total Net Cash Outflows (8-12)**		**20,063.44**		**18,642.75**		**17,330.01**		**16,083.98**		**16,753.22**
15	**Liquidity Coverage Ratio (%)**		**125.47%**		**133.65%**		**133.49%**		**135.12%**		**125.73%**

Note – LCR data has been calculated based on simple average of all daily observations over the previous quarter. The above data has been furnished by the management. These disclosures have not been subject to audit by the joint statutory central auditors.

The following table sets forth the daily average of un-weighted and weighted values for all the quarters in FY 2024-25

(₹ Crore)

Particulars		Quarter ended 31st March 2025		Quarter ended 31st December 2024		Quarter ended 30th September 2024		Quarter ended 30th June 2024		Quarter ended 31st March 2024	
		Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
High Quality Liquid Assets											
1	Total High Quality Liquid Assets (HQLA)		21,064.24		20,355.65		20,164.23		20,427.66		19,632.84
Cash Outflows											
2	Retail deposits and deposits from small business customers, of which:	59,821.12	5,742.03	58,812.44	5,632.66	57,848.51	5,548.86	58,267.08	5,578.36	57,207.88	5,479.70
i)	Stable deposits	4,801.58	240.08	4,971.69	248.58	4,719.79	235.99	4,966.94	248.35	4,821.74	241.09
(ii)	Less stable deposits	55,019.54	5,501.95	53,840.75	5,384.08	53,128.72	5,312.87	53,300.14	5,330.01	52,386.14	5,238.61
3	Unsecured wholesale funding, of which:	24,035.97	11,771.52	23,093.17	11,070.98	22,585.68	10,673.55	14,076.17	5,569.74	11,205.90	3,840.96
(i)	Operational deposits (all counterparties)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(ii)	Non-operational deposits (all counterparties)	24,035.97	11,771.52	23,093.17	11,070.98	22,585.68	10,673.55	14,076.17	5,569.74	11,205.90	3,840.96
(iii)	Unsecured debt	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4	Secured wholesale funding		0.00		0.00		0.00		0.00		0.00
5	Additional requirements, of which	7,652.45	1,858.14	7440.10	1,493.74	7,356.28	1,587.27	6,807.35	1,231.62	6,703.07	1,248.04
(i)	Outflows related to derivative exposures and other collateral requirements	132.66	132.66	53.32	53.32	27.82	27.82	19.77	19.77	22.64	22.64
(ii)	Outflows related to loss of funding on debt products	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(iii)	Credit and liquidity facilities	7,519.79	1,725.48	7386.78	1,440.42	7,328.46	1,559.45	6,787.58	1,211.85	6,680.43	1,225.40
6	Other contractual funding obligations	845.77	845.77	712.13	712.13	1,034.12	1,034.12	119.30	119.30	217.53	217.53
7	Other contingent funding obligations	4,601.97	138.06	4175.66	125.27	4,137.54	124.13	710.27	21.31	43.66	1.31
8	**Total Cash Outflows**		**20,355.52**		**19,034.78**		**18,967.93**		**12,520.33**		**10,787.54**
9	Secured lending (e.g. reverse repos)	0.00	0.00	6.24	0.00	22.34	0.00	89.24	0.00	15.30	0.00
10	Inflows from fully performing exposures	5,117.72	3,464.08	4,899.14	3,208.92	4,979.53	3,232.09	2,724.29	1,459.31	2,532.11	1,348.49
11	Other cash inflows	138.22	138.22	57.86	57.86	30.86	30.86	22.83	22.83	25.15	25.15
12	**Total Cash Inflows**	**5,255.94**	**3,602.30**	**4,963.24**	**3,266.78**	**5,032.73**	**3,262.95**	**2,836.36**	**1,482.14**	**2,572.56**	**1,373.64**
			Total Adjusted Value		Total Adjusted Value		Total Adjusted Value		Total Adjusted Value		Total Adjusted Value
13	**TOTAL HQLA**		**21,064.24**		**20,355.65**		**20,164.23**		**20,427.66**		**19,632.84**
14	**Total Net Cash Outflows (8-12)**		**16,753.22**		**15,768.00**		**15,704.98**		**11,038.19**		**9,413.90**
15	**Liquidity Coverage Ratio (%)**		**125.73%**		**129.09%**		**128.39%**		**185.06%**		**208.55%**

Note – LCR data has been calculated based on simple average of all daily observations over the previous quarter. The above data has been furnished by the management. These disclosures have not been subject to audit by the joint statutory central auditors.

SCHEDULE 18 – NOTES ON ACCOUNTS FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2026 (Contd.)

2c. Net Stable Funding Ratio (NSFR)

Qualitative disclosure

NSFR = Amount of available stable funding (ASF) ÷ amount of required stable funding (RSF).

NSFR indicates that the Bank maintains a stable funding profile in relation to the composition of its assets and off-balance sheet activities and promotes funding stability i.e. resilience over a longer-term time horizon by requiring banks to fund their activities with more stable sources of funding, on an on-going basis.

ASF is defined as the portion of capital and liabilities, expected to be reliable over the time horizon considered by NSFR, which extends to one year. RSF is a function of the liquidity characteristics and residual maturity of various assets (including off-balance sheet exposures) held. RBI has mandated that minimum NSFR of 100% is to be maintained with effect from October 01, 2021.

NSFR standard is structured to:

a) Ensure that investment banking inventories, off-balance sheet exposures, securitization pipelines and other assets and activities are funded with at-least a minimum amount of stable liabilities;

b) Avoid over-reliance on wholesale funding during times of buoyant market liquidity;

c) Counterbalance the cliff-effects of the liquidity coverage ratio approach;

d) Offset incentives for institutions to fund their stock of liquid assets with short-term funds that mature just outside the supervisory defined horizon for LCR; and

e) Require stable funding for all illiquid assets and securities held, including those held in HFT/AFS i.e. reckon illiquidity and not the assumed execution turnover period.

The following assumptions are used by RBI in the calibration of NSFR :

- Longer-term liabilities are assumed to be more stable than short-term liabilities;
- Short-term (maturing in less than one year) deposits provided by retail customers and funding provided by small business customers are behaviorally more stable than wholesale funding of the same maturity from other counterparties;
- For the sake of continuity and resilience of credit creation, stable funding for some proportion of lending to the real economy is required;
- Banks may seek to roll over a significant proportion of maturing loans to preserve customer relationships;
- Short-dated assets (maturing in less than one year) require a smaller proportion of stable funding because these could be allowed to mature without rolling-over;
- Unencumbered, high-quality assets that can be securitized or traded or used as collateral to secure additional funding, do not need to be wholly financed with stable funding; and
- At least a small portion of the potential calls on liquidity arising from off-balance sheet commitments and contingent funding obligations need to be met by stable funding.

NSFR is measured on a quarterly basis and advanced techniques such as stress testing, sensitivity analysis etc. are conducted periodically to assess the impact of various contingencies.

The below data has been furnished by the management. These disclosures have not been subject to audit by the joint statutory central auditors.

Quantitative disclosure - The following table sets out the details of NSFR of the Bank

(₹ Crore)

Particulars		As on 31st March 2026					As on 31st December 2025				
		Unweighted value by Residual Maturity				Weighted Value	Unweighted value by Residual Maturity				Weighted Value
		No Maturity	< 6 months	6 months to < 1 year	> 1 year		No Maturity	< 6 months	6 months to < 1 year	> 1 year	
ASF Item											
1	Capital (2+3)	14,107.87	-	-	-	14,107.87	13,473.48	-	-	-	13,473.48
2	Regulatory capital	14,107.87	-	-	-	14,107.87	13,473.48	-	-	-	13,473.48
3	Other capital instruments	-	-	-	-	-	-	-	-	-	-
4	Retail deposits and deposits from small business customers (5+6)	-	-	70,458.36	-	64,845.53	-	-	67,834.00	-	62,418.95
5	Stable deposits	-	-	28,660.22	-	27,227.21	-	-	27,366.83	-	25,998.49
6	Less stable deposits			41,798.14	-	37,618.32	-	-	40,467.17	-	36,420.46
7	Wholesale funding (8+9)	28,479.13	2,401.92	5,522.00	11,493.55	24,027.13	29,539.64	2,739.39	3,731.53	13,753.42	25,184.12
8	Operational deposits	-	-	-	-	-	-	-	-	-	-
9	Other wholesale funding	28,479.13	2,401.92	5,522.00	11,493.55	24,027.13	29,539.64	2,739.39	3,731.53	13,753.42	25,184.12
10	Other liabilities (11+12)	7,157.43	-	-	-	-	5,710.64	-	-	-	-
11	NSFR derivative liabilities		-	-	-			-	-	-	
12	All other liabilities and equity not included in the above categories	7,157.43	-	-	-	-	5,710.64	-	-	-	-
13	**Total ASF (1+4+7+10)**					**102980.53**					**101076.55**
RSF Item											
14	Total NSFR high-quality liquid assets (HQLA)					-					-
15	Deposits held at other financial institutions for operational purposes	-	-	-	-	-	-	-	-	-	-
16	Performing loans and securities (17+18+19+21+23)	81.27	33156.29	22979.15	43687.98	64726.66	25.28	33,520.92	21,906.19	42,545.86	63,024.93
17	Performing loans to financial institutions secured by Level 1 HQLA	-	-	-	-	-	-	-	-	-	-
18	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	-	600.71	569.37	4,899.26	5,274.05	-	974.24	439.31	4,823.16	5,188.96

SCHEDULE 18 – NOTES ON ACCOUNTS FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2026 (Contd.)

(₹ Crore)

Particulars		As on 31st March 2026					As on 31st December 2025				
		Unweighted value by Residual Maturity				Weighted Value	Unweighted value by Residual Maturity				Weighted Value
		No Maturity	< 6 months	6 months to < 1 year	> 1 year		No Maturity	< 6 months	6 months to < 1 year	> 1 year	
19	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks, and PSEs, of which:	-	32,553.54	22,403.58	31,293.21	53,969.91	-	32,544.34	21,460.61	30,494.98	52,732.56
20	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	706.27	64.73	942.53	998.15	-	782.58	12.08	953.23	1,016.93
21	Performing residential mortgages, of which:	-	2.04	6.19	7,191.89	5,110.00	-	2.34	6.27	7,195.97	5,050.18
22	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	2.02	6.06	5,148.22	3,350.38	-	2.34	6.27	5,353.51	3,484.09
23	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	81.27	-	-	303.62	372.70	25.28	-	-	31.75	53.23
24	Other assets (25+26+27+28+29)	39719.27	-	-	-	10,350.24	38,788.16	-	-	-	8669.27
25	Physical traded commodities, including gold	-	-	-	-	-	-	-	-	-	-
26	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs	1,534.33	-	-	-	1,304.18	1,830.18	-	-	-	1,555.66
27	NSFR derivative assets	-	-	-	-		-	-	-	-	-
28	NSFR derivative liabilities before deduction of variation margin posted	-	-	-	-	-	-	-	-	-	-
29	All other assets not included in the above categories	38,184.95	-	-	-	9,046.06	36,957.98	-	-	-	7,113.61
30	Off-balance sheet items	12,212.81	-	-	-	493.47	10,619.29	-	-	-	421.61
31	**Total RSF (14+15+16+24+30)**					**75,570.36**					**72,115.81**
32	**NSFR (%)**					**136.27%**					**140.16%**

SCHEDULE 18 – NOTES ON ACCOUNTS FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2026 (Contd.)

(₹ Crore)

Particulars		As on 30th September 2025					As on 30th June 2025				
		Unweighted value by Residual Maturity				Weighted Value	Unweighted value by Residual Maturity				Weighted Value
		No Maturity	< 6 months	6 months to < 1 year	> 1 year		No Maturity	< 6 months	6 months to < 1 year	> 1 year	
ASF Item											
1	Capital (2+3)	12,796.34	-	-	-	12,796.34	12,446.31	-	-	-	12,446.31
2	Regulatory capital	12,796.34	-	-	-	12,796.34	12,446.31	-	-	-	12,446.31
3	Other capital instruments	-	-	-	-	-	-	-	-	-	-
4	Retail deposits and deposits from small business customers (5+6)	-	-	62,292.66	-	57,372.08	-	-	62,025.92	-	57,112.60
5	Stable deposits	-	-	26,173.65	-	24,864.97	-	-	25,785.45	-	24,496.17
6	Less stable deposits	-	-	36,119.01	-	32,507.11	-	-	36,240.47	-	32,616.43
7	Wholesale funding (8+9)	17,173.88	8,387.56	6,397.09	18,727.09	28,258.55	16,021.99	6209.27	7,229.55	17,008.89	25,701.45
8	Operational deposits	-	-	-	-	-	-	-	-	-	-
9	Other wholesale funding	17,173.88	8,387.56	6,397.09	18,727.09	28,258.55	16,021.99	6209.27	7,229.55	17,008.89	25,701.45
10	Other liabilities (11+12)	8,396.93	-	-	-	-	7,799.55	-	-	-	-
11	NSFR derivative liabilities		-	-	-			-	-	-	
12	All other liabilities and equity not included in the above categories	8,396.93	-	-	-	-	7,799.55	-	-	-	-
13	**Total ASF (1+4+7+10)**					**98,426.97**					**95,260.36**
RSF Item											
14	Total NSFR high-quality liquid assets (HQLA)					-					-
15	Deposits held at other financial institutions for operational purposes	-	-	-	-	-	-	-	-	-	-
16	Performing loans and securities (17+18+19+21+23)	41.07	31,288.46	21,953.52	40,712.94	60,233.19	38.52	29,485.38	22,583.05	38,643.01	57,769.08
17	Performing loans to financial institutions secured by Level 1 HQLA	-	-	-	-	-	-	-	-	-	-
18	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	-	1,440.40	213.56	4,831.01	5,153.85	-	1269.92	760.15	4,080.98	4,651.54

SCHEDULE 18 – NOTES ON ACCOUNTS FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2026 (Contd.)

(₹ Crore)

Particulars		As on 30th September 2025					As on 30th June 2025				
		Unweighted value by Residual Maturity				Weighted Value	Unweighted value by Residual Maturity				Weighted Value
		No Maturity	< 6 months	6 months to < 1 year	> 1 year		No Maturity	< 6 months	6 months to < 1 year	> 1 year	
19	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks, and PSEs, of which:	-	29,845.75	21,733.27	28,377.34	49,713.12	-	28,213.35	21,816.55	27,200.70	47,897.46
20	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	290.91	262.62	985.60	917.41	-	305.53	60.37	1,136.24	921.51
21	Performing residential mortgages, of which:	-	2.31	6.69	5,426.92	3,532.00	-	2.11	6.35	7,229.94	5,055.95
22	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	2.31	6.69	5,426.92	3,532.00	-	2.11	6.35	5,468.63	3,558.84
23	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	41.07	-	-	221.92	256.83	38.52	-	-	131.39	164.13
24	Other assets (25+26+27+28+29)	40,180.06	-	-	-	11,295.51	37,992.59	-	-	-	9,338.13
25	Physical traded commodities, including gold	-	-	-	-	-	-	-	-	-	-
26	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs	1,648.54	-	-	-	1,401.26	346.72	-	-	-	294.71
27	NSFR derivative assets	-	-	-	-	-	2.97	-	-	-	2.97
28	NSFR derivative liabilities before deduction of variation margin posted	-	-	-	-	-	-	-	-	-	-
29	All other assets not included in the above categories	38,531.52	-	-	-	9,894.25	37,642.90	-	-	-	9,040.45
30	Off-balance sheet items	12,433.58	-	-	-	516.15	10,904.82	-	-	-	456.60
31	**Total RSF (14+15+16+24+30)**					**72,044.85**					**67,563.81**
32	**NSFR (%)**					**136.62%**					**140.99%**

SCHEDULE 18 – NOTES ON ACCOUNTS FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2026 (Contd.)

(₹ Crore)

Particulars		As on 31st March 2025					As on 31st December 2024				
		Unweighted value by Residual Maturity				Weighted Value	Unweighted value by Residual Maturity				Weighted Value
		No Maturity	< 6 months	6 months to < 1 year	> 1 year		No Maturity	< 6 months	6 months to < 1 year	> 1 year	
ASF Item											
1	Capital (2+3)	11,929.54	-	-	-	11,929.54	11,391.67	-	-	-	11,391.67
2	Regulatory capital	11,929.54	-	-	-	11,929.54	11,391.67	-	-	-	11,391.67
3	Other capital instruments	-	-	-	-	-	-	-	-	-	-
4	Retail deposits and deposits from small business customers (5+6)	-	-	58,871.81	-	53,234.43	-	-	58,404.31	-	52752.62
5	Stable deposits	-	-	4,995.90	-	4,746.11	-	-	3,775.04	-	3,586.28
6	Less stable deposits			53,875.91	-	48,488.32	-	-	54,629.27	-	49,166.34
7	Wholesale funding (8+9)	15,052.66	6740.70	6,725.25	15,907.42	24,534.30	14,364.56	6,480.35	5,362.98	16,106.45	23,521.16
8	Operational deposits	-	-	-	-	-	-	-	-	-	-
9	Other wholesale funding	15052.66	6740.70	6,725.25	15,907.42	24,534.30	14,364.56	6,480.35	5,362.98	16,106.45	23,521.16
10	Other liabilities (11+12)	6,134.24	-	-	-	-	7,106.65	-	-	-	-
11	NSFR derivative liabilities		-	-	-			-	-	-	
12	All other liabilities and equity not included in the above categories	6,134.24	-	-	-	-	7,106.65	-	-	-	-
13	**Total ASF (1+4+7+10)**					**89,698.27**					**87,665.45**
RSF Item											
14	Total NSFR high-quality liquid assets (HQLA)					-					-
15	Deposits held at other financial institutions for operational purposes	-	-	-	-	-	-	-	-	-	-
16	Performing loans and securities (17+18+19+21+23)	44.67	27,912.19	20,242.58	36,919.54	54,610.80	54.70	30,484.76	18344.54	36629.10	53995.33
17	Performing loans to financial institutions secured by Level 1 HQLA	-	-	-	-	-	-	-	-	-	-
18	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	-	573.78	306.84	4,193.00	4,432.49	-	393.86	124.68	4,165.66	4,287.08

SCHEDULE 18 – NOTES ON ACCOUNTS FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2026 (Contd.)

(₹ Crore)

Particulars		As on 31st March 2025					As on 31st December 2024				
		Unweighted value by Residual Maturity				Weighted Value	Unweighted value by Residual Maturity				Weighted Value
		No Maturity	< 6 months	6 months to < 1 year	> 1 year		No Maturity	< 6 months	6 months to < 1 year	> 1 year	
19	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks, and PSEs, of which:	-	27,336.40	19,299.41	25,647.94	44,891.40	-	28,106.31	17,716.29	25,140.16	43,934.42
20	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	305.53	60.37	1,136.24	921.51	-	368.41	91.76	1,730.08	1,354.63
21	Performing residential mortgages, of which:	-	2.01	6.32	7,047.87	4,903.20	-	1.77	6.08	6,990.16	4,848.05
22	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	2.01	6.32	5,458.26	3,552.03	-	1.77	6.08	5,487.53	3,570.82
23	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	44.67	-	630.01	30.73	383.71	54.70	1,982.82	497.49	333.12	925.78
24	Other assets (25+26+27+28+29)	36,243.94	-	-	-	7,789.34	33,707.81	-	-	-	7,901.93
25	Physical traded commodities, including gold	-	-	-	-	-	-	-	-	-	-
26	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs	342.25	-	-	-	290.91	340.43	-	-	-	289.36
27	NSFR derivative assets	3.28	-	-	-	3.28	14.05	-	-	-	14.05
28	NSFR derivative liabilities before deduction of variation margin posted	-	-	-	-	-	-	-	-	-	-
29	All other assets not included in the above categories	35,898.41	-	-	-	7,495.15	33,353.33	-	-	-	7,598.52
30	Off-balance sheet items	12,349.43	-	-	-	520.77	11,173.73				470.23
31	**Total RSF (14+15+16+24+30)**					**62,920.91**					**62,367.49**
32	**NSFR (%)**					**142.56%**					**140.56%**

(₹ Crore)

Particulars		As on 30th September 2024					As on 30th June 2024				
		Unweighted value by Residual Maturity				Weighted Value	Unweighted value by Residual Maturity				Weighted Value
		No Maturity	< 6 months	6 months to < 1 year	> 1 year		No Maturity	< 6 months	6 months to < 1 year	> 1 year	
ASF Item											
1	Capital (2+3)	10,900.69	-	-	-	10,900.69	10,585.45	-	-	-	10,585.45
2	Regulatory capital	10,900.69	-	-	-	10,900.69	10,585.45	-	-	-	10,585.45
3	Other capital instruments	-	-	-	-	-	-	-	-	-	-
4	Retail deposits and deposits from small business customers (5+6)	-	-	58,782.78	-	53,147.30	-	-	55,378.23	-	50,106.69
5	Stable deposits	-	-	4,856.00	-	4,613.20	-	-	5,325.67	-	5,059.38
6	Less stable deposits	-	-	53,926.78	-	48,534.10	-	-	50,052.56	-	45,047.31
7	Wholesale funding (8+9)	10,505.52	6,196.20	4,705.31	17,066.69	23,951.40	11,266.62	5,786.61	4,910.29	17,125.74	23,807.70
8	Operational deposits	-	-	-	-	-	-	-	-	-	-
9	Other wholesale funding	10,505.52	6,196.20	4,705.31	17,066.69	23,951.40	11,266.62	5,786.61	4,910.29	17,125.74	23,807.70
10	Other liabilities (11+12)	6,786.29	-	-	-	-	6,119.98	-	-	-	-
11	NSFR derivative liabilities		-	-	-			-	-	-	
12	All other liabilities and equity not included in the above categories	6,786.29	-	-	-	-	6,119.98	-	-	-	-
13	**Total ASF (1+4+7+10)**					**87,999.39**					**84,499.84**
RSF Item											
14	Total NSFR high-quality liquid assets (HQLA)					-					-
15	Deposits held at other financial institutions for operational purposes	-	100.55	-	-	100.55	-	-	-	-	-
16	Performing loans and securities (17+18+19+21+23)	35.58	29,340.66	17,593.88	35,893.39	52,352.74	43.64	15,390.20	10,256.31	53,808.64	57,394.84
17	Performing loans to financial institutions secured by Level 1 HQLA	-	-	-	-	-	-	-	-	-	-
18	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	-	2,599.19	244.63	4,864.35	5,376.54	-	367.50	77.82	3,296.74	3,390.78

SCHEDULE 18 – NOTES ON ACCOUNTS FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2026 (Contd.)

(₹ Crore)

Particulars		As on 30th September 2024					As on 30th June 2024				
		Unweighted value by Residual Maturity				Weighted Value	Unweighted value by Residual Maturity				Weighted Value
		No Maturity	< 6 months	6 months to < 1 year	> 1 year		No Maturity	< 6 months	6 months to < 1 year	> 1 year	
19	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks, and PSEs, of which:	-	26,739.66	1,7343.32	24,265.67	42,280.68	-	14,206.76	9408.34	43,468.84	48,551.16
20	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	158.82	90.16	1,933.17	1,381.05	-	94.97	23.44	223.00	204.15
21	Performing residential mortgages, of which:	-	1.81	5.93	6,731.91	4,633.82	-	2.12	4.89	6,501.72	4,450.97
22	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	1.81	5.93	5,460.83	3,553.41	-	2.12	4.89	5,394.96	3,510.22
23	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	35.58	-	-	31.46	61.70	43.64	813.82	765.26	541.34	1,001.93
24	Other assets (25+26+27+28+29)	32,724.66	-	-	-	8,174.76	31,676.14	-	-	-	10,593.49
25	Physical traded commodities, including gold	-	-	-	-	-	-	-	-	-	-
26	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs	339.89	-	-	-	288.91	332.60	-	-	-	282.71
27	NSFR derivative assets	1.53	-	-	-	1.53	3.88	-	-	-	3.88
28	NSFR derivative liabilities before deduction of variation margin posted	-	-	-	-	-	-	-	-	-	-
29	All other assets not included in the above categories	32,383.24	-	-	-	7,884.32	31,339.66	-	-	-	10,306.90
30	Off-balance sheet items	10,876.56	-	-	-	462.12	6,288.39	-	-	-	314.42
31	**Total RSF (14+15+16+24+30)**					**61,090.17**					**68,302.75**
32	**NSFR (%)**					**144.05**					**123.71**

3. INVESTMENTS

3.1 Disclosure of carrying value of investments and fair value

(₹ Crore)

	HTM		AFS	FVTPL		Subsidiaries, Associates & JVs		HTM		AFS	FVTPL		Subsidiaries, Associates & JVs	
	At cost	Fair value		HFT	Non-HFT	At cost	Fair value	At cost	Fair value		HFT	Non-HFT	At cost	Fair value
	As on 31st March 2026							As on 31st March 2025						
I. Investments in India														
(i) Government securities	20,816.07	20,630.32	5,869.11	285.39	-			19,202.73	19,392.61	3,052.77	-	-		
(ii) Other approved securities	-	-	-	-	-			-	-	-	-	-		
(iii) Shares	-	-	171.27	54.14	29.04			-	-	155.07	64.15	30.00		
(iv) Debentures and Bonds	331.23	336.75	1,181.74	-	-			351.56	348.80	309.64	-	-		
(v) Subsidiaries, associates & Joint ventures						-	-						-	-
(vi) Others	-	-	285.29	-	370.55			46.77	46.77	629.38	-	363.77		
Total	**21,147.30**	**20,967.07**	**7,507.41**	**339.53**	**399.59**	**-**	**-**	**19,601.06**	**19,788.18**	**4,146.86**	**64.15**	**393.77**	**-**	**-**
Less: Provisions for impairment/NPI	-	-	95.18	0.44	278.68	-	-	-	-	95.18	-	279.70	-	-
Net	21,147.30	20,967.07	7,412.23	339.09	120.91	-	-	19,601.06	19,788.18	4,051.68	64.15	114.07	-	-
II. Investments outside India						-	-	-	-	-	-	-	-	-
(i) Government securities (including local authorities)	-	-	-	-	-			-	-	-	-	-		
(ii) Subsidiaries, associates & Joint ventures						-	-						-	-
(iii) Other investments	-	-	0.36	-	-			-	-	0.30	-	-		
Total	**-**	**-**	**0.36**	**-**	**-**	**-**	**-**	**-**	**-**	**0.30**	**-**	**-**	**-**	**-**
Less: Provisions for impairment/NPI	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net	-	-	0.36	-	-	-	-	-	-	0.30	-	-	-	-
Total Investments (I+II)	**21,147.30**	**20,967.07**	**7,412.59**	**339.09**	**120.91**	**-**	**-**	**19,601.06**	**19,788.18**	**4,051.98**	**64.15**	**114.07**	**-**	**-**

SCHEDULE 18 – NOTES ON ACCOUNTS FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2026 (Contd.)

3.2 Fair Value Hierarchy of investment portfolio measured at fair value on balance sheet

(₹ Crore)

		AFS				FVTPL				AFS				FVTPL			
		Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
		As on 31st March 2026								As on 31st March 2025							
I.	Investments in India																
	(i) Government securities	5,869.11	-	-	5,869.11	285.39	-	-	285.39	3,052.77	-	-	3,052.77	-	-	-	-
	(ii) Other approved securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	(iii) Shares	-	5.00	106.39	111.39	53.70	-	-	53.70	-	5.00	90.20	95.20	64.15	-	-	64.15
	(iv) Debentures and Bonds	615.46	530.98	-	1,146.44	-	-	-	-	274.33	-	-	274.33	-	-	-	-
	(v) Subsidiaries, associates & Joint ventures																
	(vi) Others	285.29	-	-	285.29	71.35	49.56	-	120.91	629.38	0.00	-	629.38	91.87	22.20	-	114.07
	Total	**6,769.86**	**535.98**	**106.39**	**7,412.23**	**410.44**	**49.56**	**-**	**460.00**	**3,956.48**	**5.00**	**90.20**	**4,051.68**	**156.02**	**22.20**	**-**	**178.22**
II.	Investments outside India								-	-	-	-	-	-	-	-	-
	(i) Government securities (including local authorities)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	(ii) Subsidiaries, associates & Joint ventures																
	(iii) Other investments	-	0.36	-	0.36	-	-	-	-	-	0.30	-	0.30	-	-	-	-
	Total	**-**	**0.36**	**-**	**0.36**	**-**	**-**	**-**	**-**	**-**	**0.30**	**-**	**0.30**	**-**	**-**	**-**	**-**
Total Investments (I+II)		**6,769.86**	**536.34**	**106.39**	**7,412.59**	**410.44**	**49.56**	**-**	**460.00**	**3,956.48**	**5.30**	**90.20**	**4,051.98**	**156.02**	**22.20**	**-**	**178.22**

SCHEDULE 18 – NOTES ON ACCOUNTS FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2026 (Contd.)

3.3 Movement of provision for Depreciation, NPI and Investment Fluctuation Reserve (IFR)

(₹ Crore)

Particulars		2025-26	2024-25
(1)	Depreciation on investments		
i.	Opening balance	0.00	145.44
ii.	Add: Provisions made during the year	0.00	0.00
iii.	Less: Write-off/write-back of excess provisions/transferred to General Reserve during the year	0.00	145.44
iv.	Closing balance	0.00	Nil
(2)	Provision for Non-Performing Investments		
i.	Opening balance	374.88	351.48
ii.	Add: Provisions made during the year	0.44	30.00
iii.	Less: Write-off/write-back of excess provisions during the year	1.02	6.60
iv.	Closing balance	374.30	374.88
(3)	Investment Fluctuation Reserve (IFR)		
i.	Opening Balance	268.87	148.87
ii.	Add: Amount transferred during the year	31.13	120.00
iii.	Less: Drawdown	0.00	0.00
iv.	Closing Balance	300.00	268.87
(4)	Closing balance in IFR as a % of closing balance of investments in AFS and FVTPL (including HFT/current category)	3.64%	5.82%

3.3 Sale and transfers to / from Held to Maturity (HTM) Category

During the year (as well as during the previous year), sale of securities from HTM category does not exceed 5% of the book value of investments held in HTM category at the beginning of the year. The market and book value of SLR investments held in HTM category as on 31st March 2026 is ₹ 20,623.91 Crore and ₹ 20,809.87 Crore respectively (₹ 19,383.62 Crore and ₹ 19,194.16 Crore respectively during the previous year) and shows a mark to market depreciation of ₹ 185.96 Crore (mark to market appreciation of ₹ 189.46 Crore during the previous year).

3.4 Non-SLR Investment Portfolio

i) Non performing Non-SLR investments

(₹ Crore)

Particulars	2025-26	2024-25
Opening balance	374.88	358.10
Additions during the year	0.44	30.00
Reductions during the year	(1.02)	(13.22)
Closing balance	374.30	374.88
Total provisions held	374.30	374.88

SCHEDULE 18 – NOTES ON ACCOUNTS FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2026 (Contd.)

ii) Issuer composition of Non-SLR investments

(₹ Crore)

S. N.	Issuer	Amount	Extent of			
			Private Placement	Below Investment Grade Securities	Unrated securities	Unlisted Securities
1	2	3	4	5	6	7
As at 31st March 2026						
i	PSUs	408.38	148.03		0.00	0.00
ii	FIs	1,105.31	951.36		7.38	7.38
iii	Banks	13.22	0.00		0.00	0.00
iv	Private Corporates	566.15	282.81		21.18	26.18
v	Subsidiaries / Joint Ventures	0.00	0.00	Nil	0.00	0.00
vi	Others *	351.34	279.99		249.64	279.99
	Sub Total	**2,444.40**	**1,662.19**		**278.20**	**313.55**
Less: Provision for depreciation on investments		0.00				
Less: Provision for non performing investments		374.30				
	Total	**2070.10**	**1662.19**		**278.20**	**313.55**
As at 31st March 2025						
i	PSUs	381.69	164.86		Nil	Nil
ii	FIs	418.41	267.51		7.38	23.32
iii	Banks	560.64	535.82		Nil	Nil
iv	Private Corporates	273.96	92.72		21.59	26.59
v	Subsidiaries / Joint Ventures	Nil	Nil	Nil	Nil	Nil
vi	Others *	341.57	249.70		249.70	249.70
	Sub Total	**1,976.27**	**1,310.61**		**278.67**	**299.61**
Less: Provision for depreciation on investments		-				
Less: Provision for non performing investments		374.88				
Total		**1,601.39**	**1,310.61**	**Nil**	**278.67**	**299.61**

** 1. Amounts reported under columns 4, 5, 6 and 7 above are not mutually exclusive; 2. Others include Security Receipts of ₹279.99 Crore and units of Mutual Funds of ₹ 71.35 Crore (Previous Year ₹ 249.70 Crore and ₹ 91.87 Crore respectively)*

3.5 Repo Transactions (in face value terms) & Market value terms

(₹ Crore)

Particulars (in Face value terms)		Outstanding during FY						Outstanding as on	
		Minimum		Maximum		Daily Average			
		2025-26	2024-25	2025-26	2024-25	2025-26	2024-25	31st March 2026	31st March 2025
1.	**Securities sold under RBI Repo**								
a.	Government Securities	287.04	32.64	478.38	1186.55	74.51	81.93	Nil	Nil
b.	Corporate Debt Securities	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
2.	**Securities purchased under RBI Reverse Repo**								
a.	Government Securities	174.66	471.86	505.68	1054.48	11.31	4.18	Nil	Nil
b.	Corporate Debt Securities	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

SCHEDULE 18 – NOTES ON ACCOUNTS FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2026 (Contd.)

(₹ Crore)

Particulars (in Face value terms)	Outstanding during FY						Outstanding as on	
	Minimum		Maximum		Daily Average			
	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25	31st March 2026	31st March 2025
3. Securities sold under Market Repo								
a. Government Securities	60.00	15.00	4059.00	1641.00	1403.57	579.62	246.00	Nil
b. Corporate Debt Securities	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
4. Securities purchased under Market Reverse Repo								
a. Government Securities	Nil	200.00	Nil	534.00	Nil	5.53	Nil	Nil
b. Corporate Debt Securities	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
5. Securities sold under Tri–Party Repo								
a. Government Securities	11.40	42.12	2510.24	2790.12	797.28	731.78	934.82	Nil
b. Corporate Debt Securities	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
6. Securities purchased under Tri–Party Reverse Repo								
a. Government Securities	19.52	50.77	1081.66	541.14	17.75	8.51	Nil	Nil
b. Corporate Debt Securities	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Repo Transactions (Market value terms) * (₹ Crore)								
1. Securities sold under RBI Repo								
a. Government Securities	295.03	33.40	491.62	1207.82	76.30	84.15	Nil	Nil
b. Corporate Debt Securities	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
2. Securities purchased under RBI Reverse Repo								
a. Government Securities	187.53	440.34	539.55	985.79	11.77	3.91	Nil	Nil
b. Corporate Debt Securities	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
3. Securities sold under Market Repo								
a. Government Securities	63.40	15.45	4086.20	1653.16	1420.77	583.96	249.28	Nil
b. Corporate Debt Securities	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
4. Securities purchased under Market Reverse Repo								
a. Government Securities	Nil	204.11	Nil	538.41	Nil	5.58	Nil	Nil
b. Corporate Debt Securities	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
5. Securities sold under Tri–Party Repo								
a. Government Securities	11.77	42.15	2558.85	2768.50	813.44	725.96	951.40	Nil
b. Corporate Debt Securities	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
6. Securities purchased under Tri–Party Reverse Repo								
a. Government Securities	20.00	50.00	1050.00	522.00	17.36	8.36	Nil	Nil
b. Corporate Debt Securities	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

** Market value is determined based on the closing prices published by FBIL on respective dates.*

3.6 Transfer to Capital Reserve

Net profit on sale of securities includes profit of ₹ 17.02 Crore on sale of securities from HTM category (₹ 0.39 during the previous year). As per RBI guidelines, an amount of ₹ 9.55 Crore (after netting of taxes and transfer to Statutory Reserve) is transferred to Capital Reserve for the year ended 31st March 2026 (₹ 0.22 Crore during the previous year).

SCHEDULE 18 – NOTES ON ACCOUNTS FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2026 (Contd.)

3.7 SLR investments under HTM category

The percentage of SLR investment under HTM category as on 31st March 2026 was 18.02% of Demand and Time Liability of the Bank (previous year 19.36%) which is within permissible limit as per RBI guidelines.

3.8 Interest income on investment is net of amortization expenses of ₹ 85.77 Crore (₹ 85.28 Crore during previous year).

3.9 Government securities lending (GSL) transactions (in Market value terms) (as per the RBI circular vide RBI/2023-24/97 FMRD.DIRD.No.05/14.03.061/2023-2024 dated 27th December 2023)

(₹ Crore)

Particulars	Outstanding during FY						Total Volume of transactions during the FY		Outstanding as on	
	Minimum		Maximum		Daily Average					
	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25	31st March 2026	31st March 2025
Securities lent through GSL transactions	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Securities borrowed through GSL transactions	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Securities placed as collateral under GSL transactions	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Securities received as collateral under GSL transactions	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Net gains/ (losses) on Level 3* financial instruments recognised in AFS-Reserve and Profit and Loss Account

(₹ Crore)

	Amount in Crore
Recognised in AFS-Reserve	52.47
Recognised in Profit and Loss Account	Nil

**Excludes Level 3 assets where the valuation of the asset is the price declared by FBIL/ FIMMDA for that asset.*

Details of sales made out of HTM

(₹ Crore)

	Particulars	2025-26	2024-25
A	Opening carrying value of securities in HTM	19,601.66	18,257.33
B	Carrying value of all HTM securities sold during the year	1,316.84	97.46
C	Less: Carrying values of securities sold under situations exempted from regulatory limit	1,316.84	97.46
D	Carrying value of securities sold (D=B-C)	0.00	0.00
E	Securities sold as a percentage of opening carrying value of securities in HTM (E=D÷A)	-	-
	Amount transferred to Capital Reserve in respect of HTM securities which were sold at a gain	9.55	0.22

4. ADVANCES AND ASSET QUALITY

4.1 Classification of advances and provisions held

(₹ Crore)

Particulars	As on 31st March 2026						As on 31st March 2025					
	Total Standard	NPAs				Total	Total Standard	NPAs				Total
		Sub-Std.	Doubtful	Loss	Total NPA			Sub-Std.	Doubtful	Loss	Total NPA	
a. Gross Standard Advances and Non Performing Advances (NPAs)												
Opening Balance	83,848.76	273.30	161.27	207.23	641.80	84,490.56	73,381.58	383.74	346.31	311.59	1,041.64	74,423.22
Add: Additions during the year					741.47						481.85	
Less: Reductions during the year*					639.36						881.69	
Closing Balance	98,010.10	397.17	45.91	300.83	743.91	98,754.01	83,848.76	273.30	161.27	207.23	641.80	84,490.56
*Reductions in Gross NPAs due to :					639.36	639.36					881.69	881.69
i. Upgradation					22.56	22.56					22.87	22.87
ii. Recoveries (excluding recoveries from upgraded accounts)					125.61	125.61					162.24	162.24
iii. Technical/ Prudential Write-offs					421.82	421.82					551.59	551.59
iv. Write-offs other than those under (iii) above					69.37	69.37					144.99	144.99
b. Provisions (excluding Floating provisions)												
Opening balance	324.34	116.85	151.15	206.24	474.24	798.58	284.39	106.41	313.41	310.60	730.42	1,014.81
Add: Fresh provisions made during the year					630.19						523.77	
Less: Excess provision reversed/write-off loans					549.25						779.95	
Closing balance	378.82	219.64	35.70	299.84	555.18	934.00	324.34	116.85	151.15	206.24	474.24	798.58
c. Net NPAs												
Opening balance		156.46	8.98	0.77	166.21			277.34	31.76	0.77	297.97	
Add: Fresh additions during the year					110.12						-41.92*	
Less: Reductions during the year					90.12						89.84	
Closing balance		177.53	8.68	0.00	~186.21			156.46	8.98	0.77	166.21	

SCHEDULE 18 – NOTES ON ACCOUNTS FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2026 (Contd.)

(₹ Crore)

Particulars	As on 31st March 2026						As on 31st March 2025					
	Total Standard	NPAs				Total	Total Standard	NPAs				Total
		Sub-Std.	Doubtful	Loss	Total NPA			Sub-Std.	Doubtful	Loss	Total NPA	
d. Floating provisions#												
Opening Balance						100.00						100.00
Add: Additional provisions made during the year						Nil						Nil
Less: Amount drawn down during the year						Nil						Nil
Closing balance						100.00						100.00
e. Technical / Prudential Write-offs (TWO) and the recoveries made there on												
Opening balance						4564.78						4,747.96
Add : TWO during the year						421.83						551.59
Less: Recoveries in previous TWO accounts during the year (including write-offs)						492.16						734.77
Closing Balance						4494.45						4,564.78

** Addition to provision is more than addition to GNPA due to application of ageing;*

#Floating provision is not netted off from advances and is considered for Tier-II capital.

~ Net of other provisions, claims received/settled amounting to ₹2.52 Crore.

4.1.1 Gross and Net NPA Ratios

(₹ Crore)

Ratios	2025-26	2024-25
Gross NPA to Gross Advances (%)	0.75	0.76
Net NPA to Net Advances (%)	0.19	0.20
Provision coverage ratio (%)	96.45	96.81

SCHEDULE 18 – NOTES ON ACCOUNTS FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2026 (Contd.)

4.2 Sector-wise Advances and Gross NPAs

(₹ Crore)

S. N.	Sector	As on 31st March 2026			As on 31st March 2025		
		Outstanding Total Advances	Gross NPAs	% of Gross NPAs to Total Advances in that sector	Outstanding Total Advances	Gross NPA s	% of Gross NPAs to Total Advances in that sector
A	**Priority Sector**						
1	Agriculture and allied activities of which:	19,300.28	96.11	0.50	15,117.76	54.67	0.36
a	Food and cash crops	12,025.27	9.15	0.08	9,408.64	19.86	0.21
b	Plantation Crops	5,777.76	0.21	0.00	4,353.96	0.68	0.02
2	Industries eligible under priority sector of which:	12,436.54	155.31	1.25	10,994.51	95.04	0.86
a	Food processing others	1,943.03	85.83	4.42	1,924.99	25.66	1.33
b	Textiles	3,664.97	23.79	0.65	3,227.13	13.85	0.43
c	Infrastructure	1,494.95	0.99	0.07	1056.21	1.93	0.18
3	Services of which:	9,343.15	125.91	1.35	8,254.78	101.27	1.23
a	Wholesale and retail trade	7,151.85	103.64	1.45	6,292.46	79.30	1.26
b	Transport Storage and Communications	958.33	17.74	1.85	882.43	14.90	1.69
4	Personal Loans of which:	1,417.59	13.14	0.93	758.89	38.03	5.01
a	Housing loans other than staff	1,374.09	9.80	0.71	675.67	8.64	1.28
	Subtotal (A)	**42,497.56**	**390.47**	**0.92**	**35,125.94**	**289.01**	**0.82**
B	**Non Priority Sector**						
1	Agriculture and allied activities of which:	5,534.30	6.43	0.12	5,637.98	3.08	0.05
a	Food and cash crops	4,803.64	5.98	0.12	3,459.65	2.22	0.06
b	Plantation Crops	584.87	0.29	0.05	1,838.09	0.37	0.02
2	Industry of which:	8,076.97	35.14	0.44	7,428.38	73.47	0.99
a	Infrastructure	1,798.78	11.04	0.61	1,661.08	3.92	0.24
b	Textile	1,502.09	10.47	0.70	1,654.01	6.64	0.40
c	Gems&Jewellery	1,077.96	0.09	0.01	1,148.53	41.64	3.63
3	Services of which:	18997.84	197.83	1.04	15,777.83	125.58	0.80
a	Wholesale and retail trade	4,136.73	70.54	1.71	4,025.80	79.46	1.97
b	Real estate renting and business activities	8,267.35	5.28	0.06	6,295.94	20.44	0.32
c	Financial intermediation	3,385.87	0.00	0.00	3,027.45	0.28	0.01
4	Personal Loans of which:	23,647.34	114.04	0.48	20,520.43	150.66	0.73
a	Housing loans other than staff	5,874.83	25.86	0.44	6,396.21	25.09	0.39
b	Personal loan others	12,517.00	92.91	0.74	9,985.97	107.30	1.07
	Subtotal (B)	**56,256.45**	**353.44**	**0.63**	**49,364.62**	**352.79**	**0.71**
	Total (A+B)	**98,754.01**	**743.91**	**0.75**	**84,490.56**	**641.80**	**0.76**

SCHEDULE 18 – NOTES ON ACCOUNTS FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2026 (Contd.)

Classification into sector as above has been done based on the Bank's internal norms which have been relied upon by the auditors.

4.3 Overseas Asset, NPAs and Revenue

(₹ Crore)

Particulars	2025-26	2024-25
Total Assets	144.64	444.12
Total NPAs	Nil	Nil
Total Revenue	14.33	8.13

4.4 Particulars of Resolution Plan

a. Details of stressed asset accounts covered under RP are as under:

(₹ Crore)

Particulars	31st March 2026		31st March 2025	
	No.	Amount*	No.	Amount*
Accounts covered under RP#	6	296.27	6	310.28
of above, accounts where RP –				
a. implemented	Nil	Nil	Nil	Nil
b. implementation period is yet to be completed	Nil	Nil	Nil	Nil
c. not implemented within stipulated timelines	5	252.63	5	266.64
d. not applicable (account under CIRP/NCLT)	1	43.64	1	43.64

As on 31st March 2026, for above accounts bank holds provision of ₹ 19.79 Crore for non fund facilities (Previous year ₹ 20.31 Crores). Fund loan facilities of ₹ 239.73 Crore (Previous year ₹ 252.24 Crore) were Technically written off.

**Amount includes outstanding of Fund and Non-Fund limits.*

#Also includes Technically written off accounts.

Disclosures in respect of accounts where the resolution period was extended during the year ended 31st March 2021 (as per RBI circular DOR.No.BP.BC.72/21.04.048/2019-20 dated 23rd May 2020 and DOR.No.BP.BC.62/21.04.048/2020-21 dated 17th April 2020):

Particulars#	2025-26	2024-25
No. of accounts in respect of which resolution period was extended	2	2
Amount outstanding as on 31st March (₹ Crore)	109.80	111.30

#These accounts are Technically written off accounts

b. Details of resolution plan implemented under the Resolution Framework for COVID-19 related stress

Disclosure as per RBI (Commercial Banks-Financial statements, Presentation and Disclosures) directions, 2025 dated 28th November 2025 and as amended thereafter, on resolution plan implemented under the Resolution framework for COVID-19 related stress are given below:

SCHEDULE 18 – NOTES ON ACCOUNTS FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2026 (Contd.)

Position for the half-year ended 30th September 2025

(₹ Crore)

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half-year (31st March 2025)	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A), amount written off during the half-year	Of (A), amount paid by the borrowers during the half-year[1]	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year (30th September 2025)
	A	B	C	D	E
Personal Loans	267.02	3.29	-	28.34	237.83
Corporate persons*	102.37	-	-	19.58	92.91
Of which MSMEs	-	-	-	-	-
Others	11.70	-	-	1.87	12.65
Total	**381.09**	**3.29**	**-**	**49.79**	**343.39**

**As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016*

[1] Represents Net Movement in Balances

Position for the half-year ended 31st March 2026

(₹ Crore)

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half-year (30th September 2025)	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A), amount written off during the half-year	Of (A), amount paid by the borrowers during the half-year[1]	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year (31st March 2026)
	A	B	C	D	E
Personal Loans	237.83	3.37	-	33.01	202.82
Corporate persons*	92.91	0.00	-	8.47	84.45
Of which MSMEs	-	-	-	-	
Others	12.65	0.27	-	2.03	10.89
Total	**343.39**	**3.64**	**-**	**43.51**	**298.16**

**As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016*

[1] Represents Net Movement in Balances

SCHEDULE 18 – NOTES ON ACCOUNTS FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2026 (Contd.)

4.5 a. Disclosure on restructured accounts

Particulars		Agriculture and allied activities		Corporate (excluding MSME)		MSME		Retail (excl. agriculture & MSME)		Total *	
		25-26	24-25	25-26	24-25	25-26	24-25	25-26	24-25	25-26	24-25
Standard	No. of borrowers	1	2	0	0	82	121	1085	1433	1168	1556
	Gross Amount	0.10	1.09	0.00	0.00	192.55	261.6	209.87	274.46	402.52	537.15
	Provisions held	0.01	0.11	0.00	0.00	16.92	22.82	20.98	27.44	37.91	50.37
Sub-standard	No. of borrowers	0	0	0	1	7	7	27	39	34	47
	Gross Amount	0.00	0.00	0.00	0.00	2.52	0.86	4.15	7.45	6.67	8.31
	Provisions held	0.00	0.00	0.00	0.00	0.40	0.86	1.20	4.18	1.60	5.04
Doubtful	No. of borrowers	0	0	0	0	4	9	8	58	12	67
	Gross Amount	0.00	0.00	0.00	0.00	4.05	5.05	0.44	3.51	4.49	8.56
	Provisions held	0.00	0.00	0.00	0.00	3.55	4.46	0.43	3.5	3.98	7.96
Loss	No. of borrowers	1	2	0	1	3	11	41	250	45	264
	Gross Amount	0.01	0.02	0.00	7.9	0.09	0.5	0.77	7.45	0.87	15.87
	Provisions held	0.01	0.02	0.00	7.9	0.09	0.5	0.77	7.45	0.87	15.87
Total	No. of borrowers	2	4	0	2	96	148	1161	1780	1259	1934
	Gross Amount	0.11	1.11	0.00	7.9	199.21	268.01	215.23	292.87	414.55	569.89
	Provisions held	0.02	0.13	0.00	7.9	20.96	28.64	23.38	42.57	44.36	79.24

**Note: The above disclosure includes accounts restructured under Covid-19 Resolution Framework 1.0 and 2.0.*

b. Disclosures on the scheme for MSME sector- Restructuring of advances

Year ended	No. of Borrowers	Amount (₹ Crore)
31st March 2026	44	47.16
31st March 2025	68	67.47

4.6 Divergence in asset classification and provisioning

No disclosure on divergence in asset classification and provisioning for NPAs is required with respect to RBI's supervisory process for the year ended March 31, 2024 and March 31, 2025, based on the conditions mentioned in RBI circular ref RBI/DOR/2021-22/ DOR.ACC.REC.No.46/21.04.018/2021-22 dated August 30, 2021 (Updated as on 01-04-2025) on Master Direction on Financial Statements - Presentation and Disclosures and RBI circular ref. RBI/DOR/2025-26/167 DOR.ACC.REC. No.86/21.04.018/2025-26 dated November 28, 2025 on Reserve Bank of India (Commercial Banks - Financial Statements: Presentation and Disclosures) Directions, 2025 respectively.

SCHEDULE 18 – NOTES ON ACCOUNTS FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2026 (Contd.)

4.7 Transfer of loan exposure

a. Details of loans not in default acquired through assignment during the year

(₹ Crore)

Particulars	Acquired from			
	SCBs, RRBs, UCBs, StCBs, DCCBs, AIFIs, SFBs and NBFCs (incl. HFCs)		ARCs	
	2025-26	2024-25	2025-26	2024-25
Aggregate principal outstanding of loans acquired	102.70	165.78	Nil	Nil
Aggregate consideration paid	92.43	149.20		
Weighted average residual tenor of loans acquired	112 months	Ranging between 96.22 to 136.58 months		
Coverage of tangible security	280%	Ranging between 252% to 333%		
Retention of beneficial economic interest by the transferor	10%	10%		
Rating wise distribution of loans acquired	Not applicable*	Not applicable*		

** Loans acquired are under non-corporate category*

b. Details of loans in default transferred during the year

(₹ Crore)

Particulars	To ARCs		To Permitted transferees		To other transferees	
	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25
No. of accounts	2	1	Nil	Nil	Nil	Nil
Aggregate principal outstanding of loans transferred	149.40	53.31				
Weighted average residual tenor of the loans transferred	0	0				
Net book value of loans transferred (at the time of transfer)	0	0				
Aggregate consideration	106.00	6.01				
Additional consideration realized in respect of accounts transferred in earlier years	0	0				
Excess provisions were reversed to the Profit & Loss Account on account of sale of NPAs.	106.00	6.01				

c. The Bank has neither transferred any stressed (SMA) loans and loans not in default during FY 2025-26; nor has acquired any stressed loans / loans classified as NPA during the FY 2025-26 & FY 2024-25.

SCHEDULE 18 – NOTES ON ACCOUNTS FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2026 (Contd.)

4.8 Provision towards frauds

(₹ Crore)

SN	Particulars	2025-26	2024-25
A	Number of frauds reported during the year	50	26
B	Amount involved	280.11	65.32
C	Amount recovered / adjusted	1.85	0.24
D	Amount of interest reversal on NPA	23.86	14.23
E	Balance outstanding as on 31st March (Refer note below)	254.40~	50.85~
F	Provisions held in respect of item 'E' above	167.27	6.11
G	Quantum of un-amortised provision, if any, debited to 'Other Reserves' at the end of the year	Nil	Nil

Note –

~ technically written off accounts of ₹ 87.13 Crores (₹ 44.74 Crore for previous year).

4.9 Disclosure of material items as required under RBI Circular on Commercial banks-Financial statements, presentations and Dislcosure,2025 dated 28.11.2025

(₹ Crore)

Particulars	2025-26	2024-25
Total Income	13158.67	11,507.59
1% of the above	131.59	115.08
Items under 'Miscellaneous Income' under Schedule 14- other Income exceeding 1% of total income		
a). Recovery from Written off accounts	582.38	529.41
Items under 'Other Expenditure' under Schedule 16 – Operating expenses exceeding 1% of total income	Nil	Nil
Total Assets	136603.09	1,19,367.42
1% of the above	1366.03	1,193.67
Items under Schedule 5(IV)- Other Liabilities and Provisions-"Others (including provisions)" exceeding 1% of total assets	Nil	Nil
Items under Schedule 11(VI) – Other Assets- "Others" exceeding 1% of total assets	Nil	Nil

4.10 Disclosure related to Project finance

(₹ Crore)

S. No	Item Description	Number of accounts	Total Outstanding
1	Projects under implementation accounts at the beginning of the quarter.	20	490.39
2	Projects under implementation accounts sanctioned during the quarter.	4	29.14
3	Projects under implementation accounts where DCCO has been achieved during the quarter	-	-
4	Projects under implementation accounts at the end of the quarter. (1+2-3)	24	519.53
5	Out of '4' – accounts in respect of which resolution process involving extension in original/extended DCCO, as the case may be, has been invoked.	-	-

SCHEDULE 18 – NOTES ON ACCOUNTS FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2026 (Contd.)

(₹ Crore)

S. No	Item Description	Number of accounts	Total Outstanding
5.1	Out of '5' – accounts in respect of which Resolution plan has been implemented.	-	-
5.2	Out of '5' – accounts in respect of which Resolution plan is under implementation.	-	-
5.3	Out of '5' – accounts in respect of which Resolution plan has failed	-	-
6	Out of '5', accounts in respect of which resolution process involving extension in original/extended DCCO, as the case may be, has been invoked due to change in scope and size of the project.	-	-
7	Out of '5', account in respect of which cost overrun associated with extension in original/extended DCCO, as the case may be, was funded	-	-
7.1	Out of '7', accounts where SBCF was sanctioned during financial closure and renewed continuously	-	-
7.2	Out of '7', accounts where SBCF was not pre-sanctioned or renewed continuously	-	-
8	Out of '4' – accounts in respect of which resolution process not involving extension in original/extended DCCO, as the case may be, has been invoked.	-	-
8.1	Out of '8' – accounts in respect of which Resolution plan has been implemented.	-	-
8.2	Out of '8' – accounts in respect of which Resolution plan is under implementation.	-	-
8.3	Out of '8' – accounts in respect of which Resolution plan has failed.	-	-

4.11 In terms of Reserve Bank of India (Commercial Banks – Transfer and Distribution of Credit Risk) Directions,2025, necessary details of Co-Lending Arrangements (CLAs) on an aggregate basis as under:

SN	Particulars	As of 31ST March 2026
1	Quantum of CLAs	
	Number of CLA partners	6
	Number of Outstanding cases	6848447
	Amount of Gross Outstanding (₹ In Crore)	1053.02
2	Weighted average rate of interest (%)*	19.17
3	Fees charged/Paid during the FY 25-26 (₹ in Crore)	57.31
4	Broad sectors in which CLA was made	Vehicle loan, secured LAP, unsecured PL, Home loan and Unsecured loan (BNPL)
5	Performance of loans under CLA (₹ in Crore)	
	Standard loans	1005.68
	Non-Performing loans	47.34
6	Details relating to default loss guarantee (if any)	Axio Digital Pvt Ltd will provide FLDG cover to KVB upto 5% of the monthly disbursal cohort. Micro Green Housing Finance Limited provide a Default loss guarantee which is at no time shall exceed more than 2.5% of the DLG set.

** Sub-vented loans are not considered for determination of weighted average rate of interest.*

SCHEDULE 18 – NOTES ON ACCOUNTS FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2026 (Contd.)

5. EXPOSURES

5.1 Exposure to Real Estate Sector

(₹ Crore)

Category		2025-26	2024-25
a)	**Direct exposure**		
(i)	Residential Mortgages (including non-fund based (NFB) limits) –		
	Lendings fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	7,761.66	7,729.62
(ii)	Commercial Real Estate (including non-fund based (NFB) limits) –		
	Lendings secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.)	8,434.72	6,284.83
(iii)	Investments in Mortgage Backed Securities (MBS) and other securitized exposures –		
	a. Residential,	Nil	Nil
	b. Commercial Real Estate.	Nil	Nil
b)	**Indirect Exposure**		
	Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs).	451.24	542.54
Total Exposure to Real Estate Sector		**16,647.62**	**14,556.99**

5.2 Exposure to Capital Market

(₹ Crore)

Particulars		2025-26	2024-25
1.	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	196.95	208.68
2.	Advances against shares/bonds/ debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	Nil	Nil
3.	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	0.20	0.20
4.	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares/convertible bonds/convertible debentures/units of equity oriented mutual funds does not fully cover the advances;	Nil	Nil
5.	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	538.91	288.91

SCHEDULE 18 – NOTES ON ACCOUNTS FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2026 (Contd.)

(₹ Crore)

Particulars	2025-26	2024-25
6. Loans sanctioned to corporates against the security of shares / bonds/ debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	Nil	Nil
7. Bridge loans to companies against expected equity flows/issues;	Nil	Nil
8. Underwriting commitments taken up by the banks in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds;	Nil	Nil
9. Financing to stockbrokers for margin trading;	Nil	Nil
10. All exposures to Venture Capital Funds (both registered and unregistered)	Nil	Nil
Total Exposure to Capital Market	**736.06**	**497.79**

5.3 Risk Category wise Country Exposure

(₹ Crore)

Risk Category	2025-26		2024-25	
	Exposure (net)	Provision held	Exposure (net)	Provision held
Insignificant	123.88		238.06	
Low	161.67		292.28	
Moderately Low	2.02		16.23	
Moderate	65.94		58.23	
Moderately High	0.35	Nil	0.12	Nil
High	0.32		1.39	
Very High	Nil		0.13	
Restricted	Nil		Nil	
Off-credit	Nil		Nil	
Total	**354.18**	**Nil**	**606.44**	**Nil**

The net funded exposure of the bank in respect of foreign exchange transactions with each country is within 1% of the total assets of the Bank and hence no provision is required in terms of RBI guidelines (same for previous year).

5.4 Unsecured Advances

(₹ Crore)

Particulars	As on 31st March	
	2026	2025
Total Unsecured advances of the Bank (Gross)	1,804.59	1,877.71
Out of the above, amount of advances for which intangible securities such as charge over the rights, licenses, authority etc. have been taken as securities	Nil	Nil
Estimated value of such intangible securities	Nil	Nil

SCHEDULE 18 – NOTES ON ACCOUNTS FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2026 (Contd.)

5.5 Factoring Exposures

Bank undertakes factoring, including factoring through TReDS (Trade Receivable Discounting System) platform. TReDS transactions are undertaken across various platforms viz., RXIL (Receivables Exchange of India Limited), M1Xchange and Invoicemart (A.Treds). Receivables of rated large corporates and that of MSME units from corporates are financed through factoring. Finance extended through factoring form part of advances portfolio of the Bank, and the position of factoring exposure is given below:

(₹ Crore)

Particulars	2025-26	2024-25
TReDS	-	-
Factoring	175.83	274.00
Total	**175.83**	**274.00**

5.6 Intra Group Exposures - The bank has no intra group exposures on 31st March 2026 and 31st March 2025.

5.7 Unhedged foreign currency exposure (UFCE)

Bank has a laid down Credit Policy, specifying that in respect of foreign currency loan exposure above USD Two million, hedging is to be insisted upon; its waiver shall be considered on merits, on a case to case basis, and after ensuring obtention of a minimum cash margin of 5% on the exposure towards exchange rate fluctuation risk. In case of foreign currency loan extended to finance exports, considering the availability of natural hedge, hedging of risks may not be insisted upon. For foreign currency exposure of Corporate Borrowers, hedging is to be insisted upon in respect of exposures exceeding the thresholds specified. UFCE shall exclude items which are effective hedge of each other. Natural hedges and financial hedges already made shall be excluded for arriving at the UFCE.

Bank shall make incremental provisioning and capital provisioning as under, as prescribed by RBI, and shall adopt the provisioning and capital provisioning requirements of RBI in respect of those entities on which total exposure of the Banking system is above ₹ 50 Crore. Bank shall follow the RBI guidelines in respect of smaller entities (i.e. total exposure of the Banking system is at ₹ 50 Crore or less) and shall make an incremental provisioning of 10 bps over and above the extant standard asset provisioning for the unhedged exposure. In case of consortium/MBA lending, Bank shall make provisioning on the pro rata exposure of our Bank, provided the borrower is having foreign exchange business relationship with the Bank. Bank holds a provision of ₹ 4.37 Crore as on 31st March 2026 (Previous year ₹ 3.79 Crore) towards UFCE of its clients.

5.8 Details of Single Borrower Limit (SBL), Group Borrower Limit (GBL) exceeded by the bank.

The Bank has not exceeded the prudential credit exposure limits in respect of Single Borrower Limit and Group Borrower Limit (not exceeded the same for previous year).

6. CONCENTRATION OF BUSINESS

(₹ Crore)

Particulars		2025-26	2024-25
a.	**Concentration of Deposits**		
	Total deposits of Twenty Largest Deposits	13,153.33	11,850.06
	% of above to Total Deposits	11.37%	11.61%
b.	**Concentration of Advances**		
	Total Advances to Twenty Largest Borrowers	3,638.77	3879.03
	% of above to Total Advances	3.09%	3.78%
c.	**Concentration of Exposures**		
	Total Exposures to Twenty Largest Borrowers / Customers	3,821.50	3949.46
	% of above to Total Exposure	3.20%	3.81%
d.	**Concentration of NPAs**		
	Total Exposure to top twenty NPA Accounts	359.54	195.60
	% of above to total Gross NPAs	48.33%	30.48%

SCHEDULE 18 – NOTES ON ACCOUNTS FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2026 (Contd.)

7. DERIVATIVES

(₹ Crore)

Particulars		31st March 2026	31st March 2025
7.1	**Forward Rate Agreement/Interest Rate Swap**		
1.	The notional principal of swap agreements		
2.	Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	Nil	Nil
3.	Collateral required by the bank upon entering into swaps		
4.	Concentration of credit risk arising from the swaps		
5.	The fair value of the swap book		
7.2	**Exchange Traded Interest Rate Derivatives**		
1.	Notional principal amount of exchange traded interest rate derivatives undertaken during the year (instrument wise)		
2.	Notional principal amount of exchange traded interest rate derivatives outstanding as on 31st March 2026 (instrument wise)	Nil	Nil
3.	Notional principal amount of exchange traded interest rate derivatives outstanding and not "highly effective" (instrument wise)		
4.	Mark-to-market value of exchange traded interest rate derivatives outstanding and not "highly effective" (instrument wise)		

7.3 Disclosures on risk exposure in derivatives

Qualitative Disclosure

Structure, Organisation, Scope, Nature of risk management in derivatives

Dealing in derivatives is centralized in the integrated Treasury of the Bank. Treasury is segregated into three functional areas i.e., front office, mid office and back office.

Derivative transactions are entered into by the front office; mid office conducts an independent check of the transactions entered into by the front office and ensures compliance with various internal and regulatory guidelines. Back Office undertakes activities such as confirmation, settlement, accounting, risk monitoring and reporting.

Rupee derivative deals are executed for hedging or for trading. The risk in the derivatives portfolio is monitored by assessing the MTM position of the portfolio on a daily basis and the impact on account of probable market movements. The overall portfolio is operated within the risk limit fixed by the Bank. Forex derivative deals are offered to clients on back-to-back basis. The outstanding deals are marked to market on monthly basis. The MTM values are informed to the clients every month and margin topped up where required. Banks have been permitted to adopt the Current Exposure Method for measurement of Credit Exposure of Derivative products as per extant RBI guidelines.

The Board reviews the risk profile of the outstanding portfolio at regular intervals.

Accounting

Accounting policies for derivatives adopted by the Bank are as per RBI guidelines. Hedge swaps are accounted for like a hedge of the asset or liability. The income / expense on hedge swaps are accounted on accrual basis except where swap transactions whose underlying is subjected to MTM. Such hedge swaps are marked to market on a monthly basis and the gain / losses are recorded as an adjustment to the designated asset / liability. The non-hedge swaps are marked to market every month and the MTM losses in the basket are accounted in the books while MTM profits are ignored.

SCHEDULE 18 – NOTES ON ACCOUNTS FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2026 (Contd.)

Collateral Security

As per market practice, no collateral security is insisted for the contracts with counter parties like Banks / PDs etc. For deals with corporate clients, appropriate collateral security / margin etc. are stipulated whenever considered necessary.

Credit Risk Mitigation

Most of the deals are contracted with Banks / major PDs / highly rated clients and no default risk is anticipated on the deals with them.

The market making and the proprietary trading activities in derivatives are governed by the Integrated Treasury policy of the Bank, which lays down the position limits, stop loss limits as well as other risk limits. As far as forex derivatives are concerned, they are undertaken on back-to-back basis only.

Risk monitoring on derivatives portfolio is done on a daily basis. The Bank measures and monitors risk using Price Value of a Basis Point (PVBP) approach. Risk reporting on derivatives forms an integral part of the management information system and the marked to market position and the PVBP of the derivatives portfolio is reported on a daily basis to the top management.

Risk monitoring on forex derivatives is done on a monthly basis. It is reported to the top management and related clients on monthly basis.

Quantitative Disclosure

(₹ Crore)

Risk Category		31st March 2026		31st March 2025	
		Currency Derivatives	Interest rate Derivatives	Currency Derivatives	Interest rate Derivatives
1.	Derivatives (Notional Principal Amount)				
	a) For hedging	Nil		Nil	
	b) For trading				
2.	Marked to Market Positions				
	a) Asset (+)	Nil		Nil	
	b) Liability (-)				
3.	Credit Exposure (Note:1)	Nil		Nil	
4.	Likely impact of one percentage change in interest rate (100*PV01)				
	a) on hedging derivatives	Nil		Nil	
	b) on trading derivatives				
5.	Maximum and Minimum of 100*PV01 observed during the year				
	a) on hedging	Nil		Nil	
	b) on trading				

Note: There are no derivative transactions undertaken during the year (also no derivative transactions undertaken during previous year), other than Forward Forex Contracts. Bank does not have any open position in the Derivative instruments in trading book as on 31st March 2026 (also as on 31st March 2025).

SCHEDULE 18 – NOTES ON ACCOUNTS FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2026 (Contd.)

7.4 Details of derivative portfolio

Particulars	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
	As on 31st March 2026			As on 31st March 2025		
Interest Rate Derivatives						
MTM – Assets	Nil	Nil	Nil	Nil	Nil	Nil
MTM – Liabilities	Nil	Nil	Nil	Nil	Nil	Nil
Net Gain/ Loss recognised in Profit &Loss Account	Nil	Nil	Nil	Nil	Nil	Nil
Exchange Rate Derivatives						
MTM – Assets	Nil	Nil	Nil	Nil	Nil	Nil
MTM – Liabilities	Nil	Nil	Nil	Nil	Nil	Nil
Net Gain/ Loss recognised in Profit &Loss Account	Nil	Nil	Nil	Nil	Nil	Nil
Credit Risk Derivatives						
MTM – Assets	Nil	Nil	Nil	Nil	Nil	Nil
MTM – Liabilities	Nil	Nil	Nil	Nil	Nil	Nil
Net Gain/ Loss recognised in Profit &Loss Account	Nil	Nil	Nil	Nil	Nil	Nil
Other Derivatives (specify)						
MTM – Assets	Nil	Nil	Nil	Nil	Nil	Nil
MTM – Liabilities	Nil	Nil	Nil	Nil	Nil	Nil
Net Gain/ Loss recognised in Profit &Loss Account	Nil	Nil	Nil	Nil	Nil	Nil

7.5 Credit default swaps

The bank has not undertaken any Credit Default Swaps during FY 2025-26 and FY 2024-25.

8. DISCLOSURES RELATING TO SECURITISATION

The bank has not sponsored any SPE/SPVs, including off balance sheet SPVs (which are required to be consolidated as per accounting norms) during FY 2025-26 and FY 2024-25.

(₹ Crore)

SN	Particulars	2025-26		2024-25	
		Number	Amount	Number	Amount
1	No. of SPEs sponsored by the Bank for securitisation transactions				
2	Total amount of securitised assets as per the books of the SPVs sponsored by the bank				
3	Total amount of exposures retained by the bank to comply with MMR as on the date of balance sheet		Nil		Nil
	a) Off-balance sheet exposures				
	i. First Loss				
	ii. Others				
	b) On-balance sheet exposures				
	i. First Loss				
	ii. Others				

SCHEDULE 18 – NOTES ON ACCOUNTS FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2026 (Contd.)

(₹ Crore)

SN	Particulars	2025-26		2024-25	
		Number	Amount	Number	Amount
4	Amount of exposures to securitisation transactions other than MMR				
	a) Off-balance sheet exposures				
	i. Exposures to own securitisations				
	1. First Loss				
	2. Others				
	ii. Exposures to third party securitisations				
	1. First Loss		Nil		Nil
	2. Others				
	b) On-balance sheet exposures				
	i. Exposures to own securitisations				
	1. First Loss				
	2. Others				
	ii. Exposures to third party securitisations				
	1. First Loss				
	2. Others				
5	Sale consideration received for the securitized assets and gain/loss on sale on account of securitization				
6	Form and quantum (outstanding value) of services provided by way of liquidity support, post-securitisation asset servicing, etc.				
7	Performance of facility provided – viz. credit enhancement, liquidity support, servicing agent etc.				
	a. Amount paid				
	b. Repayment received		Nil		Nil
	c. Outstanding amount				
8	Average default rate of portfolios observed in the past				
9	Amount and number of additional/top-up loan given on same underlying asset				
10	Investor complaints				
	a. Directly/Indirectly received				
	b. Complaints outstanding				

8.1 Position of Security Receipts and Recovery Ratings thereof

a. Details of book value of Investments in Security Receipts

(₹ Crore)

Particulars	2025-26	2024-25
i. Backed by NPAs sold by the bank as underlying	279.99	249.70
ii. Backed by NPAs sold by other banks / financial institutions / non-banking financial companies as underlying	Nil	Nil
Total	**279.99**	**249.70**

SCHEDULE 18 – NOTES ON ACCOUNTS FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2026 (Contd.)

b. Recovery ratings assigned for Security Receipts

(₹ Crore)

Rating Scale	Book Value	
	2025-26	2024-25
R1	-	-
RR1	30.35	-
RR2	-	-
RR3	-	-
RR4	-	-
Unrated	-	-
Unrated* (Rating Withdrawn)	249.64	249.70
Total	**279.99**	**249.70**

** As per RBI guidelines, rating is not applicable after eight years.*

c. Age wise classification of Security Receipts

(₹ Crore)

	Particulars	SRs issued					
		Within past 5 years		More than 5 years ago but within past 8 years		More than 8 years ago ~	
		2025-26	2024-25	2025-26	2024-25	2025-26	2024-25
1	Book value of SRs backed by NPAs sold by the bank as underlying	91.42*	121.25*	Nil	Nil	249.64	249.70
	Provision held	*	*	Nil	Nil	249.64	249.70
2	Book value of SRs backed by NPAs sold by other banks / financial institutions /non-banking financial companies as underlying	Nil					
	Provision held	Nil					
	Gross Book value	91.42*	121.25*	Nil	Nil	249.64	249.70
	Total provision held against above	-	-	Nil	Nil	249.64	249.70
	Net Book Value	1	1	Nil	Nil	Nil	Nil

~SRs ageing more than 8 years have been classified as loss assets in investment books

**As per RBI Master directions RBI/DOR/2023-24/104 DOR.MRG.36/21.04.141/2023-24 on 12th September 2023 with effect from 1st April 2024. Master Direction - Classification, Valuation and Operation of Investment, Portfolio of Commercial Banks (Directions),2023, Bank has fair valued the Security Receipts which are in standard category to ₹ 1/-. During the FY 25-26, there was a fresh allotment of security receipts to the bank on account of various CDR measures to the tune of 30.35 Crore. As on 31st March 2026, the outstanding security receipts which are in standard category stood at 91.42 Crore which were fair valued to ₹30.35 Crore. (During the Financial Year 2024-25, there was 11.27 Crore fresh security receipts allotted to bank on account of various CDR measures. As on 31st March 2025, the net recoveries in the Security receipts under Non-NPI category was 15.12Cr and Security receipts outstanding stands at 121.25 Crore were also fair valued to ₹ 1/-).*

Acquisition of Securities due to conversion of Debt:

During the Financial Year 2025-26, Bank has been allotted with INVITs & SR's under Debt settlement plan.

i. Bank has been allotted 4343760 (Units) Equity face value of ₹1/- each under debt settlement plan in respect of one borrower account.

SCHEDULE 18 – NOTES ON ACCOUNTS FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2026 (Contd.)

9. OFF-BALANCE SHEET SPVS SPONSORED (WHICH ARE REQUIRED TO BE CONSOLIDATED AS PER ACCOUNTING NORMS)

The bank has not sponsored any off-balance sheet SPVs as on 31st March 2026 and 31st March 2025.

10. TRANSFERS TO DEPOSITOR EDUCATION AND AWARENESS FUND (DEA FUND)

As per RBI guidelines, the credit balance in accounts which have not been operated upon for a period of ten years or any deposit or any amount remaining unclaimed for a period exceeding ten years is transferred to DEAF.

(₹ Crore)

Particulars	2025-26	2024-25
Opening balance	248.70	224.44
Add : Amounts transferred during the year	35.81	34.89
Less : Amounts reimbursed towards claims paid	5.11	10.63
Closing balance	279.40	248.70

The closing balance of the amount transferred to DEA fund, as disclosed above, are also included under 'Schedule 12 – Contingent Liabilities- other items for which the bank is contingently liable'.

11. DISCLOSURE ON COMPLAINTS

a) Disclosure on complaints received from customers and Banking Ombudsman (OBO)

(₹ Crore)

SN	Particulars	2025-26	2024-25
A.	**Complaints received by the bank from its customers**		
1	Number of complaints pending at beginning of the year	237	176
2	Number of complaints received during the year	9711	6377
3	Number of complaints disposed during the year	9336	6316
3.1	Of which, number of complaints rejected by the bank	5754	3621
4	Number of complaints pending at the end of the year	612	237
B.	**Maintainable complaints received by the bank from OBOs**		
5	Number of maintainable complaints received by the bank from OBOs	516*	381#
5.1	Of 5, number of complaints resolved in favour of the bank by BOs	217	141
5.2	Of 5, number of complaints resolved through conciliation / mediation / advisories issued by BOs	299	240
5.3	Of 5, number of complaints resolved after passing of Awards by BOs against the bank	Nil	Nil
6	Number of Awards unimplemented within the stipulated time (other than those appealed)	Nil	Nil

Note: Maintainable complaints refer to complaints on the grounds specifically mentioned in Integrated Ombudsman Scheme, 2021 and covered within the ambit of the Scheme.

** 34 complaints were received and the same were reported in the previous FY 24-25 but the said complaints were resolved by RBI during FY 25-26 and advised us to include the same as maintainable complaints for FY 25-26.*

 # 13 complaints were received and the same were reported in the previous FY 23-24 but the said complaints were resolved by RBI during FY 24-25 and advised us to include the same as maintainable complaints for FY 24-25.

SCHEDULE 18 – NOTES ON ACCOUNTS FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2026 (Contd.)

b) Top five grounds of complaints received from customers

(₹ Crore)

Grounds of complaints (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
2025-26					
Internet/Mobile/Electronic Banking	189	5499	82.87	484	0
Loans and advances	15	1371	20.47	55	0
Account opening/ Difficulty in operation of accounts	4	318	69.15	10	0
ATM/Debit cards	8	315	24.02	14	0
Levy of charges without prior notice/excessive charges/ foreclosure charges	1	92	16.46	0	0
Others	20	2116	23.67	49	0
Total	**237**	**9711**	**52.28**	**612**	**0**
2024-25					
Internet/Mobile/Electronic Banking	75	3007	57.35	189	0
Loans and advances	57	1138	(28.38)	15	0
ATM/Debit cards	5	254	100.00	8	0
Account opening/ Difficulty in operation of accounts	7	188	(14.16)	4	0
Levy of charges without prior notice/excessive charges/ foreclosure charges	0	79	46.30	1	0
Others	32	1711	3.26	20	0
Total	**176**	**6377**	**14.75**	**237**	**0**

Note: The above data has been compiled on the basis of RBI guidelines by the management and have been relied upon by auditors.

12. DISCLOSURE OF PENALTIES IMPOSED BY RBI

During the year RBI has levied the following penalties –

1. ₹ 1,25,550*/- emanating out of deficiencies found while processing the currency notes remitted by the Bank, ₹ 10,000/- for the deficiencies found in the branch incognito visit by RBI and ₹ 30,000/- for the deficiencies found in the ATM cash outs (Previous year ₹ 2,60,975/-).

   * RBI has reversed penalty of ₹ 5000 levied on Hyderabad currency chest.

SCHEDULE 18 – NOTES ON ACCOUNTS FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2026 (Contd.)

13. DISCLOSURES ON REMUNERATION

Qualitative Disclosure

The RBI circular RBI/DOR/2025-26/149 DOR.HGG.GOV. No.68/29.67.001/ 2025-26 dated 28th November 2025 on "Reserve Bank of India (Commercial Banks - Governance) Directions, 2025" read with Reserve Bank of India (Commercial Banks: Financial Statements – Presentation and Disclosures) Directions, 2025, requires the Bank to make following disclosures on remuneration on an annual basis in Annual Financial Statements:

a. Information relating to the composition and mandate of the Nomination and Remuneration Committee (NRC)

The Composition of Nomination & Remuneration Committee complies with RBI guidelines, provisions of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 ('SEBI LODR'). As on 31st March 2026, the Nomination & Remuneration Committee (NRC) of the Board consists of the following Independent Directors;

Shri Murali Ramaswami	Chairman of the Committee
Dr Meena Hemchandra, Chairperson	Member
Shri R Vidhya Shankar	Member

Out of the above, Dr Meena Hemchandra is also a member of Risk Management Committee of the Board.

The mandate of Nomination and Remuneration Committee includes:

a. Formulate criteria for determining qualifications, positive attributes and independence of a director, in terms of fit and proper criteria issued by the RBI from time to time.

b. Devise/review a Policy on Appointment and Succession Planning for Directors.

c. Devise/review a policy on Board Diversity.

d. Formulate/review criteria for evaluation of performance of Chairman, Independent Directors, Board of Directors, Committees of Board.

e. Recommend persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the board of directors their appointment and removal.

f. Frame/review Compensation Policy towards ensuring effective alignment between remuneration and risk. Directors and Senior Management Personnel shall be part of the Compensation Policy.

g. Formulate the criteria for variable pay and fix the thresholds for applying malus & clawback on the grant of variable pay payable to MD & CEO/ WTD

h. Review and recommend to the board, all remuneration, in whatever form, payable to Directors & senior management.

i. Consider grant of stock options to employees, administer and supervise the Employee Stock Option Plans in conformity with statutory provisions and guidelines.

j. Provide inputs, if required, to Board for making disclosures regarding policies, appointments, remuneration etc. of Directors and Senior Management personnel in the Annual Reports/ Directors Reports/Financial Statements etc. as may be required by the regulations from time to time.

k. Perform any other functions or duties as stipulated by the Companies Act, RBI, SEBI, Stock Exchanges and any other regulatory authority or under any applicable laws as may be prescribed from time to time.

SCHEDULE 18 – NOTES ON ACCOUNTS FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2026 (Contd.)

b. Information relating to the design and structure of remuneration processes and the key features and objectives of remuneration policy

The Bank has Board approved Compensation Policy in terms of the RBI guidelines, provisions of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 ('SEBI LODR'). The Compensation Policy of the Bank covers the compensation payable to all the employees including the MD&CEO/ WTD, Key Managerial Personnel, Material Risk Takers, Control Function Staff as per the guidelines of RBI as also fee payable including fixed remuneration to Non-Executive Directors of the Bank including Independent Directors. Nomination and Remuneration Committee (NRC) of the Bank oversees the framing, review and implementation of compensation policy on behalf of the Board of Directors.

Further the inputs of Risk Management Committee are also considered to maintain, implement and establish that the compensation is adjusted for all types of risks, Compensation outcomes are symmetric with risk outcomes.

In terms of RBI Guidelines and Compensation Policy of the Bank the position of Managing Director & CEO and Executive Director were identified as Material Risk Takers (MRT). During the year under review, based on the internal assessment the role of Chief Operating Officer was identified as Material Risk Taker (MRT) with effect from 4th March 2026. The compensation payable to MRTs would be divided into fixed and variable components. Non-Executive Directors/ Independent Directors are paid sitting Fees for attending Board/ Committee meetings. Part-time (Non-Executive) Chairperson is entitled for honorarium, as approved by Reserve Bank of India and Shareholders of the Bank.

In terms of RBI Circulars and as approved by the shareholders vide postal ballot resolution dated 16th July 2024, Non-Executive Directors of the Bank including Independent directors (Other than Non-Executive (Part-time) Chairperson) are eligible for fixed remuneration to the tune of 0.2% of the profit available for distribution subject to a maximum of ₹ 20 Lakhs for each Director per annum with effect from FY 2024-25, for a period of three (3) years. The said fixed remuneration payable shall be in proportion to the tenure of the Directors on the Board during the year.

Remuneration to employees (other than MRTs) is defined by the IBA pay scale/ CTC pay structure, both of which are approved by the Board. The IBA pay scale is an industry standard across all PSBs and old generation private banks, while the CTC pay structure specific to KVB has been formulated based on comparative industry practices. The objective is to suitably compensate every employee as per his position in the organization so as to adequately recognize his contributions.

Objective of the Compensation policy is to align the compensation with prudent risk taking;

- Compensation must be adjusted for all types of risks
- Compensation outcomes must be symmetric with risk outcomes
- Compensation pay-out schedules must be sensitive to the time horizon of risks
- The proportion of cash, equity and other forms of compensation must be consistent with risk alignment.

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 relation to MRTs the clauses of Compensation Policy adopted by the Bank address the issues pertaining to current and future risks. While current risks are factored in fixed pay, the future risks are factored in variable pay. The variable pay shall be based on predefined KPIs having a wide variety of measures related to Governance, Internal Controls, appropriate risk management practices and adherence to Compliance, etc as set out by NRC. This risk adjustment factors in both quantitative and qualitative elements. The Policy effectively aligns the compensation with prudent risk taking and relates to risk outcomes as well as sensitive to the time horizon of risk. Further in adherence to FSB implementation standards & RBI Guidelines, variable pay has deferral arrangements. In the event of negative outcomes & misconduct risk, the deferred compensation shall be subjected to malus and claw back arrangements in tune with the RBI guidelines.

The remuneration (other than MRTs) as per IBA / CTC package is position / designation specific. However, there are sufficient systems and procedures in place in the Bank (including KVB Officer Employees, Conduct Regulations and Discipline & Appeal Regulations, and also Malus / Claw back clauses in the employment contracts wherever applicable and continuous monitoring / auditing etc.,) to ensure deterrence in unacceptable behaviour and risk mitigation.

d. Description of the ways in which the bank seeks to link performance during a performance measurement period with levels of remuneration

For all employees eligible for Variable Pay such as MRTs and Control Functions, or employees on CTC structure, other than employees on IBA format, Bank follows a performance-based compensation approach. In such cases, the Variable Pay, Or Incentives (by whatsoever name called) are linked to performance scores from the systematic annual performance reviews.

Further, the annual increments in compensation are also linked to the aforementioned performance assessments. While the compensation of IBA employees is based on industry settlements, bank may also provide performance linked rewards.

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

As per the Compensation Policy, Variable pay is eligible on the achievement of certain business/compliance targets fixed by the management. The structuring of remuneration in case of MD & CEO/WTD shall be subject to the approval of RBI.

Deferral arrangements for variable pay in case of Managing Director & CEO/WTD and other employees who are MRTs, in adherence to FSB implementation standards shall be;

a minimum of 60% of the total variable pay shall be under deferral arrangements.

If cash component of variable pay equals or exceeds ₹25.00 Lakhs, then at least 50% of the cash bonus shall be deferred.

The deferral period shall be a minimum of three years applicable to both cash and non-cash components of the variable pay. Deferred remuneration shall either vest fully at the end of the deferral period or be spread out over the course of the deferral period. The first such vesting shall not be before one year from the commencement of the deferral period. The vesting shall be on a pro-rata basis and shall not be front loaded. Additionally, vesting shall not take place more frequently than on a yearly basis to ensure a proper assessment of risks before the application of ex post adjustments.

In cases where the compensation by way of share linked, instruments is not permitted by law / regulations, the entire variable pay can be in cash, subject to deferral /vesting / malus-clawback norms.

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

Variable pay, to such employees as eligible and in adherence to the RBI guidelines on Compensation to WTDs, MRTs, and Control Functions is based on performance and is measured through KPIs. Bank ensures that the compensation structure is comprehensive and considers both, qualitative and quantitative performance measures. The variable pay would be in the form of cash & non-cash components (in the form of Share linked instruments).

Bank also has three Employees Stock Option Schemes viz; KVB ESOS 2011, KVB ESOS 2018 and KVB ESOS 2025. NRC may grant stock options under the Employees Stock Option Schemes from time to time in terms of SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (Erstwhile SEBI (Share Based Employee Benefits) Regulations, 2014).

Bank also subscribes to other forms of performance linked incentives, non–cash incentives, which may be linked to organisation/individual performance as appropriate to the role and grade for employees in the CTC Structure and IBA Structure.

SCHEDULE 18 – NOTES ON ACCOUNTS FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2026 (Contd.)

Quantitative Disclosures:

Particulars			2025-26	2024-25
a)	Number of meetings held by the Nomination & Remuneration Committee during the financial year and remuneration paid to its members.		11 Meetings and remuneration of ₹ 0.17 Crore	10 Meetings and remuneration of ₹ 0.16 Crore
b)	Number of employees having received a variable remuneration award during the financial year (see note 'b' below)		2	2
c)	Number and total amount of sign-on/joining bonus made during the financial year		Nil	Nil
d)	Details of severance pay, in addition to accrued benefits, if any		Nil	Nil
e)	Total amount of outstanding deferred remuneration, split into cash, types of share-linked instruments and other forms	a.	Cash- ₹1,50,72,494/-	a. Cash- ₹96,72,153/-
		b.	Non-cash – 1,22,641 ESOPs	b. Non-cash – 1,58,772 ESOPs
f)	Total amount of deferred remuneration paid out in the financial year	a.	Cash- ₹ 42,92,460/-	a. Cash- ₹ 26,90,056/-
		b.	Non-Cash- 88,148 ESOPs	b. Non-Cash- 1,16,271 ESOPs
g)	Breakdown of amount of remuneration awards for the financial year to show fixed and variable, deferred and non-deferred (Refer note below)	1.	Fixed Pay ₹ 3,74,23,255/-	1. Fixed Pay ₹ 3,10,61,755/-
		2.	Variable Pay: ₹ 3,47,15,781/-	2. Variable Pay: ₹ 2,58,31,445/-
h)	Total amount of outstanding deferred remuneration and retained remuneration exposed to ex post explicit and / or implicit adjustments		Nil	Nil
i)	Total amount of reductions during the financial year due to ex-post explicit adjustments		Nil	Nil
j)	Total amount of reductions during the financial year due to ex-post implicit adjustments		Nil	Nil
k)	Number of MRTs identified		3	3
l)	Number of cases where malus has been exercised		Nil	Nil
m)	Number of cases where clawback has been exercised		Nil	Nil
n)	Number of cases where both malus and clawback has been exercised		Nil	Nil
o)	The mean pay for the Bank as a whole (excluding sub-staff) and the deviation of the pay of each of its WTDs from the mean pay	Mean Pay#	₹ 12,13,792.12	₹ 12,27,414
		Deviation of the pay*		
		For MD&CEO	41.04X	34.17X
		For Shri J. Natarajan, ED (Demitted office on 21.05.2025)	15.05X	18.23X
		For Shri Sankar Balabhadrapatruni, ED	9.03X	0.47X

** - includes Terminal benefits such as Gratuity, leave encashments.*

#It is clarified that, as the bipartite settlement arrears were included in the payout of FY 2024-25, thus the mean payout reflected higher.

**Deviation from Mean Pay of the Bank, in respect of MD &CEO and Executive Director Shri. J.Natarajan, compensation has seen a significant change due to the following reasons:*

SCHEDULE 18 – NOTES ON ACCOUNTS FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2026 (Contd.)

a. The revision in remuneration (both fixed and variable) paid to MD&CEO during the FY 2025-26 has been considered and the increase compared to previous FY 2024-25 is because of variable pay payments i.e. cash component of FY 24-25, deferral cash component of FY 21-22, 22-23, 23-24, Exercise of non-cash component of variable pay (ESOS) pertaining to FY 21-22, 22-23, 23-24 and perquisites as per Income Tax act,1961.

b. The remuneration (fixed and variable) paid to ED during the FY 2025-26 includes Remuneration (Fixed and variable), variable pay components (cash) of Apr 2024- May 2025 in addition to deferred portion from preceding year FY 2023-24 and exercise of variable pay non-cash components for FY 2021-22,2022-23, 2023-24 (during which time he served as the President) and perquisites as per Income Tax act,1961.

c. Shri Sankar Balabhadrapatruni joined as Executive Director on 12th March 2025 he was not entitled for variable pay during FY 2025-26. Further for the purpose of calculating the deviation in mean pay, remuneration of Executive Director Mr. Sankar Balabhadrapatruni during FY (2025-26) includes Fixed Remuneration and Perquisites as per Income Tax Act, 1961.

Note – a. Details of fixed remuneration paid:

SN	Name	Period	Designation	Amount (₹)*
1	Mr. B. Ramesh Babu	2025-26	MD & CEO (MRT)	2,51,51,312
2	Mr. J. Natarajan	2025-26	ED (MRT)	13,06,281
3	Mr. Shankar Balabadrapatruni	2025-26	ED (MRT)	1,09,65,662
4	Mr. M S Chandrasekaran	2025-26	CGM & COO (MRT)	71,37,844
Total				**3,74,23,255**
1	Mr. B. Ramesh Babu	2024-25	MD & CEO (MRT)	2,17,13,625
2	Mr. J. Natarajan	2024-25	ED (MRT)	87,65,798
3	Mr. Shankar Balabadrapatruni (Appointed as ED from 12th March 2025)	2024-25	ED (MRT)	5,82,332
Total				**3,10,61,755**

** Includes perquisites worked out as per Income Tax Rules, 1962.*

1. Reserve Bank of India vide its letter dated 2nd December 2025 has approved the revision in Fixed Pay of MD & CEO from ₹ 2.19 Crore per annum to ₹ 2.51 Crore per annum w.e.f. 29th July 2025.
2. On arriving for the Fixed remuneration of Shri J Natarajan, Ex- Executive Director terminal benefits payment in the form of Leave encashments and Gratuity paid are not considered.
3. RBI vide letter dated 11th February 2025 has approved the appointment of Shri Sankar Balabhadrapatruni as Executive Director for a period of three year effective from date of taking charge, Board in its meeting held on 20th February 2025 has appointed Shri Sankar Balabhadrapatruni as Executive Director and he has taken charge on 12th March 2025.
4. Role of Chief Operating Officer was identified as Material Risk Taker (MRT) with effective from 4th March 2026.

b. Details of Variable Pay pertaining to FY 2024-25 granted during the FY 2025-26:

SN	Name	Variable Pay (₹)	Cash (₹)	Share linked remuneration (ESOPs)
1	Shri. B. Ramesh Babu, MD&CEO (MRT) [a]	2,57,00,000	1,28,50,000 (Upfront 64.25 Lacs + 21.41 Lacs each deferred over a period of 3 years)	52,017 options to be vested in the ratio of 33:33:34
2	Shri. J. Natarajan, President (MRT) [b]	90,15,781	90,15,781 (Upfront 36.06 Lacs + 18.03 Lacs each deferred over a period of 3 years)	-
	Total	**3,47,15,781**		

SCHEDULE 18 – NOTES ON ACCOUNTS FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2026 (Contd.)

a. RBI vide letter dated 02.12.2025 has approved variable pay to Mr. B Ramesh Babu, MD & CEO for performance period FY 2024-25, which was paid during the year ended 31st, March 2026.

b. Shri J Natarajan was in the role of president from 1st April 2024 till 21st May 2024 and consequent to RBI's approval of his appointment, he had taken charge as Executive Director for a period of one year from 22nd May 2024 till 21st May 2025. RBI vide its letter dated 21st August 2025 approved the variable pay for his term. The variable pay above mentioned pertains to the performance period FY 2024-25 includes the role of President and also of Executive Director.

c. In terms of RBI Guidelines and Compensation Policy of the Bank the position of Managing Director & CEO and Executive Director were identified as Material Risk Takers (MRT) during previous years. During the year under review, based on the internal assessment the role of Chief Operating Officer was identified as Material Risk Taker (MRT) with effective from 4th March 2026.

13.1 Remuneration (including sitting fees, profit related commission and Honorarium) paid to non-executive directors during the year is ₹ 3.25 Crore (previous year ₹ 2.45 Crore). Fixed remuneration pertaining to FY 2024-25 was paid during the financial year 2025-26 upon adoption of the financial results.

In order to enable the Bank to sufficiently attract qualified competent individuals, RBI vide its circular No. RBI/2023-24/121 DoR.HGG.GOV.REC. 75/29.67.001/2023-24 dated 9th February 2024, has revised the ceiling of fixed remuneration of Non-Executive Directors excluding Non-Executive (Parttime) Chairman, from ₹ 20 Lakh to ₹ 30 Lakh per annum. In line with the above circular, the fixed remuneration to all the Non-Executive Directors (excluding the Non-Executive (Parttime) Chairperson) has been revised from, an amount of 0.1% of the profit available for distribution subject to a maximum of ₹ 10 Lakh per annum per Director to 0.2% of the profit available for distribution subject to a maximum of ₹ 20 Lakh per annum per Director with effect from the FY 2024-25, for a period of Three (3) years. The same was approved by shareholders vide Postal Ballot resolution dated 16th July 2024.

Dr Meena Hemchandra, Non-Executive Independent (Part-time) Chairperson was paid ₹ 29,05,645.15/- as remuneration for the financial year 2025-26, in addition to payment of Sitting Fees for attending the Board/Committee Meetings. RBI vide its letter date 9th May 2025 has revised the remuneration of Chairperson from ₹ 27 lakh per annum to ₹ 30 lakh per annum with effect from 25th July 2025.

13.2 Employee Stock Option Plan:

The Bank has formulated and adopted Employee Stock Option Schemes to provide a platform to employees for participating in the ownership of the Bank and in its long-term growth. The Bank uses stock options as a compensation tool to attract and retain critical talent and encourage employees to align individual performances with that of Banks' objectives. Currently the Bank has the following Schemes in compliance with the provisions of SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021:

i) Karur Vysya Bank Employees Stock Option Scheme 2011 ("KVB-ESOS-2011"):

Shareholders of the Bank had approved Karur Vysya Bank Employees Stock Option Scheme 2011 ("KVB-ESOS-2011") vide Annual General Meeting (AGM) Notice dated 25th June 2011, enabling the Nomination and Remuneration Committee to grant options and decide the grant terms in line with the guidelines of SEBI. Vesting eligibility under these schemes are purely based on achievement of performance matrix. The vesting period shall be under deferral arrangement upto three years from the date of grant, however minimum vesting period of one year is mandatory.

SCHEDULE 18 – NOTES ON ACCOUNTS FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2026 (Contd.)

Stock option activity under the KVB ESOS 2011 Scheme for the year ended 31ST March 2026 is set out below:

Particulars	No. of Options	Range of exercise prices (₹)	Weighted average exercise price (₹)	Weighted remaining contractual life (Years)
Outstanding at the beginning of the year	2,52,598	38.60	38.60	-
Granted during the year	-	-	-	-
Bonus 2025 Adjustment	36,530*	-	-	
Exercised during the year	2,51,693*	32.17-38.60	33.71	-
Lapsed/ forfeited during the year	37,435**	32.17-38.60	32.41	-
Outstanding at the end of the year	-	-	-	-
Exercisable at the end of the year	-	-	-	-

**Exercise price & outstanding options which are vested unexercised are adjusted in the ratio of bonus issue (i.e., added with 1 bonus share for every 5 shares) and the Exercise price is adjusted to the effect of bonus ratio (i.e., reduced into the effect of 1 bonus share) in line with SEBI (SBEB & SE) Regulations, 2021.*

*** Based on the eligibility conditions during the year 37,435 options under ESOS 2011 scheme were lapsed, and the said options were added back to the Employee Stock Option pools.*

Stock option activity under the KVB ESOS 2011 Scheme for the year ended 31st March 2025 is set out below:

Particulars	No. of Options	Range of exercise prices (₹)	Weighted average exercise price (₹)	Weighted remaining contractual life (Years)
Outstanding at the beginning of the year	6,35,972	38.60	38.60	0.67
Granted during the year	-	-	-	-
Exercised during the year	3,44,403	38.60	38.60	-
Lapsed/ forfeited during the year	38,971*	38.60	38.60	-
Outstanding at the end of the year	2,52,598	38.60	38.60	0.67
Exercisable at the end of the year	2,52,598	38.60	38.60	0.67

**Based on the eligibility conditions during the year 38,971 options under ESOS 2011 scheme were lapsed, and the said options were added back to the Employee Stock Option pools.*

During the year under review and in the previous year, no options were granted under this scheme.

ii) Karur Vysya Bank Employees Stock Option Scheme 2018 ("KVB-ESOS-2018"):

Shareholders of the Bank had approved Karur Vysya Bank Employees Stock Option Scheme 2018 ("KVB-ESOS-2018") vide Postal Ballot Notice dated 20th March 2018, enabling the Nomination and Remuneration Committee to grant options and decide the grant terms in line with the guidelines of SEBI. Vesting eligibility under these schemes are purely based on achievement of performance matrix. The vesting period shall be under deferral arrangement upto three years from the date of grant, however minimum vesting period of one year is mandatory.

SCHEDULE 18 – NOTES ON ACCOUNTS FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2026 (Contd.)

Stock option activity under the KVB ESOS 2018 Scheme for the year ended 31st March 2026 is set out below:

Particulars	No. of Options	Range of exercise prices (₹)	Weighted average exercise price (₹)	Weighted remaining contractual life (Years)
Outstanding at the beginning of the year	3,42,823	38.60 - 154.75	129.71	0.96
Granted during the year	1,03,541	246.79 - 274.00	256.87	2.67
Vested during the year	2,12,061	38.60 - 202.77	-	-
Bonus 2025 Adjustment *	51,967	-	-	-
Exercised during the year	2,32,061	38.60 - 202.77	-	-
Lapsed/ forfeited during the year	-	-	-	-
Outstanding at the end of the year	2,66,270	92.25 - 247.03	185.60	1.11
Exercisable at the end of the year	-	-	-	-

**Exercise price & outstanding options which are vested unexercised are adjusted in the ratio of bonus issue (i.e., added with 1 bonus share for every 5 shares) and the Exercise price is adjusted to the effect of bonus ratio (i.e., reduced into the effect of 1 bonus share) in line with SEBI (SBEB & SE) Regulations, 2021.*

Stock option activity under the KVB ESOS 2018 Scheme for the year ended 31st March 2025 is set out below:

Particulars	No. of Options	Range of exercise prices (₹)	Weighted average exercise price (₹)	Weighted remaining contractual life (Years)
Outstanding at the beginning of the year	6,28,824	38.60-154.75	79.38	1.17
Granted during the year	1,12,755	202.77	202.77	2.62
Vested during the year	2,48,568	38.60-154.75	-	-
Exercised during the year	3,16,468	38.60-154.75	-	-
Lapsed/ forfeited during the year	82,288*	47.00-135.55	92.47	-
Outstanding at the end of the year	3,42,823	38.60-202.77	129.71	0.96
Exercisable at the end of the year	-	-	-	-

**Based on the eligibility conditions during the year 82,288 options under ESOS 2018 scheme were lapsed, and the said options were added back to the Employee Stock Option pools.*

Details of options granted during the year ended 31st March 2026 are given below:

Date of Grant	No. of Options Granted	Grant price (₹ per option)
June 18, 2025	16,336*	205.66*
July 17, 2025	45,489*	228.33*
December 05, 2025	52,017	247.03

The Bank has granted 52,017 options of face value ₹ 2/- each to Material Risk Taker (MRT) - MD & CEO under KVB ESOS 2018 scheme during the year. In terms of RBI Guidelines on Compensation Policy, the said grant is part of his variable pay non-cash component for the performance assessment period of FY 2024-25. Further Bank has also granted 61,825 options (grant dated 18th June 2025 & 17th July 2025) of face value ₹ 2/- each to Senior Management under KVB ESOS 2018 scheme during the year as a part of their non-cash component for the performance assessment period of FY 2024-25. The vesting period shall be under deferral arrangement of three years from the date of grant.

SCHEDULE 18 – NOTES ON ACCOUNTS FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2026 (Contd.)

Details of options granted during the year ended March 31, 2025 are given below:

Date of Grant	No. of Options Granted	Grant price (₹ per option)
July 08, 2024	1,27,786 *	168.98 *

**Exercise price & outstanding options which are vested unexercised are adjusted in the ratio of bonus issue (i.e., added with 1 bonus share for every 5 shares) and the Exercise price is adjusted to the effect of bonus ratio (i.e., reduced into the effect of 1 bonus share) in line with SEBI (SBEB & SE) Regulations, 2021.*

iii) Karur Vysya Bank Employees Stock Option Scheme 2025 ("KVB-ESOS-2025"):

Karur Vysya Bank Employees Stock Option Scheme 2025 ("KVB ESOS 2025") was approved by the shareholders of the Bank pursuant to the Annual General Meeting (AGM) Notice dated 24th July 2025, with 3,00,00,000 (Three Crore) options. Consequent to the Bonus Issue by the Bank in the FY 2025 26 in the ratio of 1:5, an additional 60,00,000 (Sixty Lakh) stock options were added to the options pool. Accordingly, the total outstanding options under the scheme stood at 3,60,00,000 (Three Crore Sixty Lakh) as at 31ST MARCH 2026.

During the period under review, no options were granted under this scheme.

The company has adopted fair value method for accounting employee share based compensation cost. Under the fair value method the fair value of option as on the grant date is expensed on straight line basis over the vesting period as employee compensation expenses. The details of cost accounted as expense the Employee Stock Option plans are as under:

(₹ Crore)

Particulars	For the year ended 31st March 2026	For the year ended 31st March 2025
Employee share based compensation cost recognized during the year	0.56	0.54

The fair value of the options is estimated on the date of the grant using the Black- Scholes pricing model, with the following assumptions.

Particulars	31st March 2026	31st March 2025
Dividend yield	1.16% - 1.52%	0.48% - 1.43%
Expected Life (in years)	1 – 3	0.67 – 3
Risk free interest rate	5.56% - 7.11%	4.88% - 7.11%
Expected volatility	31.31% - 43.69%	33.25% - 48.33%
How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility	Is a measure of the amount by which a price has fluctuated or is expected to fluctuate during the period. The measure volatility is used in the Black Scholes option- pricing model is the annualized standard deviation of the continuously compounded rate of the return of the stock over a period. The period to be considered for volatility has to be adequate to represent a consistent trend in the price movements and the movement due to abnormal events if any gets evened out. No research demonstrates conclusively how long the historical period used to estimate expected long-term future volatility should be. However, informal tests and preliminary research tends to confirm that estimates of expected future long-term volatility should be based on historical volatility for a period that approximates the expected life of the options being valued.	
The method used and the assumptions made to incorporate the effects of expected early exercise.	The Options shall be exercised immediately upon each Vesting of the Options.	

Note: Valuation reports for the grants made are issued by the SEBI Registered (CAT-1) Merchant Banker and relied upon by the auditors

SCHEDULE 18 – NOTES ON ACCOUNTS FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2026 (Contd.)

14. OTHER DISCLOSURES

14.1 Business Ratios

Particulars		2025-26	2024-25
1.	Interest Income as a percentage to Working Funds (%)	8.53	8.59
2.	Non-interest income as a percentage to Working Funds (%)	1.61	1.62
3.	Cost of Deposits (%)	5.56	5.61
4.	Net Interest Margin (%)	4.11	4.09
5.	Operating Profit as a percentage to Working Funds (%)	3.14	2.85
6.	Return on Assets (%)	1.93	1.72
7.	Business (Deposits plus Advances) per employee (₹ Crore)	21.59	18.91
8.	Profit per employee (₹ Crore)	0.25	0.20

Working Funds are based on average of total assets as reported to RBI in Form X during the year; Employee productivity ratios are based on actual number of employees at the end of the year.

14.2 Income from Bancassurance business

(₹ Crore)

SN	Fee/Remuneration from sale of	2025-26*	2024-25*
1	Life Insurance Products	148.05	119.06
2	Non-Life Insurance Products	36.92	32.01
3	Health Insurance Products	10.46	11.39
Total		**195.43**	**162.46**

** Inclusive of GST.*

14.3 Income from marketing and distribution

(₹ Crore)

SN	Fee/Remuneration from sale of	2025-26	2024-25
A	**Mutual fund products**	1.72	1.45
	Total (A)	**1.72**	**1.45**
B	**Other products**		
1	Demat & Trading	1.68	1.62
2	Co-branded Credit Card	0.59	0.68
3	PMJJBY Scheme	0.25	0.07
4	PMSBY Scheme	0.03	0.01
5	Sovereign Gold Bond Scheme	0.00	0.00
6	Atal Pension Yojana	0.31	0.09
7	National Pension Scheme	0.04	0.04
8	Portfolio Management Services (PMS)	0.04	0.00
	Total (B)	**2.94**	**2.51**
	Total (A+B)	**4.66**	**3.96**

SCHEDULE 18 – NOTES ON ACCOUNTS FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2026 (Contd.)

14.4 Priority Sector Lending Certificates sold/purchased during the year

(₹ Crore)

Particulars	2025-26	2024-25
PSLC purchased during the year		
1. Agriculture		
2. SF/MF		
3. Micro Finance	Nil	Nil
4. General		
Total		
PSLC sold during the year		
1. Agriculture	1,605	
2. SF/MF	Nil	
3. Micro Finance	Nil	Nil
4. General	Nil	
Total	**1,605**	

14.5 Provisions and Contingencies

Break-up of 'Provision and Contingencies' shown under the 'Expenditure' head in Profit & Loss Account

(₹ Crore)

Provision for	2025-26	2024-25
Standard Assets	54.48	39.95
Bad & Doubtful Debts	572.13	440.40
Non Performing Investments	(0.58)	23.40
Fraud (other than advances)	10.59	(0.07)
Floating provision	0.00	0.00
Restructured accounts including COVID-19 restructuring, Food Credit	(17.42)	(16.99)
Additional provision for accounts covered under Resolution Plan	(0.52)	0.18
Unhedged Foreign Currency Exposure	0.57	(3.20)
Other Provisions, including credit provisions, prov. for claims	135.68	137.93
Income Tax	800.44	621.15
Deferred Tax (Net)	9.28	27.94
Total	**1,564.65**	**1,270.69**

14.5.1 Movement of Floating Provision/Counter Cyclical Buffer

(₹ Crore)

Particulars	2025-26*	2024-25*
Floating Provision at the beginning of the year	100.00	100.00
Floating Provision made during the year	Nil	Nil
Amount transferred to counter cyclical buffer as per RBI guidelines	Nil	Nil
Amount transferred to provision for NPAs during the year	Nil	Nil
Floating Provision at the end of the year	100.00	100.00

**Floating provision is not netted off from advances and is considered for Tier-II capital.*

14.5.2 Provisions on Standard Assets, Food Credit

(₹ Crore)

Provision for	2025-26	2024-25
1. Standard Assets	378.82	324.34
2. Food Credit (Punjab State Government)*	Nil	5.05

** Provision for food credit availed by Punjab State Government, vide RBI circular DBR.BP.No.3992/21.04.048/2016-17 dated 03rd October 2016 is reversed based on RBI communication.*

SCHEDULE 18 – NOTES ON ACCOUNTS FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2026 (Contd.)

14.6 Status with regard to IndAS Implementation

Ministry of Corporate Affairs (MCA), Government of India, notified the Companies (Indian Accounting Standards) Rules, 2015 on 16th February 2015. Vide press release dated 18th January 2016, MCA notified the roadmap for implementation of Indian Accounting Standards (IndAS) (converging with the Internal Financial Reporting Standards (IFRS)) for Scheduled Commercial Banks (SCBs) excluding Regional Rural Banks, Non-Banking Financial Companies and Insurance Companies. Accordingly, RBI, vide circular DBR.BP.BC.No.76/21.07.001/2015-16 dated 11th February 2016, advised SCBs to follow IndAS from 1st April 2018, subject to guidelines / directions to be issued in this regard.

RBI initially deferred IndAS implementation by SCBs to 1st April 2019; subsequently, vide circular DBR.BP.BC.No.29/21.07.001/2018-19 dated 22nd March 2019, implementation of IndAS by SCBs has been deferred till further notice.

The Reserve Bank of India, had on 7th October 2025 issued Reserve Bank of India (Commercial Banks-Asset Classification, Provisioning and Income Recognition) Directions, 2025 for comments. These directions aim to align with the requirements of Expected Credit Loss (ECL). RBI after considering the feedback received has issued final directions as Reserve Bank of India (Commercial Banks - Asset Classification, Provisioning and Income Recognition) Directions, 2026 on 27th April 2026. The bank is currently in the process of evaluating the impact of new directions.

In compliance to the RBI circular dated 11th February 2016, the status of IndAS implementation is given below:

Proforma IndAS statements have to be submitted to RBI on half-yearly basis with effect from FY 2021-22; accordingly, proforma IndAS statements for the half-year ended 30th September 2025 have been prepared and submitted to RBI. Bank has evaluated IndAS solution offered by various vendors. Bank had selected the software vendor for IndAS evaluation and implementation and UAT testing is under process.

14.7 DICGC Insurance Premium paid

(₹ Crore)

SN	Particulars	2025-26*	2024-25*
1	Amount of DICGC insurance premium paid	151.94	132.18
2	Arrears in payment of DICGC premium, if any	Nil	Nil

14.8 Disclosure on amortisation of expenditure on account of enhancement in family pension of employees of banks

The revision in family pension payable to employees of the Bank covered under 11th Bipartite Settlement and Joint Note dated 11th November 2020 was quantified on 26th August 2021; the Bank opted to amortize the additional liability of ₹ 80.26 Crore based on actuarial valuation during the three quarters of financial year 2021-22 equally, and the same has been accordingly expensed to Profit & Loss account in the previous financial year 2021-22 itself.

14.9 Disclosure requirement as per Accounting Standards (AS)

In compliance with the guidelines issued by the RBI regarding disclosure requirements of the various Accounting Standards, the following information is disclosed:

a. There are no material prior period income and expenditure included in the Profit & Loss account, which requires a disclosure as per AS-5.

For the preparation of these financial statements, the bank has followed the same accounting policies and generally accepted practices adopted for the preparation of audited financial statements for the year ended 31st March 2026.

b. Revenue Recognition (AS-9)

Bank recognises revenue on accrual basis, as per details given in item C.1 of the Significant Accounting Policy of the Bank (Schedule 17).

SCHEDULE 18 – NOTES ON ACCOUNTS FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2026 (Contd.)

c. Effects of changes in Foreign Exchange Rates (AS-11)

Bank has followed the guidelines issued by RBI and FEDAI, in order to comply with the applicable requirements under AS-11. Accordingly, foreign exchange transactions are accounted as per details given item C.6 of the Significant Accounting Policy of the Bank (Schedule 17).

d. Employee Benefits (AS-15)

The Bank is following AS-15 'Employee Benefits' as under:

a. In respect of Contributory Plan, viz.,

Provident Fund: The Bank pays fixed contribution at pre-determined rates to a separate trust, which invests in permitted securities. The obligation of the Bank is limited to such fixed contribution.

National Pension Scheme: As per industry settlement dated 27th April 2010, employees who have joined on or after 1st April 2010 are covered under National Pension System (NPS) regulated by Provident Fund Regulatory Development Authority (PFRDA). Employer's contribution to NPS has been recognised as expenditure in the profit and loss account.

b. In respect of Defined Benefit Plans, viz.,

Gratuity: The Bank Provides for Gratuity, a defined benefit plan (the Gratuity Plan) covering the eligible employees. The Gratuity Plan provides a lump sum payment to vested employees on retirement, death, incapacitation or termination of employment, of an amount based on respective employee's salary and tenure of employment.

Pension: The Bank Provides for Monthly pension, a defined benefit plan (the Pension Plan) covering the eligible employees. The Pension Plan provides a monthly pension after the retirement of the employees till death and to the family after his death of the pensioner based on the respective employee's salary and tenure of the employment.

The disclosure requirements as per the AS-15 are given below

Principal Actuarial Assumptions

Particulars	Gratuity		Pension	
	FY 2025-26	FY 2024-25	FY 2025-26	FY 2024-25
Discount Rate (%)	7.06	6.92	7.87	7.05
Salary escalation rate (%)	5.00	5.00	5.00	5.00
Attrition rate (%)	*	~	0.50	0.50
Expected rate of return on Plan Assets (%)	7.06	6.92	7.87	7.05

** Attrition rate for FY 2025-26 – 0.50% for those under defined benefit pension option and 25.00% for CTC employees & 4.50% for IBA others.*

~ Attrition rate for FY 2024-25 - 0.50% for those under defined benefit pension option and 1.90% for CTC employees & 3.50% for IBA others.

Expenses recognized in Profit and Loss Account

(₹ Crore)

Particulars	Gratuity		Pension	
	FY 2025-26	FY 2024-25	FY 2025-26	FY 2024-25
Current Service Cost	23.46	19.85	32.71	31.61
Past Service Cost	5.24	Nil	Nil	Nil
Interest cost on benefit obligation	29.98	25.99	73.62	68.22
Expected return on plan assets	28.68	21.04	72.89	63.72
Net Actuarial (gain) / loss recognised in the year	(12.36)	39.41	12.33	75.33
Expenses recognised in Profit & Loss A/c.	17.64	64.21	45.77	111.45

SCHEDULE 18 – NOTES ON ACCOUNTS FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2026 (Contd.)

Changes in the present value of the defined benefit obligation

(₹ Crore)

Particulars	Gratuity		Pension	
	FY 2025-26	FY 2024-25	FY 2025-26	FY 2024-25
Present value of obligation at the beginning of the year	433.26	359.97	1044.26	942.29
Current Service Cost	23.46	19.85	32.71	31.61
Past Service Cost	5.24	Nil	Nil	Nil
Interest Cost	29.98	25.99	73.62	68.22
Net actuarial (gain) / loss on obligation	(6.03)	46.40	14.28	78.76
(Gains)/Losses on Curtailment	Nil	Nil	Nil	Nil
Benefits Paid	(16.86)	(18.95)	(88.54)	(76.62)
Present value of the obligation at the end of the year	469.05	433.26	1076.33	1044.26

Change in the fair value of plan assets

(₹ Crore)

Particulars	Gratuity		Pension	
	FY 2025-26	FY 2024-25	FY 2025-26	FY 2024-25
Fair value of plan assets at the beginning of the year	414.43	291.34	1033.94	880.05
Expected Return on plan assets	28.68	21.04	72.89	63.72
Contribution by employer	42.15	114.01	53.96	163.36
Benefits Paid	(16.86)	(18.95)	(88.54)	(76.62)
Actuarial gain / (loss)	6.33	6.99	1.95	3.43
Fair value of plan assets at the end of the year	474.73	414.43	1074.20	1,033.94

Investment details of plan assets

Particulars	Gratuity		Pension	
(details in % terms)	31st March 2026	31st March 2025	31st March 2026	31st March 2025
LIC/ABSLI/SBILIC Managed Fund	99.70	99.85	93.22	93.04
Government Securities	0.12	0.13	Nil	Nil
Bonds, debentures and other fixed income instruments	Nil	Nil	Nil	Nil
Money Market Instruments	Nil	Nil	Nil	Nil
Equity Shares	Nil	Nil	Nil	Nil
Others	0.18	0.02	6.78	6.96
Total	**100.00**	**100.00**	**100.00**	**100.00**

SCHEDULE 18 – NOTES ON ACCOUNTS FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2026 (Contd.)

Experience adjustments

(₹ Crore)

Particulars	Gratuity					Pension				
	Year ended 31st March					Year ended 31st March				
	2026	2025	2024	2023	2022	2026	2025	2024	2023	2022
Defined Benefit Obligation	469.05	433.26	359.97	289.90	269.36	1076.33	1044.26	942.29	834.25	793.99
Plan Assets	474.73	414.43	291.34	279.19	273.22	1074.20	1033.94	880.05	805.62	837.20
Surplus / (Deficit)	5.68	(18.83)	(68.63)	(10.71)	3.86	(2.13)	(10.32)	(62.24)	(28.63)	43.21
Experience Adjustments on Plan Liabilities	(1.72)	14.95	69.29	3.07	5.34	103.03	58.88	85.42	67.11	60.86
Experience Adjustments on Plan Assets	6.33	6.99	1.25	(0.80)	3.95	1.95	3.43	(0.14)	(10.14)	2.67

Compensated absences

The employees of the Bank are entitled to compensated absences. The employees can carry forward a portion of the unutilized accrued compensated absences and utilize it in future period or in case of privilege leave receive cash compensation at retirement or cessation of employment. The Bank measures the expected cost of compensated absences as the additional amount the Bank expects to pay as a result of the unused entitlement that has accumulated at the balance sheet date on actuarial valuation.

(₹ Crore)

Particulars	Privilege leave		Medical leave		Unavailed Casual Leave	
	FY 2025-26	FY 2024-25	FY 2025-26	FY 2024-25	FY 2025-26	FY 2024-25
Total Actuarial Liability	259.51#	256.81	85.56	81.68	4.73	4.70
Assumptions						
Discount rate (%)	7.06	6.92	7.06	6.92	7.06	6.92
Salary escalation rate (%)	5.00	5.00	5.00	5.00	5.00	5.00
Attrition rate (%)	*	~	*	~	*	-

**Attrition rate for FY 2025-26 –0.50% for those under defined benefit pension option and 25% for CTC employees and 4.50% for IBA others.*

~ Attrition rate for FY 2024-25 - 0.50% for those under defined benefit pension option and 1.90% for CTC employees and 3.50% for IBA others.

#Privilege Leave actuarial liability includes PL days in excess of 255 days up to 270 days for IBA others and for those under defined benefit pension option.

Pursuant to the notification issued by the Ministry of Labour and Employment, the Code on Wages, 2019, the Code on Social Security, 2020, the Industrial Relations Code, 2020 and the Occupational Safety, Health and Working Conditions Code, 2020 (collectively referred to as the "New Labour Codes") became effective from 21st November 2025. The Bank has reassessed its employee benefit obligations in accordance with the revised definition of wages. Accordingly, an incremental provision on account of past service cost in accordance with AS 15 - Employee Benefits amounting to ₹164 lakhs has been recognized during the year ended 31st March 2026. The Bank continues to monitor developments relating to the implementation of the New Labour Codes and will review its estimates and assumptions on an ongoing basis.

SCHEDULE 18 – NOTES ON ACCOUNTS FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2026 (Contd.)

e. Segment Reporting: (AS-17)

1. Business Segments

For the purpose of segment reporting, the reportable segments are identified into Treasury, Corporate/Wholesale banking, Retail banking and other banking operations, in compliance with RBI guidelines. Brief description of activities of each segment and revenue attributable thereto is as under:

1. Treasury portfolio comprises of investments in Central and State Government securities, debt instruments of Banks, FIs, Insurance companies, PSUs and corporates, certificate of deposits, equity shares, mutual funds, security receipts etc. as well as forward contracts, derivatives and foreign exchange operations on proprietary account and for customers, including trading in these instruments as well as borrowing and lending operations.

   Treasury income is primarily earned through interest on investments, forex income as well as income from securities trading; expenditure includes interest on funds borrowed and other allocated overheads.

2. Corporate/ Wholesale banking includes all advances to trusts, partnership firms, companies, and statutory bodies, which are not included under Retail Banking.

   Revenue comprises of interest and fees / charges earned from such clients and expenses are those incurred on interest towards funds utilized and other allocated overheads.

3. Retail banking comprises of lending of funds and other banking services to any legal person including small business customers, on the basis of the borrower, nature of the product, granularity of the exposure and quantum thereof.

   Revenue comprises of interest and fees / charges earned from such clients and expenses are those incurred on interest towards funds utilized and other allocated overheads.

4. Other banking operations includes items not included above i.e. para-banking activities like bancassurance, third party product distribution, demat services and other banking transactions and includes items like deposits in RIDF, MSME Funds etc.

   Income earned from such services and costs related thereto are reported thereunder.

2. Geographical Segment

The Bank operates only in India and hence the reporting consists only of domestic segment.

Segment information is prepared on the basis of management estimates/ assumptions and is based on internal reporting systems. Methodology adopted in compiling the above information has been relied upon by the auditors.

Part 1 : Business segments

(₹ Crore)

SN	Particulars	2025-26 (Audited)	2024-25 (Audited)
a	**Segment Revenue**		
	1. Treasury	2,127.26	1,745.00
	2. Corporate/Wholesale Banking	2,576.70	2,054.70
	3. Retail Banking	8,232.56	7,532.18
	a) Digital Banking	0.16	0.06
	b) Other Retail Banking	8,232.40	7,532.12
	4. Other Banking operations	222.15	175.71
	Total	**13,158.67**	**11,507.59**

SCHEDULE 18 – NOTES ON ACCOUNTS FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2026 (Contd.)

(₹ Crore)

SN	Particulars	2025-26 (Audited)	2024-25 (Audited)
	Segment Results		
b	1. Treasury	590.92	401.86
	2. Corporate/Wholesale Banking	882.50	652.98
	3. Retail Banking	2,764.02	2,368.76
	a) Digital Banking	(0.28)	(0.39)
	b) Other Retail Banking	2,764.30	2,369.15
	4. Other Banking operations	177.66	135.95
	Total	**4,415.10**	**3,559.55**
c	Unallocated Income/Expenses	340.12	347.22
d	Operating Profit	4,074.98	3,212.33
e	Tax expense	809.71	649.09
f	Other Provisions	754.94	621.60
g	Exceptional	Nil	Nil
h	**Net Profit**	**2,510.33**	**1941.64**
i	Other Information		
j	**Segment Assets**		
	1. Treasury	30,120.24	27,113.85
	2. Corporate/Wholesale Banking	21,146.79	17,216.05
	3. Retail Banking	78,679.18	68,117.68
	a) Digital Banking	Nil	0.02
	b) Other Retail Banking	78,679.18	68,117.66
	4. Other Banking Operations	Nil	Nil
	5. Unallocated	6,656.88	6,919.84
	Total Segment Assets	**1,36,603.09**	**1,19,367.42**
k	**Segment Liabilities**		
	1. Treasury	29,854.41	24,426.39
	2. Corporate/Wholesale Banking	18,397.43	15,487.46
	3. Retail Banking	68,455.56	61,294.68
	a) Digital Banking	Nil	Nil
	b) Other Retail Banking	68,455.56	61,294.68
	4. Other Banking	Nil	Nil
	5. Unallocated	5,787.82	6,229.34
	Total (a)	**1,22,495.22**	**1,07,437.87**
l	**Capital Employed (Segment Assets-Segment Liabilities)**		
	1. Treasury	265.83	2,687.46
	2. Corporate/Wholesale Banking	2,749.36	1,728.59
	3. Retail Banking	10,223.62	6,823.00
	a) Digital Banking	Nil	0.02
	b) Other Retail Banking	10,223.62	6,822.98
	4. Other Banking	Nil	Nil
	5. Unallocated	869.06	690.50
	Total (b)	**14,107.87**	**11,929.55**
	Total Segment Liabilities (a+b)	**1,36,603.09**	**1,19,367.42**

SCHEDULE 18 – NOTES ON ACCOUNTS FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2026 (Contd.)

RBI, vide circular dated 7th April 2022 on establishment of Digital Banking Units (DBUs), has prescribed that reporting of Digital Banking Segment has to be made as a sub-segment of Retail Banking Segment under Accounting Standard 17 – Segment Reporting.

Part 2 : Geographic segments

Geographical segment consists only of domestic segment (also for previous year), as the Bank does not have any foreign branch.

f. Related Party Transactions (AS-18)

Disclosure on transactions with Key Management Personnel (KMP)

Particulars		Designation	Nature of transaction	Amount (₹)*	
				2026	2025
Name of KMP : Shri. B. Ramesh Babu		MD & CEO	Remuneration	4,98,15,645	4,19,42,480
Name of KMP : Shri. J. Natarajan		Executive Director	Remuneration	1,82,73,055	2,23,74,831
Name of KMP : Shri. Sankar Balabhadrapatruni		Executive Director	Remuneration	1,09,65,662	5,82,332
Relatives of KMP	Shri. B. Ramesh Babu	1. B. Sujatha; 2. B. Nirmala; 3. B. Saketh; 4.S. Surabhi 5. B. Sravya; 6. B. Rajesh Babu			
	Shri. J. Natarajan	1. J Kamala; 2. N Chitra; 3. Karunya A;4. K A Abhiram; 5. Nirmala M; 6.J Venkataraman; 7. J Ravi; 8. J Narasimhan			
	Shri. Sankar Balabhadrapatruni	1. B. Sailaja; 2. B. Revathi Devi; 3. B. Ravi Kiran; 4. B.Savita; 5. N. Sampath; 6. B. Murali Krishna; 7. V. Sarada			

* Remuneration includes Fixed pay, variable pay and perquisites as per Income Tax act, 1961.

Note:1. Shri. J. Natarajan is demitted office on 21.05.2025.

Items / Related Party	Parent (as per ownership or control)		Subsidiaries		Associates/ Joint ventures		Key Management Personnel		Relatives of Key Management Personnel		Total	
Mar. 31	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025
Borrowings							Nil	Nil			Nil	Nil
Deposit							1.71	2.53			1.71	2.53
Placement of deposits												
Advances												
Investments												
Non-funded commitments												
Leasing/HP arrangements availed							Nil	Nil			Nil	Nil
Leasing/HP arrangements provided	Nil	Nil	Nil	Nil	Nil	Nil			Nil	Nil		
Purchase of fixed assets												
Sale of fixed assets												
Interest paid							0.11	0.19			0.11	0.19
Interest received												
Rendering of services							Nil	Nil			Nil	Nil
Receiving of services												
Management contracts												

SCHEDULE 18 – NOTES ON ACCOUNTS FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2026 (Contd.)

g. Leases (AS-19)

Disclosure in respect of assets taken on operating lease

This comprises of branches, office premises/ATMs, cash deposit machines, currency chests, staff quarters, office and IT equipments taken on operating lease. During the year an amount of ₹134.76 Crore (previous year ₹123.44 Crore) was charged to profit and loss account. These operating leases are cancellable in nature. The Bank has not sub-leased any of its properties taken on lease. There are no provisions relating to contingent rent.

h. Earnings per Share (AS-20)

SN	Particulars	2025-26	2024-25
1.	**Computation of Basic EPS (before and after Extraordinary items)**		
1	Net Profit for the period attributable to equity shareholders (₹ Crore)	2510.33	1941.64
2	Weighted average number of shares	966412967	965817504
3	Basic EPS (1/2) (₹)	25.98	20.10
4	Nominal Value per share (₹)	2.00	2.00
2.	**Computation of Diluted EPS (before and after Extraordinary items)**		
1	Net Profit for the period attributable to equity shareholders (₹ Crore)	2510.33	1941.64
2	Weighted average number of shares (including Potential Equity Shares)	966510683	966221072
3	Diluted EPS (1/2) (₹)	25.97	20.10
4	Nominal Value per share (₹)	2.00	2.00

Note – There are no extraordinary items recognised in the profit and loss account during FY 2025-26 and FY 2024-25; accordingly, EPS is disclosed as above.

i. Accounting for Taxes on Income (AS-22)

The Bank has elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendments) Ordinance, 2019. Accordingly, provision for Income Tax for the year ended 31st March 2026 as well as re-measurement of Deferred Tax Liability and Asset (DTL & DTA) have been made basis the rate prescribed in the aforesaid section. The major components of DTA and DTL are as under:

(₹ Crore)

Particulars		2025-26	2024-25
Deferred Tax Liabilities			
1.	Depreciation on Fixed Asset	4.07	2.10
2.	Special Reserve u/s 36(1)(viii) of the Income Tax Act,1961	164.81	149.75
3.	AFS reserve DTL	Nil	18.50
TOTAL		**168.88**	**170.35**
Deferred Tax Assets			
1.	Provision for Standard Assets	95.34	81.63
2.	Provision for Leave Encashment	67.17	64.64
3.	Provision for Restructured Assets	9.54	12.68
4.	Others	34.32	39.67
5.	AFS reserve DTA	5.57	Nil
TOTAL		**211.94**	**198.62**

Note: The provision for Income Tax has been worked based on the Income Computation and Disclosures Standards (ICDS).

SCHEDULE 18 – NOTES ON ACCOUNTS FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2026 (Contd.)

j. Accounting for Investments in Associates in Consolidated Financial Statements (AS-23)

The Bank has no Associates. Hence reporting under AS-23 is not applicable (not applicable for previous year also).

k. Discontinuing operations (AS-24)

The Bank has not discontinued any of its operations. Hence reporting under AS-24 is not applicable (not applicable for previous year also).

l. Interim Financial Reporting (AS-25)

Quarterly financial reviews have been carried out as per extant RBI and SEBI guidelines, and reporting / filing of the prescribed information have been complied with by the Bank.

m. Impairment of Assets (AS - 28)

In the opinion of the Management, there is no impairment of its Fixed Asset to any material extent as at 31st March 2026 requiring recognition in terms of Accounting Standard 28 (also as at 31st March 2025).

14.10 Letter of Comfort (LOCs)

(₹ Crore)

Particulars	2025-26	2024-25
Letter of Comfort issued during the year	Nil	Nil
Outstanding Letter of Comfort as on 31st March		

14.11 a. Corporate Social Responsibility (CSR)

The amount required to be spent by the Bank towards its CSR obligations during the year amounts to ₹40.65 Crores (previous year obligation ₹29.43 Crores) after setting off previous year excess spent amounting to ₹0.14 Crores (previous year ₹ 0.29 Crores). During the year, the Bank has spent an amount of ₹11.60 Crores (previous year ₹4.15 Crore) towards the CSR obligations and has provided for the balance of ₹29.05 Crore (Previous year ₹ 25.44 Crore) for various ongoing CSR Projects.

14.11.b. Disclosure under Micro, Small and Medium Enterprises Development Act, 2006:

Under the Micro, Small and Medium Enterprises Development Act, 2006 which came into force from 2 October, 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. The required disclosure is given below:

(₹ Crore)

Particulars	2025-26		2024-25	
	Principal	Interest	Principal	Interest
The principal amount and the interest due thereon remaining unpaid to any supplier	Nil	Nil	Nil	Nil
The amount of interest paid by the buyer in terms of Section 16, along with the amount of the payment made to the supplier beyond the due date	Nil	Nil	Nil	Nil
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the due date during the year) but without adding the interest specified under MSMED Act, 2006	Nil	Nil	Nil	Nil

SCHEDULE 18 – NOTES ON ACCOUNTS FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2026 (Contd.)

(₹ Crore)

Particulars	2025-26		2024-25	
	Principal	Interest	Principal	Interest
The amount of interest accrued and remaining unpaid	Nil	Nil	Nil	Nil
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowed as a deductible expenditure under Section 23	Nil	Nil	Nil	Nil

Note: The above is based on the information available with the Bank which has been relied upon by the auditors.

14.12 Disclosure on Green Deposits :

RBI vide circular RBI/2023-24/14 DOR.SFG.REC.10/30.01.021/2023-24 dated April 11, 2023 issued a circular on framework for acceptance of Green Deposits and following disclosure to be made in the notes to accounts

Portfolio-level information on the use of funds raised from green deposits:

(₹ Crore)

Particulars	2025-26	2024-25	Cumulative* till 31.03.26
Total green deposits raised (A)	**3.32**	**2.11**	**5.59**
Use of green deposit funds			
(1) Renewable Energy -solar projects	3.11	2.13	5.24
(2) Energy Efficiency	-	-	-
(3) Clean Transportation	-	-	-
(4) Climate Change Adaptation	-	-	-
(5) Sustainable Water and Waste Management	-	-	-
(6) Pollution Prevention and Control	-	-	-
(7) Green Buildings	-	-	-
(8) Sustainable Management of Living Natural Resources and Land use	-	-	-
(9) Terrestrial and Aquatic Biodiversity Conservation	-	-	-
Total Green Deposit funds allocated (B=Sum of 1 to 9)	**3.11**	**2.13**	**5.24**
Amount of Green Deposit funds not allocated (C=A-B)	**0.21**	**(0.02)**	**0.35**
Details of the temporary allocation of green deposit proceeds pending their allocation to the eligible green activities/projects	-	-	-

Note: Total green deposits raised includes green deposits pre closed by customers.

14.13 The Bank has deposited an amount of ₹ 600.59 Crore (₹603.26 Crore during the previous year) towards disputed tax liability. In the opinion of the Bank, no provision is considered necessary based on favourable decisions by various courts.

14.14 Disclosure on Investor Education and Protection Fund (IEPF)

As per the Companies Act 2013, dividends unclaimed for more than seven years from the date of their declaration and all shares in respect of which dividends remain unclaimed for the last seven consecutive years are to be transferred to Investor Education and Protection Fund.

SCHEDULE 18 – NOTES ON ACCOUNTS FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2026 (Contd.)

In compliance with the above provisions, the unclaimed dividend amount of ₹ 15,36,879 for FY 2017-18 and 2,13,296 shares of face value ₹ 2/- each, in respect of which the dividends remain unclaimed from FY 2017-18 for the last seven consecutive years & Bonus 2018 Fractional Warrant amount of ₹ 1,50,501.54 were transferred to the Investor Education and Protection Fund (IEPF) during the year ended 31st March 2026 within the timelines.

Members of the Bank at their 106th Annual General Meeting held on 21st August 2025, have approved issue of Bonus Equity Shares in the proportion of 1 (one) fully paid-up bonus equity share of ₹ 2/- each for every 5 (five) fully paid-up equity share of ₹ 2/- each held by the members.

Consequent to shareholders approval, Bank has credited 2,64,397 shares of face value ₹ 2/- each to the Investor Education and Protection Fund (IEPF) during August 2025 within the timelines.

14.15 Description of Contingent Liabilities

a. Claims against the Bank not acknowledged as debts

These represent claims filed against the Bank in the normal course of business relating to various legal cases currently in progress. These also include demands raised by income tax and other statutory authorities and disputed by the Bank.

b. Liability on account of forward exchange and derivative contracts

The Bank presently enters into foreign exchange contracts and interest rate swaps with interbank counterparties and customers. Forward exchange contracts are commitments to buy or sell foreign currency at a future date at the contracted rate. Interest rate swaps are commitments to exchange fixed and floating interest rate cash flows in the same currency based on fixed rates or benchmark reference. The notional amounts of such foreign exchange contracts and derivatives provide a basis for comparison with instruments recognized on the balance sheet but do not necessarily indicate the amounts of future cash flows involved or the current fair value of the instruments and, therefore, do not indicate the Bank's exposure to credit or price risks. The fluctuation of market rates and prices cause fluctuations in the value of these contracts and the contracted exposure become favourable (assets) or unfavourable (liabilities).

c. Guarantees given on behalf of constituents

As a part of its banking activities, the Bank issues guarantees on behalf of its customers to enhance their credit standing. Guarantees represent irrevocable assurances that the Bank will make payments in the event of the customer failing to fulfil its financial or performance obligations.

d. Acceptances, endorsements and other obligations

These include documentary credit issued by the Bank on behalf of its customers and bills drawn by the Bank's customers that are accepted or endorsed by the Bank.

e. Other items for which the bank is contingently liable

Includes Capital commitments and amount transferred to RBI under the Depositor Education and Awareness Fund (DEAF). (Refer schedule 12 for amounts relating to contingent liability.)

14.16 Inter-branch transactions

Inter Branch/Office accounts reconciliation has been completed upto 31st March 2026 and all the inter branch entries have been reconciled upto 31st March 2026.

14.17 Balancing of books

The books of accounts have been balanced and tallied in all branches of the Bank as on 31st March 2026 (also as on 31st March 2025).

14.18. Audit Trail

As required by Rule 11 (g) of the Companies (Audit and Auditors) Rules 2014, which is effective from 1st April 2023, the Company is using an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log)

SCHEDULE 18 – NOTES ON ACCOUNTS FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2026 (Contd.)

facility and the same has operated throughout the year for all relevant transactions recorded in the software. In respect of LOS software, the management is of the opinion that maintaining edit/ audit logs at the service provider's end is beyond the control of the bank and as confirmed by the service provider no request to access the data base of LOS has been requested by the Bank throughout the year. Accordingly, this has no impact on the financials and related internal controls of the bank.

15. DISCLOSURE UNDER RULE 11(E) OF THE COMPANIES (AUDIT & AUDITORS) RULES, 2014

The Bank, as part of its normal business, grants loans and advances to Non-Banking Finance Company/ies, real estate promoters / developers, makes investment, provides guarantees (including against margin / guarantees received from third parties / banks) and accepts deposits and borrowings from its customers, other entities and persons. Also, the Bank, as part of its normal business, avails refinance from financial institutions and other entities wherein the proceeds are applied to a category of customers with specific profile parameters. These transactions are part of Bank's authorised normal business, which is conducted in adherence to extant regulatory requirements.

Other than the transactions described above –

1. No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Bank to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend to or invest in other persons or entities identified by or on behalf of the Bank ("Ultimate Beneficiaries") or provide any guarantee, security or like on behalf of the Ultimate Beneficiaries.
2. The Bank has not received any funds from any person(s) or entity(ies) ("Funding Party") with the understanding, whether recorded in writing or otherwise, that the Bank shall, whether, directly or indirectly, lend to or invest in other persons or entities identified by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

16. Figures of the previous year have been regrouped/rearranged/reclassified wherever necessary.

DR.MEENA HEMCHANDRA	**CA DR. CHINNASAMY GANESAN**	**B. RAMESH BABU**	**SANKAR BALABHADRAPATRUNI**	**RAMSHANKAR R**	**M.SRINIVASA RAO**
Non-executive Independent (Part-time) Chairperson	Audit Committee Chairman	Managing Director & C E O	Executive Director	Chief Financial Officer	Company Secretary
DIN: 05337181	DIN: 07615862	DIN: 06900325	DIN: 08846754		

As per our report of even date

For **Kalyaniwalla & Mistry LLP**
Chartered Accountants
FRN: 104607W/W100166

Sushant S. Lahoti
Partner
M. No. 114092

For **Varma & Varma**
Chartered Accountants
FRN:004532S

Radhesh L Bhat
Partner
M. No. 214229

Place : Karur
Date : 7th May 2026

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH 2026

(₹ 000's omitted)

Particulars	Year Ended 31st March 2026 (Audited)	Year Ended 31st March 2025 (Audited)
Cash flow from/(used in) operating activities		
Net Profit as per Profit and Loss account	**2510 33 16**	**1941 63 67**
Adjustments for		
Depreciation on Bank's property	127 01 89	113 73 77
Provisions for other contingencies	128 90 62	117 85 39
Provision for taxes	809 71 30	649 08 72
Provision for standard assets	54 48 27	39 94 92
Provision for non performing assets	572 13 06	440 39 85
Provision for non performing investments	(58 30)	23 40 31
Provision for compensated absences	17 99 00	31 30 00
Provision for medical leave	4 94 00	11 24 00
Amortization of premium paid on Held to Maturity (HTM) investments	85 76 53	85 27 92
Provision for employees stock option plan / scheme	3 04 78	2 74 89
(Profit) /Loss on sale of fixed assets (net)	(9 07 12)	(3 06 32)
Operating profit before working capital changes	**4304 67 19**	**3453 57 12**
Adjustments for working capital changes		
(Increase) / Decrease in investments (excluding HTM investments)	(3784 70 07)	522 50 96
(Increase) / Decrease in advances	(14757 28 26)	(10776 42 00)
(Increase) / Decrease in other assets	(362 87 87)	88 13 53
Increase / (Decrease) in deposits	13587 74 77	12965 26 70
Increase / (Decrease) in borrowings	1405 57 84	(1261 36 79)
Increase / (Decrease) in other liabilities and provisions	(253 09 06)	10 38 72
	140 04 54	**5002 08 24**
Direct taxes paid	(694 00 00)	(515 00 00)
Net cash flow (from)/ used in operating activities	**(553 95 46)**	**4487 08 24**
Cash flow from investing activities		
Purchase of fixed assets	(152 12 94)	(171 62 61)
(Increase)/Decrease in HTM investments	(1615 71 93)	(1982 83 43)
Sale of fixed assets / other assets	22 72 91	3 65 95
Net cash flow from / (used in) investing activities	**(1745 11 96)**	**(2150 80 09)**

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH 2026 (Contd.)

(₹ 000's omitted)

Particulars	Year Ended 31st March 2026 (Audited)	Year Ended 31st March 2025 (Audited)
Cash flow from financing activities		
Proceeds from issue of share capital	9 72	14 95
Proceeds from share premium	3 54 17	4 26 81
Dividend paid (including tax on dividend)	(208 64 89)	(192 54 06)
Net cash flow from / (used in) financing activities	**(205 01 00)**	**(188 12 30)**
Net Increase / (decrease) in cash & cash equivalents	**(2504 08 42)**	**2148 15 85**
Cash and cash equivalents at the beginning of the year	**7806 72 07**	**5658 56 22**
Cash and cash equivalents at the end of the year	**5302 63 65**	**7806 72 07**
The above Cash Flow Statement is based on indirect method	-	-

Note: Cash and Cash Equivalents comprises of Cash in hand (including foreign currency notes), Balances with Reserve Bank of India, Balances with Banks and money at call and short notice (Refer Schedules 6 and 7 of the Balance Sheet).

DR.MEENA HEMCHANDRA	CA DR. CHINNASAMY GANESAN	B. RAMESH BABU	SANKAR BALABHADRAPATRUNI	RAMSHANKAR R	M.SRINIVASA RAO
Non-executive Independent (Part-time) Chairperson	Audit Committee Chairman	Managing Director & C E O	Executive Director	Chief Financial Officer	Company Secretary
DIN: 05337181	DIN: 07615862	DIN: 06900325	DIN: 08846754		

As per our report of even date

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Sushant S. Lahoti
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For **Varma & Varma**
Chartered Accountants
FRN:004532S

Radhesh L Bhat
Partner
M. No. 214229

Place : Karur
Date : 7th May 2026

BASEL PILLAR III DISCLOSURES

UNDER THE NEW CAPITAL ADEQUACY FRAMEWORK (31.03.2026)

1. SCOPE OF APPLICATION (DF 1)

Karur Vysya Bank Limited is a Scheduled Commercial Bank which was incorporated on June 22, 1916 at Karur. As on 31.03.2026, the Bank does not have any subsidiaries and hence the requirement of accounting scope of consolidation is not applicable to the Bank.

2. CAPITAL ADEQUACY AND CAPITAL STRUCTURE (DF 2)

Banks are required to maintain a minimum Capital to Risk Weighted Assets Ratio (CRAR) of 9% on an on-going basis (excluding Capital Conservation Buffer (CCB), Counter Cyclical Capital Buffer (CCCB) etc.). Banks are also required to maintain CCB of 2.50% on an ongoing basis with effect from 01.10.2021, as per extant RBI guidelines. Bank has a Board approved policy covering, inter-alia, the adherence to the maintenance of minimum regulatory CRAR on an on-going basis (which are elucidated in item 2.1 below). Capital funds are classified into Tier 1 and Tier 2 capital under the capital adequacy framework.

Tier 1 Capital

Tier 1 capital includes paid-up equity capital, share premium, statutory reserves, capital reserves, other disclosed free reserves and balance in Profit and Loss account at the end of the previous financial year. Profits in current financial year may be included in Tier 1 on fulfillment of certain conditions regarding incremental provisions for non-performing assets.

Bank's Tier 1 capital includes Common Equity Tier 1 (CET 1) and admissible Additional Tier 1 (AT 1) capital. CET 1 capital must be at least 5.5% of risk-weighted assets (RWAs) i.e. for Credit risk + Market risk + Operational risk on an ongoing basis and AT 1 capital can be a maximum of 1.5%, thus requiring total Tier 1 capital to be at least 7%.

In addition to the minimum CET 1 capital of 5.5% of RWAs, banks are also required to maintain CCB in the form of CET 1 capital, progressively from Financial Year 2015-16, to reach a level of 2.50% of RWAs, by 01.10.2021.

Tier 2 Capital

Bank's Tier 2 capital includes provisions for standard assets, floating provisions, unhedged foreign currency exposure provisions, debt capital instruments (Tier 2 bonds) and other reserves eligible for inclusion in Tier 2 capital.

Provisions or loan-loss reserves held against future, presently unidentified losses, which are freely available to meet losses which subsequently materialize, will qualify for inclusion within Tier 2 capital.

2.1 Capital Adequacy Assessment Process

The Bank has a process for assessing its overall capital adequacy in relation to the Bank's risk profile and a strategy for maintaining its capital levels. The process ensures that the Bank has adequate capital to support all the material risks and an appropriate capital cushion. The Bank identifies, assesses and manages comprehensively all risks that it is exposed to through robust risk management framework, control mechanism and an elaborate process for capital calculation and planning.

The Bank has formalized and implemented a comprehensive Internal Capital Adequacy Assessment Process (ICAAP). The Bank's ICAAP covers the process for assessment of the adequacy of capital to support current and projected business levels / risks.

The Bank has a structured process for the identification and evaluation of all risks that the Bank faces, which may have a material impact on its financial position. The Bank considers the following risks as material risks it is exposed to in the normal course of its business and therefore, factors these while assessing / planning capital:

1.	Credit Risk	2.	Market Risk	3.	Operational Risk	4.	Liquidity Risk
5.	Interest Rate Risk in the Banking Book	6.	Concentration Risk	7.	Strategic Risk	8.	Reputational Risk

BASEL PILLAR III DISCLOSURES
UNDER THE NEW CAPITAL ADEQUACY FRAMEWORK (31.03.2026) (Contd.)

The Bank has also implemented a Board approved Stress Testing Policy. Stress Testing involves the use of various techniques to assess the Bank's potential vulnerability to extreme but plausible ("stressed") business conditions. Typically, this relates, among other things, to the impact on the Bank's profitability and capital adequacy. Stress Tests are conducted on the Bank's on and off balance sheet exposures to test the impact of Credit risk, Market risk, Liquidity risk and Interest Rate Risk in the Banking Book (IRRBB). The stress test results are put up to the Risk Management Committee (RMC) of the Board for their review and guidance. The Bank periodically assesses and refines its stress tests in an effort to ensure that the stress scenarios capture material risks as well as reflect possible extreme market moves that could arise as a result of market conditions. The stress tests are used in conjunction with the Bank's business plans for the purpose of capital planning in the ICAAP. In line with the RBI guidelines for implementing the New Capital Adequacy Framework under Basel III, the Bank has successfully migrated to the framework from April 1, 2013.

In accordance with the RBI's requirement, the Bank has continued to adopt Standardized Approach (SA) for Credit Risk and Basic Indicator Approach (BIA) for Operational Risk to compute capital as on 31.03.2026. Besides this, the Bank continues to apply the Standardized Duration Approach (SDA) for computing capital requirement for Market Risk. RBI has prescribed banks to maintain a minimum CRAR of 11.50% with regard to credit risk, market risk and operational risk as on 31.03.2026. Bank has followed extant RBI guidelines to arrive at the eligible capital, risk weighted assets and CRAR.

2.2 Capital Adequacy as on 31.03.2026

The total Capital to Risk Weighted Assets Ratio (CRAR) as per Basel III guidelines works to 18.76% as on 31.03.2026. Tier 1 CRAR stands at 17.72%.

Equity Capital

Bank has an authorized share capital of ₹ 2000 million comprising of 100,00,00,000 equity shares of ₹ 2/- each. As on 31.03.2026 the Bank has Subscribed and Paid-up capital of ₹ 1,933 million constituting 96,66,46,219 shares of ₹ 2/- each.

Capital requirements for Credit Risk, Market Risk and Operational Risk

(₹ in million)

1.	Capital requirement for Credit Risk	
	- Portfolio subject to Standardized Approach	**76,088**
	- Securitization exposures	-
2.	Capital requirement for Market Risk	
	Standardized Duration Approach	**511**
	o Interest Rate Risk	141
	o Foreign Exchange Risk (Including gold)	58
	o Equity Risk	312
3.	Capital requirement for Operational Risk	
	Basic Indicator Approach	**10,450**
Total capital requirements at 11.50% (1 + 2 + 3)		**87,049**

CET1, Tier 1, Tier 2 and CRAR

(₹ in million)

1.	**Tier 1 capital**	
1.1	Paid-up share capital	1,933
1.2	Reserves	132,878
1.3	**Gross Tier 1 capital (1.1 + 1.2)**	**134,811**
1.4	Deductions	651
1.5	**Total Tier 1 capital (1.3 - 1.4)**	**134,160**

BASEL PILLAR III DISCLOSURES

UNDER THE NEW CAPITAL ADEQUACY FRAMEWORK (31.03.2026) (Contd.)

(₹ in million)

2.	**Tier 2 capital**	
	2.1 Subordinated Debt	-
	2.2 General Provisions and Revaluation Reserves	4,788
	2.3 Investment Reserve & Investment Fluctuation Reserves	3,000
	2.4 Unhedged Foreign currency exposure	44
	2.5 Gross Tier 2 capital (2.1 + 2.2 + 2.3 + 2.4)	**7,832**
	2.6 Deductions	-
	2.7 Total Tier 2 capital (2.5 - 2.6)	**7,832**
3.	**Debt capital instruments eligible for inclusion in Basel III Tier 2 capital**	**-**
	3.1 Total amount outstanding	-
	3.2 Of which amount raised during the current year	-
	3.3 Amount eligible to be reckoned as capital funds	-
4.	**Subordinated debt eligible for inclusion in Tier 2 capital**	**-**
	4.1 Total amount outstanding	-
	4.2 Of which amount raised during the current year	-
	4.3 Amount eligible to be reckoned as capital funds	-
5.	**Other deductions from capital**	**-**
6.	**Total eligible capital (1.5 + 2.7 - 5)**	**141,992**
7.	**CET 1 Ratio (%)**	**17.72%**
8.	**Tier 1 Ratio (%)**	**17.72%**
9.	**Tier 2 Ratio (%)**	**1.04%**
10.	**Total CRAR (Basel III) (%)**	**18.76%**

3. RISK EXPOSURE AND ASSESSMENT

The Bank is exposed to various types of risk such as Credit, Market, Operational, Liquidity, Interest Rate, Concentration, Reputational, Legal and Strategic risk. The Bank has separate and independent Risk Management Department in place which oversees the management of all types of risks in an integrated fashion.

The objective of risk management is to have optimum balance between risk and return. It entails the identification, measurement and management of risks across the various businesses of the Bank. Risk is managed through framework defined in policies approved by the Board of Directors and supported by an independent risk management function which monitors and takes corrective action so that the Bank operates within its risk appetite. The risk management function attempts to anticipate vulnerabilities through quantitative or qualitative examination of the embedded risks in various activities. The Bank continues to focus on refining and improving its risk management systems. In addition to ensuring compliance with regulatory requirements, the Bank has developed robust internal systems for assessing capital requirements keeping in view the business objectives.

The Board of Directors approves the strategies and policies for Risk Management, based on recommendations of the RMC of the Board set up to focus upon risk management issues. The RMC of the Board reviews various aspects of risk arising from the businesses undertaken by the Bank. Operating level risk committees comprising of senior management viz. Asset Liability Management Committee, Operational Risk Management Committee, Market Risk Management Committee and the Credit Risk Management Committee oversee specific risk areas. These committees in turn provide inputs for review by the RMC of the Board.

3.1 Risk Management Committee of the Board

The RMC of the Board is the primary tier to oversee implementation of Board approved strategies and policies, recommend setting up of tolerance limits wherever required, monitor implementation of strategies and policies, as well as adherence to prescribed tolerance limits etc. The RMC oversees the functioning of executive level committees for risk management.

BASEL PILLAR III DISCLOSURES
UNDER THE NEW CAPITAL ADEQUACY FRAMEWORK (31.03.2026) (Contd.)

3.2 Executive Level Committees

At executive management level, the organizational responsibilities for implementing and monitoring Board approved strategies and policies and adhering to prescribed tolerance limits etc. are as under:

S.N.	Name of the committee	Focus Area	Chairman
1	Credit Risk Management Committee (CRMC)	All aspects of Credit Risk Management, Monitoring & Control	MD & CEO
2	Asset Liability Management Committee (ALCO)	All aspects of Asset Liability Management, Monitoring & Control, Interest rate review etc.	Executive Director
3	Operational Risk Management Committee (ORMC)	All aspects of Operational Risk Management, Monitoring & Control.	
4	Market Risk Management Committee (MRMC)	All aspects of Market Risk Management, Monitoring & Control.	Chief Financial Officer (CFO)

4. CREDIT RISK (DF 3)

4.1 Credit risk is defined as the possibility of losses associated with diminution in the credit quality of borrowers or counterparties. In a bank's portfolio, losses stem from outright default due to inability or unwillingness of a customer or counterparty to meet commitments in relation to lending, trading, settlement and other financial transactions.

The Bank adopts the definition of 'past due' and 'impaired credits' (for accounting purposes) as defined by RBI under Income Recognition, Asset Classification and Provisioning (IRAC) norms.

4.1.1. Credit Risk Management

CRMC is the top-level functional committee for managing credit risk. The committee is responsible for implementation of Credit Policy approved by the Bank's Board. The committee considers and takes decision necessary to manage and control credit risk within the overall quantitative prudential limits approved by the Bank's Board. The Committee is entrusted with the responsibilities to formulate standards for presentation of credit proposals, financial covenants, rating standards and benchmarks.

The Bank has adopted an integrated approach to CRM, which encompasses:

- Establishment and articulation of corporate priorities
- Institution and inculcation of an appropriate credit culture
- Determination of specific credit risk strategy and profile
- Implementation of appropriate credit risk controls
- Monitoring the effectiveness of credit risk controls

The Bank has implemented the Standardized approach for regulatory capital measurement for credit risk.

4.1.2. Credit Risk Strategy and Risk Profile

The Bank has adopted a credit risk strategy and risk appetite, which is in line with its risk taking ability to ensure conservation and growth of shareholder funds, with a proper balance between risk and reward. Financial resources are allocated to optimize the risk reward ratio.

There is a clearly articulated definition of acceptable credit risk, based upon:

- Identification of target markets/segments
- Establishing of characteristics of desirable customers within the target market
- Assessing whether adequate resources are available to support the business
- Ensuring that all legal and regulatory requirements are complied with
- Ensuring that the portfolio is consistent with the Bank's strategy and objectives especially in relation to risk concentration, maturity profile and liquidity management

4.1.3 Credit Risk Controls

Credit risk controls focus on identification, measuring, monitoring and managing the assumed risks and include –

- A documented credit policy and credit risk rating policy

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UNDER THE NEW CAPITAL ADEQUACY FRAMEWORK (31.03.2026) (Contd.)

- Approval process with delegated authorities
- Asset quality and risk rating system and its verification
- Effective loan disbursement mechanism to minimize the legal risk
- Effective loan administration to ensure past-due management and bad loan detection
- A loan review mechanism
- Portfolio management tools to manage portfolio risks

Management of credit risk at the following levels –

- Strategic or Portfolio level, so as to ensure that no single event can have a significant adverse impact.
- Established credit policy to have a minimum standard for assuming risk
- Reliance on the competence of trained staff to make sound credit decisions
- Digital underwriting process for retail loans

The Bank relies upon formal and conventional credit risk assessment, viz. –

- The ability and willingness of borrowers to repay.
- Dependence primarily on cash flows for repayment with security taken to provide a secondary source of repayment.
- Quality of data and analysis thereof forms the basis of assessment and not external reputation or unsubstantiated beliefs.
- Rational assessment of probability of default and assessment of 'Worst Case Scenario'.
- Transparency and communication of all relevant facts (negative as well as positive) necessary for making an informed credit decision.
- Documentation of all assessment, rationale and decisions.
- Know Your Customers 'KYC' forms the bedrock of initiating and sustaining any relationship.

4.2 Total gross credit risk exposure

(₹ in million)

Category: Domestic	Amount
Fund based	1,072,150
Non fund based	58,586
Total	**1,130,736**

Note:

1. Fund based credit exposure excludes cash in hand, balance with RBI, investments in shares and bonds etc., deposits placed with NABARD, SIDBI & NHB, fixed and other assets.
2. Non-fund based exposure includes outstanding Letter of Credit, Acceptances and Bank Guarantee exposures.

Exposure includes credit exposure (funded and non-funded credit limits) and investment exposure (including underwriting and similar commitments). The sanctioned limits or outstanding, whichever is higher, is reckoned for arriving at the exposure limit. In case of fully drawn term loans (i.e. where there is no scope for further drawal of any portion of the sanctioned limit), the outstanding is treated as the exposure.

4.3 Geographical Distribution of Credit

(₹ in million)

STATE	FUND BASED	NON FUND BASED	STATE	FUND BASED	NON FUND BASED
ANDHRA PRADESH	153,358	6,091	MAHARASHTRA	162,891	3,935
BIHAR	111	29	ORISSA	1,293	289
CHANDIGARH	385	87	PONDICHERRY	7,425	116
CHHATTISGARH	130	2	PUNJAB	814	60
DELHI	12,692	5,171	RAJASTHAN	918	2

BASEL PILLAR III DISCLOSURES

UNDER THE NEW CAPITAL ADEQUACY FRAMEWORK (31.03.2026) (Contd.)

(₹ in million)

STATE	FUND BASED	NON FUND BASED	STATE	FUND BASED	NON FUND BASED
GOA	424	51	TAMILNADU	440,088	22,217
GUJARAT	17,804	5,767	TELANGANA	99,869	8,013
HARYANA	6,184	883	UTTARAKHAND	181	0
JHARKHAND	353	4	UTTAR PRADESH	2,781	284
KARNATAKA	55,697	3,761	WEST BENGAL	4,776	944
KERALA	16,344	627	**TOTAL**	**987,539**	**58,586**
MADHYA PRADESH	3,021	253			

4.4 Industry wise distribution of exposures

(₹ in million)

Industry	Fund Based	Non-Fund Based
ALL ENGINEERING	14,741	2,829
BASIC METAL AND METAL PRODUCTS	15,722	3,053
BEVERAGES [EXCLUDING TEA & COFFEE] AND TOBACCO	3,232	8
CEMENT AND CEMENT PRODUCTS	2,671	147
CHEMICALS AND CHEMICAL PRODUCTS [DYES, PAINTS, ETC.]	9,444	121
CONSTRUCTION	12,637	6,478
FOOD PROCESSING-OTHERS	26,534	3,495
GEMS AND JEWELLERY	17,616	2,395
GLASS & GLASSWARE	386	0
INFRASTRUCTURE	37,739	12,029
LEATHER AND LEATHER PRODUCTS	1,068	2
MINING AND QUARRYING	6,895	1,015
PAPER AND PAPER PRODUCTS	5,604	91
PETROLEUM [NON-INFRA], COAL PRODUCTS [NON-MINING] AND NUCLEAR FUELS	535	61
RUBBER, PLASTIC AND THEIR PRODUCTS	4,433	76
TEXTILES	57,958	3,024
VEHICLES, VEHICLE PARTS AND TRANSPORT EQUIPMENTS	3,482	312
WOOD AND WOOD PRODUCTS	4,195	1,013
OTHER INDUSTRIES	6,093	675
OTHERS	841,165	21,762
TOTAL	**1,072,150**	**58,586**

4.5 Exposure to Industries in excess of 5% of total exposure

(₹ in million)

Industry	Fund based Facilities	Non-Fund based Facilities
TEXTILES	57,958	3,024
Total	**57,958**	**3,024**

BASEL PILLAR III DISCLOSURES

UNDER THE NEW CAPITAL ADEQUACY FRAMEWORK (31.03.2026) (Contd.)

4.6 Residual contractual maturity breakdown of assets*

(₹ in million)

Residual Maturity		Cash	Bal. with RBI	Bal. with other banks	Investments	Advances (Performing)	Gross NPA + NPI	Fixed Assets	Other Assets	Total
Day 1		7,440	1,857	22	43,503	29,700	-	-	10,507	**93,029**
2-7 Days		-	1,276	-	23,621	8,121	-	-	1,313	**34,331**
8-14 Days		-	1,050	-	22,295	7,337	-	-	1,313	**31,995**
15-30 Days		-	1,740	-	7,774	25,467	-	-	-	**34,981**
31 Days & upto 2 Months		-	2,221	-	10,424	34,461	-	-	-	**47,106**
Over	**Upto**	-	1,826	-	8,160	39,257	-	-	-	**49,243**
2 Months	3 Months									
3 Months	6 Months	-	6,057	-	28,550	106,294	-	-	-	**140,901**
6 Months	1 Year	-	13,008	-	61,380	163,948	-	-	-	**238,336**
1 Year	3 Years	-	7,441	2	43,708	318,745	-	-	-	**369,896**
3 Years	5 Years	-	3,940	-	23,222	63,793	3,972	-	-	**94,927**
Over 5 Years		-	3,689	-	17,254	182,979	7,210	5,016	39,507	**255,655**
Total		**7,440**	**44,105**	**24**	**289,891**	**980,102**	**11,182**	**5,016**	**52,640**	

* As per ALM Guidelines

4.7 Non Performing Advances, Investments and Provisions

(₹ in million)

Particulars			Amount	
a)	Gross NPA			
	i.	Substandard		3,972
	ii.	Doubtful 1		336
	iii.	Doubtful 2		57
	iv.	Doubtful 3		66
	v.	Loss		3,008
Total				**7,439**
b)	Net NPA			1,862
c)	NPA Ratios			
	i.	Gross NPAs to Gross Advances (%)		0.75%
	ii.	Net NPAs to Net Advances (%)		0.19%
d)	Movement of NPA (Gross)			
	i.	Opening balance 01.04.2025		6,418
	ii.	Additions during the period		7,415
	iii.	Reductions during the period		6,394
	iv.	Closing balance 31.03.2026		7,439
e)	Movement of provisions for NPA		**Specific Provision**	**General Provision**
	i.	Opening balance as on 01.04.2025	4,742	-
	ii.	Provision made during the period	6,302	-
	iii.	Write-off / write-back of excess provisions	5,492	-
	iv.	Closing balance 31.03.2026	5,552	-

BASEL PILLAR III DISCLOSURES
UNDER THE NEW CAPITAL ADEQUACY FRAMEWORK (31.03.2026) (Contd.)

(₹ in million)

Particulars			Amount
f)	Write Offs / Recoveries that have been booked directly to the income statement		
	i.	Write Offs that have been booked directly to the income statement	134
	ii.	Recoveries that have been booked directly to the income statement	5,824
g)	Amount of Non-Performing Investments		3,743
h)	Amount of provisions held for Non-Performing Investments		3,743
i)	Movement of Provision for depreciation on investments *		
	i.	Opening balance as on 01.04.2025	NA
	ii.	Add - Provision made during the period	NA
	iii.	Less - Write-off/ write-back of excess provision during the year (including depreciation utilized on the sale of securities)	NA
	iv.	Closing balance as on 31.03.2026	NA

*As per the RBI Master Directions no : RBI/DOR/2023-24/104 DOR.MRG.36/21.04.141/2023-24, dated September 12, 2023. On classification, valuation and operation of investment portfolio of commercial Banks (Directions), 2023, outstandings in investments are fair valued periodically.

4.8 Major Industry break up of NPA

(₹ in million)

Industry	Gross NPA	Specific Provision	Write Off during the current period
NPA in top 5 industries	1,575	1,193	540

4.9 Geographical distribution of NPA and Provision

(₹ in million)

Geography	Gross NPA	Specific Provision
Domestic	7,439	5,552
Overseas	-	-
Total	**7,439**	**5,552**

5. CREDIT RISK: DISCLOSURES FOR PORTFOLIO SUBJECT TO THE STANDARDIZED APPROACH (DF 4)

5 (a). The Bank has used the ratings of the following domestic external Credit Rating Agencies (CRA) for the purpose of risk weighting Bank's claims on the domestic entities for capital adequacy purpose –

1. CRISIL	2. CARE	3. ICRA	4. India Ratings	5. SMERA	6. Infomerics	7. Brickwork

5 (b). A description of the process used to transfer public issuer ratings onto comparable assets in the banking book –

- Bank has used short term ratings for assets with maturity upto one year and long-term ratings for assets maturing after one year as accorded by the approved external CRAs. Bank has not cherry-picked ratings. Bank has not used one rating of a CRA for one exposure and another CRA's rating for another exposure on the same counterparty unless only one rating is available for a given exposure.
- Cash credit exposures have been rated as long-term facility, notwithstanding the repayable on demand condition.
- If an obligor has a long term external credit rating that warrants RW (Risk Weight) of 150%, all unrated exposures on the same obligor whether long or short is assigned the same 150% RW unless mitigated by recognized Credit Risk Mitigants.

BASEL PILLAR III DISCLOSURES
UNDER THE NEW CAPITAL ADEQUACY FRAMEWORK (31.03.2026) (Contd.)

- Bank has used only solicited rating from the recognized CRAs. In case the obligor has multiple ratings from CRAs, the rating to be used is selected as per RBI guidelines.
- If there is only one rating by a chosen CRA for a particular claim, that rating is used to determine the risk weight of the claim.
- If there are two ratings accorded by chosen CRAs that map into different risk weights, the higher risk weight is applied.
- If there are three or more ratings accorded by chosen CRAs with different risk weights, the ratings corresponding to the two lowest risk weights is referred to and the higher of those two risk weights is applied. i.e., the second lowest risk weight.
- Where RW associated with the rating by a CRA for a specific investment instrument is lower than one corresponding to unrated exposure, but the Bank's exposure is not in that instrument but some other debt, the RW for the rated exposure has been applied to Bank's unrated exposure provided the latter ranks pari-passu or senior to the specific rated exposure and the maturity of Bank's claim is not later than the rated exposure.
- If either the issuer or a single issue has been rated warranting RW equal or higher than unrated claim, a claim on the same issuer which is unrated but ranks pari-passu or junior to the rated exposure has been assigned the same RW as the rated exposure.
- No recognition of Credit Risk Mitigation (CRM) technique has been taken into account in respect of a rated exposure if that has already been factored by the CRA while carrying out the rating.

For exposure amounts after risk mitigation subject to the standardized approach, amount of the Bank's outstanding (rated and unrated) in the following three major risk buckets as well as those that are deducted as on 31.03.2026 are as follows:

(₹ in million)

SN	Risk Weight	Fund Based	Non Fund Based	Total Exposure
1	Below 100%	669,249	16,837	686,086
2	100%	240,358	18,503	258,861
3	More than 100%	139,600	9,128	148,728
4	Deducted	-	-	-
	Total	**1,049,207**	**44,468**	**1,093,675**

6. CREDIT RISK MITIGATION: DISCLOSURES FOR STANDARDIZED APPROACH (DF 5)

6.1 The Bank has adopted CRM techniques and Collateral Management (CM) guidelines issued by RBI under Master circular – Prudential guidelines on Capital Adequacy and Market Discipline – New Capital Adequacy Framework (NCAF).

The Bank has utilized CRM in the form of Bank's own deposits, LIC Policies, National Saving Certificate and gold, wherever the collateral is identifiable, marketable & enforceable and complies with RBI requirements. Sovereign exposures and Sovereign guaranteed exposures are risk weighted as per RBI directives.

The general principles applicable for use of CRM techniques are as under:

i. No transaction in which CRM techniques are used has been assigned higher capital requirement than as otherwise identical transaction where such techniques are not used.

ii. The Bank has taken care to see that effects of CRM are not double counted. To ensure this no additional supervisory recognition of CRM for regulatory capital purposes is made available on claims for which an issue-specific rating is used that already reflects that CRM.

iii. Principal-only ratings will not be allowed within the CRM framework. The rating should cover principal and interest.

BASEL PILLAR III DISCLOSURES
UNDER THE NEW CAPITAL ADEQUACY FRAMEWORK (31.03.2026) (Contd.)

The Bank has, therefore, put in place robust procedures and processes to control these risks, including strategy, consideration of the underlying credit, valuation, policies and procedures systems, control of roll-off risks, and management of concentration risk arising from the use of CRM techniques and its interaction with the Bank's overall credit risk profile.

6.2 Eligible Financial Collateral

The following collaterals are used as risk mitigants –

1. Cash margins and fixed deposit receipts of the counterparty with the Bank
2. Gold bullion and jewelry
3. Securities issued by Central and State Governments
4. National Savings Certificates, Kisan Vikas Patras
5. Life insurance policies with a declared surrender value of an insurance company which is regulated by an insurance sector regulator.
6. Debt securities rated by a chosen CRA in respect of which the banks should be sufficiently confident about the market liquidity and where they are either:
   a) Attracting 100% or lesser risk weight i.e. rated at least BBB (-), when issued by public sector entities and other entities (including Banks and Primary Dealers); or
   b) Attracting 100% or lesser risk weight i.e. rated at least PR3/P3/F3/A3 for short-term debt instruments.
7. Debt securities not rated by a chosen CRA in respect of which the Banks should be sufficiently confident about the market liquidity where these are:
   a) Issued by a Bank
   b) Listed on a recognized exchange
   c) Classified as senior debt
   d) All rated issues of the same seniority by the issuing Bank are rated at least BBB(-) or A3 by a chosen CRA
8. Units of Mutual Funds regulated by the securities regulator of the jurisdiction of the bank's operation and mutual funds where:
   a) Price for the units is publicly quoted daily i.e., where the daily NAV is available in public domain; and
   b) Mutual fund is limited to investing in permitted instruments listed.

6.3 Quantitative disclosure

(₹ in million)

A.	Credit risk exposure covered by eligible financial collaterals			
SN	**Type of exposure**	**Credit equivalent of gross exposure**	**Value of eligible financial collateral after haircuts**	**Net amount of credit exposure**
1	Funded credit exposure	1,356,877	320,674	1,036,203
2	Non funded credit exposure	57,108	10,796	46,312
3	Securitization exposures – On balance sheet	13,130	-	13,130
4	Securitization exposures – Off balance sheet	-	-	-
	TOTAL	**1,427,115**	**331,470**	**1,095,645**

BASEL PILLAR III DISCLOSURES

UNDER THE NEW CAPITAL ADEQUACY FRAMEWORK (31.03.2026) (Contd.)

B.	Credit risk exposure covered by guarantees / credit derivative (specifically permitted by RBI)		
SN	**Type of exposure**	**Credit equivalent of gross exposure**	**Amount of guarantee (Credit equivalent)**
1	Funded credit exposure	-	-
2	Non funded credit exposure	-	-
3	Securitization exposures – On balance sheet	-	-
4	Securitization exposures – Off balance sheet	-	-
	TOTAL	**-**	**-**

7. SECURITIZATION EXPOSURES (DF 6)

7.1 General disclosures on securitization exposures of the Bank (including accounting for securitization activities)

a. Objectives of securitization activities of the Bank (including the extent to which these activities transfer credit risk of the underlying securitized exposures away from the Bank to other entities and nature of other risks inherent in securitized assets)

Bank's securitisation exposure is limited to investments in securitisation instruments. Pass through Certificates (PTC) and purchase of asset portfolio by way of direct assignment route. The loans purchased through direct assignment route are classified as advances.

b. Role of the Bank in securitization processes (as an originator / investor/ service provider/ facility provider etc.) and extent of involvement in each activity

- ✓ As an investor – Bank invests in PTCs backed by financial assets originated by third parties. Such investments are held in the investment trading book;
- ✓ As an assignee – Bank purchases asset portfolio by way of direct assignment from Banks / NBFCs.

c. Processes in place to monitor changes in the credit and market risk of securitization exposures

The major risks involved in loan assignment transactions are:

- ✓ **Regulatory and legal risks:** Risks arising due to non-compliance of regulatory requirements resulting in keeping higher risk weight/ capital charge for assignment transactions. Risk of non-compliance of regulatory rules.
- ✓ **Credit Risk:** Risk arising on default of a debt that may arise from an obligor failing to make required repayments.
- ✓ **Co-mingling risks:** Risks arising due to co-mingling of funds belonging to the assignee with that of the originator. This occurs when there is a time lag between collection of re-payments by the originator and remittance to the assignee.
- ✓ Prepayment risk: Risk arising due to prepayment of dues by obligors in the assigned pool either in part or full.

Changes in credit and market risk of securitization instruments held in the trading and banking book is constantly reviewed and monitored. In case of credit portfolio purchased through assignment route, monitoring is done at individual account level.

d. Bank's policy governing the use of credit risk mitigation to mitigate the risks retained through securitization exposures

The Bank has not originated any securitization exposures. In the case of purchase by way of direct assignment route, Bank has not used any additional credit risk mitigant. For computation of capital requirements for loans purchased by way of direct assignment, Bank has used the credit rating from external CRAs where available.

Aggregate amount of securitization exposures retained or purchased during year ended of FY 2025-26:

(₹ in million)

Exposure type	Amount
Fund based	924
Loan against property	924
Mixed loans*	-
Non Fund based	-
Total	**924**

* Mixed loans include Machinery loans, jewel loans, personal loans etc.

8. MARKET RISK IN TRADING BOOK (DF 7)

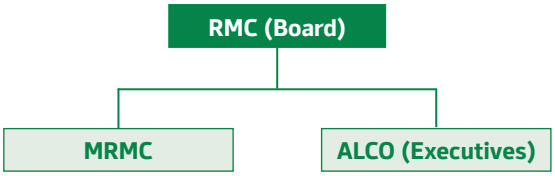
Market risk refers to the uncertainty of future earnings resulting from changes in interest rates, foreign exchange rates, market prices and volatilities. The Bank assumes market risk in its lending and deposit taking businesses and in its investment activities, including position taking and trading. The market risk is managed in accordance with the investment policies, which are approved by the Board. These policies ensure that operations in securities, foreign exchange and derivatives are conducted in accordance with sound and acceptable business practices and are as per the extant regulatory guidelines, laws governing transactions in financial securities and the financial environment. Market Risk in Trading Book is assessed as per the Standardized Duration approach. The capital charge for Held for Trading (HFT) and Available for Sale (AFS) portfolios is computed as per RBI guidelines.

Market risk management objectives

The objectives of market risk management are as follows:

- Management of liquidity
- Management of interest rate risk and exchange rate risk.
- Proper classification and valuation of investment portfolio
- Adequate and proper reporting of investments and derivative products
- Compliance with regulatory requirements

Structure and organization of the market risk management function:



Strategies and processes:

To comply with the regulatory guidelines and to have independent control groups there is clear functional separation of:

- Trading (Front office)
- Monitoring and control (Middle office) and
- Settlements (Back office)

The strategy/guidelines for controlling market risk include:

- Direct involvement of experienced line management
- Stringent controls and limits
- Strict segregation of front, middle and back office duties
- Comprehensive periodical reporting of positions
- Regular independent reviews of all controls and limits
- Rigorous testing and auditing of all pricing, trading and risk management

The scope and nature of risk reporting and measurement systems:

Reporting – The Bank periodically reports on the various investments and their related risk measures to the senior management and the committees of the Board. The Bank also periodically reports to RBI in compliance with regulatory requirements.

Measurement – The Bank has devised various risk metrics for measuring market risk. These are reported to ALCO. Some of the risk metrics adopted by the Bank for monitoring its risks are Value-at-Risk, Earnings at Risk, Modified Duration, Stop Loss limits amongst others.

BASEL PILLAR III DISCLOSURES

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The capital requirements for market risk are detailed below

(₹ in million)

SN	Risk Category	Capital Charge
1	Interest Rate Risk	141
2	Foreign Exchange Risk (including gold/bullion)	58
3	Equity Risk	312
	Capital requirement for Market Risk (1 + 2 + 3)	511

9. OPERATIONAL RISK (DF 8)

Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. Operational risk includes legal risk but excludes strategic and reputational risk.

The Bank has put in place a Board approved Operational Risk Management Policy which outlines overall framework for management of Operational Risk.

The Bank manages Operational Risk by way of adopting best practices in processes as well as products. Utmost importance is given on communication and understanding of processes at transactional level and compliance to same are monitored through effective internal audits.

The Bank's selection of personnel and systems of rewarding performance are aligned to meet Bank's stated key priorities. There is a commitment to training and upgrading of staff skills. Strong 'ownership' of exposures is encouraged, through rewards as well as strong accountability.

The Bank understands the criticality of business continuity in the event of any undesirable/ unforeseen incident and has put in place an exhaustive Business Continuity Plan (BCP) in place which is subject to periodic drills. The Bank has robust Information Technology set up with Disaster Recovery (DR) site for critical functions and backups. Further there is a strict adherence to Information Security Policy across the Bank.

As per the mandate from RBI, the Bank is following the Basic Indicator Approach (BIA) for assessment of Operational Risk Capital.

Capital requirement for operational risk as per BIA as on 31.03.2026 is ₹ 10,450 million.

10. INTEREST RATE RISK IN BANKING BOOK (DF 9)

Interest Rate Risk in the Banking Book (IRRBB)

Interest rate risk is the potential change in Net Interest Income (NII) or Economic Value of Equity (Balance Sheet impact), caused by unexpected changes in market interest rates. Since NII or Net Interest Margin (NIM) of Bank is dependent on the movements of interest rates, any mismatches or gaps in the cash-flows on re-pricing dates exposes Bank's NII or NIM to interest rate risk. IRRBB results from an unavoidable position or gap arising from Bank's normal day to day business by holding assets and liabilities in different maturities and different re-pricing dates.

Risk management framework and monitoring.

The Board of the Bank, through ALCO , has overall responsibility for management of risks and it sets limits and policies for management of liquidity risk, market risk including foreign exchange, interest rate and equity risk. The ALCO, a strategic decision making body, headed by Executive Director and comprising of senior executives of the Bank is responsible for deciding the mix and maturity profile of the assets and liabilities, recommendation of risk policies, setting up of prudential limits to manage the risks and ensuring compliance with the limits set by the Board. The ALM policy of the Bank includes the prudential limits on interest rate risk, liquidity risk, foreign exchange risk and equity risk.

Risk Management Department is monitoring the limits laid down in the ALM Policy through various reports.

Risk measurement and reporting framework.

As a part of its regular activities, ALCO manages the impact of the IRRBB, through various limits, reports and tools such as interest rate sensitive gaps, Earnings at risk analysis, duration gap analysis, stress testing, etc. detailed as follows:

a) Interest rate sensitivity

The interest rate gap risk, at any given date, is the risk arising from the mismatches in the assets & liabilities over the different time intervals. These mismatches or gaps are arrived at after matching rate sensitive assets and rate sensitive liabilities in the particular time bucket taking into account all

assets and liabilities (including off Balance Sheet exposure). The rate sensitive assets and liabilities are grouped in the buckets as per the residual maturity or re-pricing date, whichever is earlier and is reported on a monthly basis. The gap indicates whether net interest income is positively or negatively impacted by a change in interest rates and the magnitude of the gap approximates the change in net interest income for any given interest rate shift. Limits are fixed on individual gaps.

b) Earnings at Risk Analysis (EaR)

The analysis is taken up to understand whether the Bank is in a position to benefit from rising interest rates by having a positive gap (RSA > RSL) or whether it is in a position to benefit from declining interest rates by a negative gap (RSL > RSA). The Bank monitors the EaR on NII for 2% change in interest rates on the open periodic gaps.

c) Stress testing

The Bank measures the impact on NII/ EaR after taking into account various possible movement in interest rates across tenor and impact on the earnings is calculated for each of these scenarios.

d) Duration gap analysis

Movement in the interest rates also have a long-term impact on the market value of equity of the Bank, as the economic value of the Bank's assets, liabilities and off-Balance Sheet positions get affected. Duration is a measure of interest rate sensitivity of assets, liabilities and also equity. It may be defined as the percentage change in the market value of an asset or liability (or equity) for a given change in interest rates. Thus, Duration Gap Analysis measures by how much the market value of equity of a firm would change for the possible change in the interest rates.

The following table shows the impact on NII and economic value of equity for a given change in the interest rates. The impact is calculated assuming parallel shifts in the yield curve across all time buckets.

(₹ in million)

Currency = INR (*)	100 bps	200 bps
Impact on NII	(1,548)	(3,097)
Impact on economic value of equity	1,898	3,795

*No major exposure in foreign currencies

11. GENERAL DISCLOSURES FOR EXPOSURES RELATED TO COUNTER PARTY CREDIT RISK (DF 10)

Counterparty exposure

Counterparty credit risk in case of derivative contracts arises from the forward contracts. The subsequent credit risk exposures depend on the value of underlying market factors (e.g., interest rates and foreign exchange rates), which can be volatile and uncertain in nature. The Bank does not enter into derivative transactions other than forward transactions.

Credit limits

The credit limit for counterparty bank is fixed based on their financial performance as per the latest audited financials. Various financial parameters such as Capital, Net worth etc., are taken into consideration while assigning the limit. Credit exposures are monitored to ensure that they do not exceed the approved credit limits.

Credit exposures on forward contracts

The Bank enters into the forward contracts in the normal course of business for positioning and arbitrage purposes, as well as for its own risk management needs, including mitigation of interest rate and foreign currency risk. Derivative exposures are calculated according to the current exposures method.

BASEL PILLAR III DISCLOSURES

UNDER THE NEW CAPITAL ADEQUACY FRAMEWORK (31.03.2026) (Contd.)

Credit exposure

(₹ in million)

	Notional Amount	Gross positive fair value of the contracts	Potential Future Exposure	Total Credit Exposure
Forward contracts	35,047	809	370	1,179

12. COMPOSITION OF CAPITAL (DF 11)

(₹ in million)

Common Equity Tier 1 (CET 1) capital instruments and reserves		
1	Directly issued qualifying common share capital plus related stock surplus (share premium)	22,538
2	Retained earnings	166
3	Accumulated other comprehensive income (other reserves)	112,107
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 CET 1)	-
6	**CET 1 capital before regulatory adjustments**	134,811
CET 1 capital : regulatory adjustments		
7	Prudential valuation adjustments	-
8	Goodwill (net of related tax liability)	-
9	Intangibles (net of related tax liability)	632
10	Deferred tax assets	-
11	Cash-flow hedge reserve	-
12	Shortfall of provisions to expected losses	-
13	Securitization 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	19
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	-
	of which :	
23	Significant investments in the common stock of financial entities	-
24	Mortgage servicing rights	-
25	Deferred tax assets arising from temporary differences	-
26	National specific regulatory adjustments(26a+26b+26c+26d)	-
26a	Investments in the equity capital of unconsolidated insurance subsidiaries	-
26b	Investments in the equity capital of unconsolidated non - financial subsidiaries	-

BASEL PILLAR III DISCLOSURES

UNDER THE NEW CAPITAL ADEQUACY FRAMEWORK (31.03.2026) (Contd.)

(₹ in million)

26c	Shortfall in the equity capital of majority owned financial entities which have not been consolidated with the bank	-
27	Regulatory adjustments applied to CET 1 due to insufficient Additional Tier 1 (AT1) and Tier 2 to cover deductions	-
28	**Total regulatory adjustments to CET 1**	**651**
29	**Common Equity Tier1 capital**	**134,160**
AT1 Capital instruments		
30	Directly issued qualifying AT1 instruments plus related stock surplus (share premium) (31+32)	-
	of which :	
31	Classified as equity under applicable accounting standards (Perpetual Non-Cumulative Preference Shares)	-
32	Classified as liabilities under applicable accounting standards (Perpetual debt Instruments)	-
33	Directly issued capital instruments subject to phase out from AT1	-
34	AT 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	**AT 1 capital before regulatory adjustments**	**-**
AT 1 capital regulatory adjustments		
37	Investments in own AT 1 instruments	-
38	Reciprocal cross-holdings in AT 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)	-
	of which	
41a	Investments in the AT 1 capital of unconsolidated insurance subsidiaries	-
41b	Shortfall in the AT 1 capital of majority owned financial entities which have not been consolidated with the bank	-
42	Regulatory adjustments applied to AT1 due to insufficient Tier 2 to cover deductions	-
43	**Total regulatory adjustments to AT1 capital**	-
44	**Additional Tier 1 capital**	-
44a	**AT1 capital reckoned for capital adequacy**	-
45	**Tier 1 capital (T1 = CET 1 + AT 1) (29+44a)**	**134,160**
Tier 2 capital instruments and provisions		
46	Directly issued qualifying Tier2 instruments plus related stock surplus	-
47	Directly issued capital instruments subject to phase out from Tier 2	
48	Tier2 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 Tier2)	-
49	of which: instruments issued by subsidiaries subject to phase out	-
50	Other Reserves and Provisions	7,832
51	**Tier 2 capital before regulatory adjustments**	**7,832**

BASEL PILLAR III DISCLOSURES

UNDER THE NEW CAPITAL ADEQUACY FRAMEWORK (31.03.2026) (Contd.)

(₹ in million)

Tier 2 capital : regulatory adjustments		
52	Investments in own Tier2 instruments	-
53	Reciprocal cross-holdings in Tier2 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)	-
54a	Progressive discount on Tier II Bonds	
55	Significant investments in the capital of 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)	-
	of which:	
56a	Investments in the Tier 2 capital of unconsolidated insurance subsidiaries	-
56b	Short fall in the Tier2 capital of majority owned financial entities which have not been consolidated with the bank	-
57	**Total regulatory adjustments to Tier2 capital**	**-**
58	**Tier 2 capital (T2)**	**7,832**
59	**Total capital (TC = T1 + Admissible T2) (45+58)**	**141,992**
60	**Total risk weighted assets (60a+60b+60c)**	**756,949**
60a	**Total credit risk weighted assets**	**661,637**
60b	**Total market risk weighted assets**	**4,441**
60c	**Total operational risk weighted assets**	**90,871**
Capital ratios and buffers		
61	**Common Equity Tier1 (as a percentage of risk weighted assets)**	**17.72%**
62	**Tier1 (as a percentage of risk weighted assets)**	**17.72%**
63	**Total capital (as a percentage of risk weighted assets)**	**18.76%**
64	**Institution specific buffer requirement (minimum CET1 requirement plus capital conservation plus counter cyclical buffer requirements plus higher of G-SIB & D-SIB buffer requirement, expressed as a percentage of risk weighted assets)**	**8.00%**
65	**Of which: capital conservation buffer requirement**	**2.50%**
66	**Of which: bank specific counter cyclical buffer requirement**	**-**
67	**Of which: G-SIB & D-SIB buffer requirement**	**-**
68	**Common Equity Tier1 available to meet buffers (as a percentage of RWAs)**	**9.72%**
National minima (if different from Basel III)		
69	National Common Equity Tier1 minimum ratio (if different from Basel III minimum)	8.00%
70	National Tier1 minimum ratio (if different from Basel III minimum)	7%
71	National total capital minimum ratio (if different from Basel III minimum)	11.50%
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)	-

BASEL PILLAR III DISCLOSURES
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(₹ in million)

Applicable caps on the inclusion of provisions in Tier2		
76	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardized approach (prior to application of cap)	4,832
77	Cap on inclusion of provisions in Tier 2 under standardized approach	-
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	-
Capital instruments subject to phase-out arrangements (only applicable between March 31, 2017 and March 31, 2022)		
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 onT2 instruments subject to phase out arrangements	-
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	-

Notes -

(₹ in million)

SN in DF 11	Particulars	Amount
10	Deferred tax assets associated with accumulated losses	-
	Deferred tax assets (excluding those associated with accumulated losses) net of deferred tax liability	-
	Total as indicated in row 10	-
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 CET 1 capital	-
	of which: Increase in AT 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 CET 1 capital	-
	(ii) Increase in risk weighted assets	-
50	Eligible Provisions included in Tier 2 capital	4,832
	Eligible Revaluation Reserves included in Tier 2 capital	-
	Total of row 50	4,832

13. MAIN FEATURES OF REGULATORY CAPITAL INSTRUMENTS (DF-13) AND (DF-14)

During the year ended 31st March 2026, the Bank did not raise any subordinated debt bonds qualifying for Tier II capital.

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15. DISCLOSURE ON REMUNERATION (DF-15)

Quantitative Disclosures:

The RBI circular RBI/DOR/2025-26/149 DOR.HGG.GOV. No.68/29.67.001/ 2025-26 dated November 28, 2025 on "Reserve Bank of India (Commercial Banks - Governance) Directions, 2025" read with Reserve Bank of India (Commercial Banks: Financial Statements – Presentation and Disclosures) Directions, 2025, requires the Bank to make following disclosures on remuneration on an annual basis in Annual Financial Statements:

a) Information relating to the composition and mandate of the Nomination and Remuneration Committee (NRC):

The Composition of Nomination & Remuneration Committee complies with RBI guidelines, provisions of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 ('SEBI LODR'). As on 31st March 2026, the Nomination & Remuneration Committee (NRC) of the Board consists of the following Independent Directors;

Shri Murali Ramaswami	Chairman of the Committee
Dr Meena Hemchandra, Chairperson	Member
Shri R Vidhya Shankar	Member

Out of the above, Dr Meena Hemchandra is also a member of Risk Management Committee of the Board.

The mandate of Nomination and Remuneration Committee includes:

1. Formulate criteria for determining qualifications, positive attributes and independence of a director, in terms of fit and proper criteria issued by the RBI from time to time.
2. Devise/review a Policy on Appointment and Succession Planning for Directors.
3. Devise/review a policy on Board Diversity.
4. Formulate/review criteria for evaluation of performance of Chairman, Independent Directors, Board of Directors, Committees of Board.
5. Recommend persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the board of directors their appointment and removal.
6. Frame/review Compensation Policy towards ensuring effective alignment between remuneration and risk. Directors and Senior Management Personnel shall be part of the Compensation Policy.
7. Formulate the criteria for variable pay and fix the thresholds for applying malus & clawback on the grant of variable pay payable to MD & CEO/ WTD.
8. Review and recommend to the board, all remuneration, in whatever form, payable to Directors & senior management.
9. Consider grant of stock options to employees, administer and supervise the Employee Stock Option Plans in conformity with statutory provisions and guidelines.
10. Provide inputs, if required, to Board for making disclosures regarding policies, appointments, remuneration etc. of Directors and Senior Management personnel in the Annual Reports/ Directors Reports/Financial Statements etc. as may be required by the regulations from time to time.
11. Perform any other functions or duties as stipulated by the Companies Act, RBI, SEBI, Stock Exchanges and any other regulatory authority or under any applicable laws as may be prescribed from time to time.

b) Information relating to the design and structure of remuneration processes and the key features and objectives of remuneration policy:

The Bank has Board approved Compensation Policy in terms of the RBI guidelines, provisions of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 ('SEBI LODR'). The Compensation Policy of the Bank covers the compensation payable to all the employees including the MD&CEO/ WTD, Key Managerial

Personnel, Material Risk Takers, Control Function Staff as per the guidelines of RBI as also fee payable including fixed remuneration to Non-Executive Directors of the Bank including Independent Directors. Nomination and Remuneration Committee (NRC) of the Bank oversees the framing, review and implementation of compensation policy on behalf of the Board of Directors.

Further the inputs of Risk Management Committee are also considered to maintain, implement and establish that the compensation is adjusted for all types of risks, Compensation outcomes are symmetric with risk outcomes.

In terms of RBI Guidelines and Compensation Policy of the Bank the position of Managing Director & CEO and Executive Director were identified as Material Risk Takers (MRT). During the year under review, based on the internal assessment the role of Chief Operating Officer was identified as Material Risk Taker (MRT) with effect from 04.03.2026. The compensation payable to MRTs would be divided into fixed and variable components. Non-Executive Directors/ Independent Directors are paid sitting Fees for attending Board/ Committee meetings. Part-time (Non-Executive) Chairperson is entitled for honorarium, as approved by Reserve Bank of India and Shareholders of the Bank.

In terms of RBI Circulars and as approved by the shareholders vide postal ballot resolution dated July 16, 2024, Non-Executive Directors of the Bank including Independent directors (Other than Non-Executive (Part-time) Chairperson) are eligible for fixed remuneration to the tune of 0.2% of the profit available for distribution subject to a maximum of ₹ 20 Lakhs for each Director per annum with effect from FY 2024-25, for a period of three (3) years. The said fixed remuneration payable shall be in proportion to the tenure of the Directors on the Board during the year.

Remuneration to employees (other than MRTs) is defined by the IBA pay scale/ CTC pay structure, both of which are approved by the Board. The IBA pay scale is an industry standard across all PSBs and old generation private banks, while the CTC pay structure specific to KVB has been formulated based on comparative industry practices. The objective is to suitably compensate every employee as per his position in the organization so as to adequately recognize his contributions.

Objective of the Compensation policy is to align the compensation with prudent risk taking;

- Compensation must be adjusted for all types of risks.
- Compensation outcomes must be symmetric with risk outcomes.
- Compensation pay-out schedules must be sensitive to the time horizon of risks.
- The proportion of cash, equity and other forms of compensation must be consistent with risk alignment.

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 relation to MRTs the clauses of Compensation Policy adopted by the Bank address the issues pertaining to current and future risks. While current risks are factored in fixed pay, the future risks are factored in variable pay. The variable pay shall be based on predefined KPIs having a wide variety of measures related to Governance, Internal Controls, appropriate risk management practices and adherence to Compliance, etc as set out by NRC. This risk adjustment factors in both quantitative and qualitative elements. The Policy effectively aligns the compensation with prudent risk taking and relates to risk outcomes as well as sensitive to the time horizon of risk. Further in adherence to FSB implementation standards & RBI Guidelines, variable pay has deferral arrangements. In the event of negative outcomes & misconduct risk, the deferred compensation shall be subjected to malus and claw back arrangements in tune with the RBI guidelines.

The remuneration (other than MRTs) as per IBA/CTC package is position / designation specific. However,

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there are sufficient systems and procedures in place in the Bank (including KVB Officer Employees, Conduct Regulations and Discipline & Appeal Regulations, and also Malus / Claw back clauses in the employment contracts wherever applicable and continuous monitoring / auditing etc.,) to ensure deterrence in unacceptable behavior and risk mitigation.

d) Description of the ways in which the bank seeks to link performance during a performance measurement period with levels of remuneration:

For all employees eligible for Variable Pay such as MRTs and Control Functions, or employees on CTC structure, other than employees on IBA format, Bank follows a performance-based compensation approach. In such cases, the Variable Pay, Or Incentives (by whatsoever name called) are linked to performance scores from the systematic annual performance reviews.

Further, the annual increments in compensation are also linked to the aforementioned performance assessments. While the compensation of IBA employees is based on industry settlements, bank may also provide performance linked rewards.

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

As per the Compensation Policy, Variable pay is eligible on the achievement of certain business/ compliance targets fixed by the management. The structuring of remuneration in case of MD & CEO/ WTD shall be subject to the approval of RBI.

Deferral arrangements for variable pay in case of Managing Director & CEO/WTD and other employees who are MRTs, in adherence to FSB implementation standards shall be;

- a minimum of 60% of the total variable pay shall be under deferral arrangements.
- if cash component of variable pay equals or exceeds ₹25.00 Lakhs, then atleast 50% of the cash bonus shall be deferred.

The deferral period shall be a minimum of three years applicable to both cash and non-cash components of the variable pay. Deferred remuneration shall either vest fully at the end of the deferral period or be spread out over the course of the deferral period. The first such vesting shall not be before one year from the commencement of the deferral period. The vesting shall be on a pro-rata basis and shall not be front loaded. Additionally, vesting shall not take place more frequently than on a yearly basis to ensure a proper assessment of risks before the application of ex post adjustments.

In cases where the compensation by way of share linked, instruments is not permitted by law / regulations, the entire variable pay can be in cash, subject to deferral /vesting / malus-clawback norms.

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:

Variable pay, to such employees as eligible and in adherence to the RBI guidelines on Compensation to WTDs, MRTs, and Control Functions is based on performance and is measured through KPIs. Bank ensures that the compensation structure is comprehensive and considers both, qualitative and quantitative performance measures. The variable pay would be in the form of cash & non-cash components (in the form of Share linked instruments).

Bank also has three Employees Stock Option Schemes viz; KVB ESOS 2011, KVB ESOS 2018 and KVB ESOS 2025. NRC may grant stock options under the Employees Stock Option Schemes from time to time in terms of SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (Erstwhile SEBI (Share Based Employee Benefits) Regulations, 2014).

Bank also subscribes to other forms of performance linked incentives, non–cash incentives, which may be linked to organisation/individual performance as appropriate to the role and grade for employees in the CTC Structure and IBA Structure.

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Quantitative Disclosures on Remuneration (The quantitative disclosures should only cover Whole Time Directors/Chief Executive Officer/ Other Risk Takers):

Particulars			2025-26	2024-25
a)	Number of meetings held by the Remuneration Committee during the financial year and remuneration paid to its members.		11 Meetings and sitting fees of ₹ 16.50 lakh	10 Meetings and sitting fees of ₹ 15.50 lakh
b)	Number of employees having received a variable remuneration award during the financial year.		2	2
c)	Number and total amount of sign-on/joining bonus made during the financial year.		Nil	Nil
d)	Details of severance pay, in addition to accrued benefits, if any.		NA	NA
e)	Total amount of outstanding deferred remuneration, split into cash, types of share-linked instruments (number of unvested options outstanding as on 31 March) and other forms.		Cash : ₹1,50,72,494	Cash : ₹96,72,153
			Non-Cash (ESOPs): 1,22,641 Options	Non-Cash (ESOPs): 1,58,772 Options
f)	Total amount of deferred remuneration paid out in the financial year.		Cash : ₹42,92,460	Cash : ₹26,90,056
			Non-Cash (ESOPs): 88,148 Options	Non-Cash (ESOPs): 1,16,271 Options
g)	Breakdown of amount of remuneration awards for the financial year to show fixed and variable, deferred and non-deferred.1&2		Fixed Pay : ₹ 3,74,23,255/-	Fixed Pay : ₹3,10,61,755/-
			Variable Pay: ₹ 3,47,15,781/-	Variable Pay: ₹ 2,58,31,445/-
h)	Total amount of outstanding deferred remuneration and retained remuneration exposed to ex post explicit and/or implicit adjustments.		Nil	Nil
i)	Total amount of reductions during the financial year due to ex-post explicit adjustments.		Nil	Nil
j)	Total amount of reductions during the financial year due to ex-post implicit adjustments.		Nil	Nil
k)	Number of MRTs identified		33	33
l)	Number of cases where malus has been exercised.		Nil	Nil
m)	Number of cases where clawback has been exercised.		Nil	Nil
n)	Number of cases where both malus and clawback has been exercised.		Nil	Nil
o)	The mean pay for the Bank as a whole (excluding sub-staff) and the deviation of the pay of each of its WTDs from the mean pay.	Mean pay#	₹12,13,792.12	₹12,27,413.68
		Deviation of the pay MD & CEO4	41.04X	34.17X
		Shri J Natarajan, Ex-ED5 (Demitted office on 21.05.2025)	15.05X*	18.23X
		Shri B Sankar, ED6	9.03X	0.47X

*includes Terminal Benefits such as Gratuity, Leave encashments.

#It is clarified that, as the bipartite settlement arrears were included in the payout of FY 2024-25, the mean payout for FY25-26 appears lower.

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Notes:

1. Details of Variable Pay (cash/ non cash) pertaining to FY 2024-25 paid/granted during the FY 2025-26:

S.no.	Name	Variable pay in Rs	Cash	Share Linked remuneration (ESOPs)
1.	Shri B Ramesh Babu, MD & CEO (MRT)a	2,57,00,000	₹1,28,50,000 (Upfront 64.25 Lacs + 21.41 Lacs each deferred over a period of 3 years)	52,017 options to be vested in the ratio of 33:33:34
2.	Shri J Natarajan, Ex -Executive Director (MRT)b	90,15,781	₹90,15,781 (Upfront 36.06 Lacs + 18.03 Lacs each deferred over a period of 3 years)	-
	Total	**3,47,15,781**		

a RBI vide letter dated 02.12.2025 has approved variable pay to Mr. B Ramesh Babu, MD & CEO for the performance period FY 2024-25, which was paid during the year ended March 31, 2026.

b Shri J Natarajan was in the role of president from 01.04.2024 till 21.05.2024 and consequent to RBI's approval of his appointment, he had taken charge as Executive Director for a period of one year from 22.05.2024 till 21.05.2025. RBI vide its letter dated 21.08.2025 approved the variable pay for his term. The variable pay above mentioned pertains to the performance period FY 2024-25 includes the role of President and also of Executive Director.

2. Details of Fixed Remuneration paid:

S. no.	Name	Amount in Rs	
		FY 2025-26	FY 2024-25
1	Shri B Ramesh Babu, MD & CEO (MRT)*C	2,51,51,312/-	2,17,13,625/-
2	Shri J Natarajan, Ex-Executive Director (MRT)*D	13,06,281/-	87,65,798/-
3	Shri Sankar Balabhadrapatruni, Executive Director (MRT)*E	1,09,65,662/-	5,82,332/-
4	Shri Chandrasekaran M S, CGM & COO (MRT)*F	71,37,844/-	-
Total of Fixed Pay		**3,74,23,255/-**	**2,51,10,244/-**

*includes perquisites worked out as per Income Tax Rules, 1962.

C Reserve Bank of India vide its letter dated 02.12.2025 has approved the revision in Fixed Pay of MD & CEO from ₹2.19 crore per annum to ₹2.51 crore per annum w.e.f. July 29, 2025.

D On arriving for the Fixed remuneration of Shri J Natarajan, Ex- Executive Director terminal benefits payment in the form of Leave encashments and Gratuity paid are not considered.

E RBI vide letter dated 11.02.2025 has approved the appointment of Shri B Sankar as Executive Director for a period of three year effective from date of taking charge, Board in its meeting held on 20.02.2025 has appointed Shri B Sankar as Executive Director and he has taken charge on 12.03.2025.

F Role of Chief Operating Officer was identified as Material Risk Taker (MRT) with effective from 04.03.2026.

3. In terms of RBI Guidelines and Compensation Policy of the Bank the position of Managing Director & CEO and Executive Director were identified as Material Risk Takers (MRT) during previous years. During the year under review, based on the internal assessment the role of Chief Operating Officer was identified as Material Risk Taker (MRT) with effective from 04.03.2026.

4. In respect of calculation of deviation in mean pay, the increase in remuneration of MD & CEO during FY (2025-26) was due to
    i. Revision in remuneration (Fixed and Variable).
    ii. Variable Pay components (Cash) of FY 2024-25 in addition to deferred portion from preceding years i.e FY 2021-22, 2022-23, 2023-24.
    iii. Exercise of Variable Pay non-cash components for FY 2021-22, 2022-23, 2023-24.
    iv. Perquisites as per Income Tax Act, 1961.
5. In respect of calculation of deviation in mean pay, remuneration of Ex-Executive Director Shri Natarajan J during FY (2025-26) includes
    i. Remuneration (Fixed and Variable).
    ii. Variable Pay components (Cash) of Apr 2024 - May 2025 in addition to deferred portion from preceding year FY 2023-24 and exercise of Variable Pay non-cash components for FY 2021-22, 2022-23, 2023-24 (during which time he served as the President) and
    iii. Perquisites as per Income Tax Act, 1961.
6. Shri B Sankar joined as Executive Director on March 12, 2025. Further for the purpose of calculating the deviation in mean pay, remuneration of Executive Director Shri B Sankar during FY (2025-26) includes Fixed Remuneration and Perquisites as per Income Tax Act, 1961.

16. DISCLOSURE ON BANKING BOOK POSITION (DF-16)

Qualitative Disclosures

In accordance with the RBI New Investment guidelines, entire investment portfolio of the Bank including equity investments is classified as under:

- HTM - Held to Maturity
- AFS - Available for Sale and
- FVTPL – Fair Value through Profit & Loss and
- HFT - Held for Trading

Investments can be classified under AFS category, provided Bank should opt for it is an irrevocable election to classify an equity instrument that is not held with the objective of trading.

Investments are qualified for election of FVTPL shall include Equity shares, other than equity shares of subsidiaries, associates or joint ventures and equity shares where, at initial recognition, the irrevocable option to classify at AFS has been exercised.

Investments can be classified under HFT category when they are listed equities, instruments resulting from market-making activities, equity investments in a fund excluding those exempted from assignment to HFT.

In accordance with the RBI guidelines, equity investments held under the AFS category only are classified as banking book for capital adequacy purpose.

BASEL PILLAR III DISCLOSURES

UNDER THE NEW CAPITAL ADEQUACY FRAMEWORK (31.03.2026) (Contd.)

Quantitative Disclosures

(₹ in million)

1	Value disclosed in the balance sheet of investments (Book Value)	1,288
	Fair value of those investments (Market Value as on 31.03.2026)	1,064
	For quoted securities, a comparison to publicly quoted share values where the share price is materially different from fair value	Quoted Securities are all Fair Valued
2	The types and nature of investments, including the amount that can be classified as- publically traded and privately held	Privately Held- 947 Publicly Quoted- 341
3	The cumulative realised gains (losses) arising from sales and liquidations in the reporting period (Long Term Capital Gains)	-
4	Total unrealized gains (losses)	-
5	Total latent revaluation gains (losses) (MTM Gains)	
6	Any amounts of the above included in Tier 1 and/or Tier 2 capital	-
7	Capital requirements broken down by appropriate equity groupings, consistent with the bank's methodology, as well as the aggregate amounts and the type of equity investments subject to any supervisory transition or grandfathering provisions regarding regulatory capital requirements.	-

17. LEVERAGE RATIO DISCLOSURES

Leverage ratio is a measure of exposure of the Bank vis-à-vis its capital i.e. Leverage Ratio = Tier 1 Capital ÷ Total Exposure, expressed in percentage terms. Exposure for this purpose includes on-balance sheet exposures, derivative exposures, securities financing transaction (SFT) exposures and off- balance sheet (OBS) items.

Leverage ratio is not a risk based measure; it is designed to be a supplementary measure to the prescribed risk based capital requirements.

DF -17 : Summary comparison of accounting assets vs. leverage ratio exposure measure

(₹ in million)

SN	Particulars	March 26	December 25	September 25	June 25
1	Total consolidated assets as per published financial statements	1,366,031	1,355,672	1,300,990	1,253,711
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	1,550	1,298	2,082	1,096
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)	57,188	54,002	52,696	47,734
7	Other adjustments	(651)	(590)	(608)	(471)
8	Leverage ratio exposure	**1,424,118**	**1,410,382**	**1,355,160**	**1,302,070**

BASEL PILLAR III DISCLOSURES
UNDER THE NEW CAPITAL ADEQUACY FRAMEWORK (31.03.2026) (Contd.)

DF -17 : Leverage ratio disclosure

(₹ in million)

Item		March 26	December 25	September 25	June 25
On-balance sheet exposures					
1	On-balance sheet items (excluding derivatives and SFTs, but including collateral)	1,366,031	1,355,672	1,300,990	1,253,711
2	(Asset amounts deducted in determining Basel III Tier 1 capital)	(651)	(590)	(608)	(471)
3	Total on-balance sheet exposures (excluding derivatives and SFTs) (1 + 2)	1,365,380	1,355,082	1,300,382	1,253,240
Derivative exposures					
4	Replacement cost associated with all derivatives transactions (i.e. net of eligible cash variation margin)	809	507	923	186
5	Add-on amounts for PFE associated with all derivatives transactions	741	791	1,159	910
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 4 to 10)	1,550	1,298	2,082	1,096
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 12 to 15)	-	-	-	-
Other off-balance sheet exposures					
17	Off-balance sheet exposure at gross notional amount	156,276	158,987	154,505	139,343

BASEL PILLAR III DISCLOSURES

UNDER THE NEW CAPITAL ADEQUACY FRAMEWORK (31.03.2026) (Contd.)

(₹ in million)

Item		March 26	December 25	September 25	June 25
18	(Adjustments for conversion to credit equivalent amounts)	(99,088)	(104,985)	(101,809)	(91,609)
19	Off-balance sheet items (17 + 18)	57,188	54,002	52,696	47,734
Capital and total exposures					
20	Tier 1 capital	134,160	112,848	112,959	113,363
21	Total exposures (3 + 11 + 16 + 19)	1,424,118	1,410,382	1,355,160	1,302,070
22	Basel III leverage ratio	9.42%	8.00%	8.34%	8.71%

18. LIQUIDITY COVERAGE RATIO (DF-18)

(₹ in million)

Particulars		Total Unweighted Value (average)	Total Weighted Value (average)
High Quality Liquid Assets			
1	Total High Quality Liquid Assets (HQLA)		251,742
Cash Outflows			
2	Retail deposits and deposits from small business customers, of which:	**769,946**	**74,181**
(i)	Stable deposits	56,270	2,813
(ii)	Less: stable deposits	713,676	71,368
3	Unsecured wholesale funding, of which:	**162,988**	**127,914**
(i)	Operational deposits (all counterparties)	-	-
(ii)	Non-operational deposits (all counterparties)	162,988	127,914
(iii)	Unsecured debt	-	-
4	Secured wholesale funding	-	-
5	Additional requirements, of which	**88,591**	**18,681**
(i)	Outflows related to derivative exposures and other collateral requirements	557	557
(ii)	Outflows related to loss of funding on debt products	-	-
(iii)	Credit and liquidity facilities	88,034	18,124
6	Other contractual funding obligations	56,300	1,689
7	Other contingent funding obligations	5,842	5,842
8	**Total Cash Outflows**		**228,307**
Cash Inflows			
9	Secured lending (e.g. reverse repos)	-	-
10	Inflows from fully performing exposures	45,267	27,111
11	Other cash inflows	561	561
12	**Total Cash Inflows**	**45,828**	**27,673**
		Total Adjusted Value	
13	**TOTAL HQLA**		251,742
14	**Total Net Cash Outflows**		200,634
15	**Liquidity Coverage Ratio (%)**		**125.47%**

NETWORK OF BRANCHES

REGISTERED AND CENTRAL OFFICE

No. 20. Erode Road, Vadivel Nagar,
L.N.S. Karur - 639002
{CIN No. L65110TN1916PLC001295}
Ph. 04324 - 269000, 226520, 225521-25
Fax No. 04324-225700
Website : www.kvb.bank.in

INTEGRATED TREASURY

Second Floor, 954, Appasaheb Marathe Marg, Gayathri Towers, Prabhadevi Mumbai - 400025

DIVISIONAL OFFICE	Address
AHMEDABAD	1st Floor Motilal Centre Near Income Tax Circle, Next to Sales India Ashram Road Ahmedabad - 380009
BANGALORE	No. 6, 2nd Floor, Divisional Office, Vasavi Temple Road Sajjanrao Circle, V V Puram, Next to Sri Vasavi Temple, Bangalore - 560004
CHENNAI	KVB Towers I Floor, 568 Anna Salai Teynampet Chennai - 600018
COIMBATORE	No.1498-C, 3rd Floor, KVB Towers, Avinashi Road, Peelamedu, COIMBATORE - 641004
DELHI	No. 6, 3rd Floor, Pusa Road Opposite to Metro Pillar No. 80 Karol Bagh Delhi - 110005
ERNAKULAM	40/1045c, I Floor, Amritha Towers Opp: Maharaja'S College Ground, M.G.Road ERNAKULAM - 682011
KARUR	Pb No 91 No 633 - 637 First Floor Jawahar Bazaar Karur - 639001
KOLKATA	15 Bondel Road First Floor Ballygunge Near Sheetala Maata Mandir Kolkata - 700019
MADURAI	Gayathri Illam 16, A.a.road, I Floor Gnanaolivupuram Madurai - 625016
MUMBAI	Ground Floor, 954, Gayatri Towers, Appasaheb Marathe Marg, Prabhadevi Mumbai - 400025
SALEM	I Floor 269-A, Bharathi Street Swarnapuri, Alagapuram Salem - 636004
TAMBARAM	7/73, 1st Floor, Sba Complex, Venkatesan Street West Tambaram Chennai - 600045
TELANGANA_NORTH	3rd Floor 5-8-356 To 362 Chirag Ali Lane Abids Hyderabad Telangana_north - 500001
TELANGANA_SOUTH	5-8-356 to 362 Second Floor Chirag Ali Lane, Abids Telangana_south - 500001
TIRUNELVELI	Malti Square No 10/10, First Floor North By Pass Road, Vannarpettai Tirunelveli - 627003
TIRUPATHI	6-8-1250, 1st Floor, Priya Towers Ngos Colony, K.t. Road, Near Anna Rao Circle Tirupathi - 517501
TRICHY	KVB Towers, Second Floor, Near Income Tax Office, Alexandria Road, Cantonment, Trichy - 620001
VIJAYAWADA	Gayathri Nilayam I Floor, 38-8-46 ,Opp. A.I.R. Labbipet, M.G.Road Vijayawada - 520010
VILLUPURAM	D.no:15, I Floor, G.V. Farms Building Mampazhapattu Road, Villupuram - 605602
VISAKHAPATNAM	D.no: 47-10-15, Shop No.1, A.g Avenue, First Floor, Opp: Pollocks School, 2nd Lane, Dwarakanagar Visakhapatnam - 530016

NETWORK OF BRANCHES (Contd.)

OTHER OFFICES	Address
DATA CENTRE	6th Floor, D North Block Tidel Park Taramani Chennai - 600113
DEMAT CELL	Kvb Towers, Demat Cell Second Floor, 568 Anna Salai Teyanampet Chennai - 600018
CENTRALISED OPERATIONS CENTRE	Hanudev Infopark, 3rd Floor, D - Block, Udayampalayam Main Rd, Nava India Coimbatore - 641028
DISASTER RECOVERY SITE	Karur Vysya Bank, 5th Floor, Block-A, Cyber Pearl, Hitec City, Madhapur Hyderabad - 500081
TAX CELL	Hanudev Infopark, 3rd Floor, D - Block, Taxcell Udayampalayam Main Rd, Nava India Coimbatore - 641004
CENTRALISED FOREX PROCESSING CELL	Unit No.156/4 2nd Floor Jeevan Anand Building No.556 Anna Salai, Teynampet Chennai - 600018
TRANSACTION BANKING GROUP	Elnet Software City, 5th Floor, Module 53 & 51 (Part), Ts140, Block 2 & 9, Rajiv Gandhi Salai, Taramani, Chennai - 600113
CHANNEL RECONCILIATION CELL	No.338/1, 1st Floor, Uffizi Building Avinashi Road, Peelamedu Coimbatore Coimbatore - 641004
ANALYTICS CELL	Elnet Software City 4th Floor, Module 43 Ts 140, Block 2&9,Rajiv Gandhi Salai, Taramani Chennai - 600113
RETAIL CREDIT RISK CELL	Elnet Software City, 5th Floor, Module 53 & 51 (Part), Ts140, Block 2 & 9, Rajiv Gandhi Salai, Taramani Chennai - 600113
TECHNOLOGY QUALITY ASSURANCE DEPT	The Karur Vysya Bank Ltd, Technology Quality Assurance Department, Admin Block, Second Floor, Elnet Software City, Rajiv Gandhi Salai, Taramani Chennai - 600113
COIMBATORE - CBG CLUSTER	1498 C, 3rd Floor, Kvb Towers Avinashi Road Peelamedu Coimbatore - 641004
TRICHY - CBG CLUSTER	No.1, Kvb Towers,2nd Floor,Alexandria Road Cantonment Trichy - 620001
GOVT BUSINESS OPERATIONS CENTER	Kvb Towers, 2nd Floor,568 Anna Salai Teyanampet Chennai - 600018
CONSUMER BANKING DEPARTMENT	Fifth Floor, Module 53 And 51 [Part] Elnet Software City Rajiv Gandhi Salai, Taramani Chennai - 600113
DIGITAL EXCELLENCE	2nd Floor, Admin Block, Elnet Software City Rajiv Gandhi Salai, Taramani Chennai - 600113
ED SECRETARIAT	Elnet Software City 5th Floor, Module 53 Ts 140, Block 2& 9, Rajiv Gandhi Salai, Taramani Chennai - 600113
VIJAYAWADA - CBG CLUSTER	Gayathri Nilayam, 2nd Floor, 38-8-46, Opp. A.I.R, Labbipet, M.G. Road, Vijayawada - 520010
CREDIT CARD CELL - CHENNAI	Consumer Banking Department, Fifth Floor Elnet Software City Rajiv Gandhi Salai, Taramani Chennai - 600113
EXPENSES MANAGEMENT CELL	Old No 10/1 And 10/2, New No 2/1 And 2/2, 2nd Floor, Angadi Street, Entrance Of Second Cross Street, Venkateshwarapuram Colony, Ayanavaram, Chennai - 600023
INFORMATION SECURITY GROUP	Ground Floor, G2 Module, Elnet Software City, Rajiv Gandhi Salai, Taramani, Chennai - 600113
CALL CENTRE - CHENNAI	Module 22 And 24, 2nd Floor, Elnet Software City, Ts 140, Block 2 And 9, Rajiv Gandhi Salai, Taramani, Chennai - 600113
CHENNAI - DTPC	Elnet Software City 4th Floor, Module 43 Ts 140, Block 2&9,Rajiv Gandhi Salai, Taramani Chennai - 600113
CENTRAL FINANCIAL INTELLIGENCE AND SURVEILLANCE UNIT	Hanudev Infopark, 3rd Floor, D - Block, Udayampalayam Main Rd, Nava India Coimbatore - 641028
CORPORATE & INSTITUTIONAL GROUP (CIG)	Elnet Software City, 5th Floor, Module 53 & 51 (Part), Ts140, Block 2 & 9, Rajiv Gandhi Salai, Taramani, Chennai - 600113

NETWORK OF BRANCHES (Contd.)

CENTRAL CLEARING OFFICE	CURRENCY CHEST	NEO - OFFICES
COIMBATORE	BANGALORE	NEO - BANGALORE
	CHENNAI	NEO - MYSORE
	COIMBATORE	NEO - CHENNAI
	HYDERABAD	NEO - MUMBAI
	KARUR	NEO - PUNE
	MADURAI	NEO - AHMEDABAD
	TRICHY	NEO - SURAT
	VIJAYAWADA	NEO - DELHI
		NEO - JAIPUR
		NEO - HYDERABAD
		NEO - VIJAYAWADA
		NEO-OMC VADODARA
		NEO-OMC-COIMBATORE
		NEO-OMC-KANPUR
		NEO-OMC-HYDERABAD
		NEO-OMC-GOA
		NEO-OMC-HUBLI

ANDHRA PRADESH

ANAKAPALLE
ATCHUTAPURAM
NARSIPATNAM
YELAMANCHILI

ANANTAPUR
ANANTAPUR KALYANDURGAM ROAD

ANANTHAPURAMU
ANANTAPUR
GUNTAKAL
TADIPATRI

ANNAMAYYA
MADANAPALLE
RAJAMPET
RAYACHOTY

BAPATLA
ADDANKI
BAPATLA
BUDDHAM
CHIRALA
KONIKI

CHITTOOR
CHITTOOR
KUPPAM
MURAKAMBATTU
NAGARI
PALAMANERU
PUNGANUR
PUTTUR
RALLABUDUGURU

CUDDAPAH
CUDDAPAH
CUDDAPAH SEVEN ROADS

DR. B.R. AMBEDKAR KONASEEMA
AMALAPURAM
ANNAIPETA
MANDAPETA
MUMMIDIVARAM
RAVULAPALEM
RAZOLE

EAST GODAVARI
BOMMURU
KADIAM
BOMMURU
KADIAM
NIDADAVOLU
RAJAHMUNDRY
RAJAHMUNDRY - TILAK ROAD

ELURU
ELURU
JANGAREDDYGUDEM
NUZVID

GUNTUR
BANDARUPALLE
CHINTALAPUDI
GUNTUR
GUNTUR - GUJJANAGUNDLA
GUNTUR - PATTABHIPURAM
GUNTUR-LAKSHMIPURAM
MANGALAGIRI
TENALI
VENKATAPALEM

KAKINADA
ARYAVATAM
G. MAMIDADA

NETWORK OF BRANCHES (Contd.)

KAKINADA
KAKINADA - BHANUGUDI JUNCTION
PEDDAPURAM
PITHAPURAM
SAMALKOT
SARPAVARAM
TUNI

KRISHNA
AVANIGADDA
GANNAVARAM
GUDIVADA
KANKIPADU
MACHILIPATNAM
PORANKI
VIJAYAWADA - 1 TOWN
VIJAYAWADA - BHAVANIPURAM
VIJAYAWADA - BUNDER ROAD
VIJAYAWADA - GOVERNORPET
VIJAYAWADA - SATYANARAYANAPURAM
VUYYURU

KURNOOL
ADONI
DHONE
KURNOOL
KURNOOL - VENKATARAMANA COLONY
KURNOOL NANDYAL CHECK POST

NANDYAL
ALLAGADDA
ATMAKUR
KADUMUR
MAYALURU
NANDYAL

NELLORE
NELLORE PODALAKURU ROAD

NTR
BUSINESS BANKING UNIT - VIJAYAWADA
CORPORATE BUSINESS UNIT - VIJAYAWADA
NANDIGAMA
PATAMATA
TIRUVURU
VIJAYAWADA - BENZ CIRCLE
VIJAYAWADA VISALANDHRA ROAD

PALNADU
CHILAKALURIPET
NARASARAOPET
PIDUGURALLA
VINUKONDA

PARVATHIPURAM MANYAM
SALUR

PRAKASAM
BUDAWADA
DARSI
KANIGIRI
MARKAPUR
ONGOLE
ONGOLE MANGAMURU ROAD
VALLURU

PRODDATUR
PRODATTUR MYDUKUR ROAD

SRI POTTI SRIRAMULU NELLORE
KANDUKUR
KAVALI
NELLORE
NELLORE - ISKCON CITY

SRI SATHYA SAI
DHARMAVARAM
GORANTLA
HINDUPUR
KADIRI

SRIKAKULAM
ICHCHAPURAM
NARASANNAPETA
PALASA
RAJAM
SRIKAKULAM
TEKKALI

TIRUPATI
BUSINESS BANKING UNIT - TIRUPATHI
NAIDUPET
SRIKALAHASTI
TIRUPATHI - KHADI COLONY
TIRUPATHI - MAIN
TIRUPATI - M R PALLI

VIJAYAWADA
CHORAGUDI
SATTENAPALLE

VISAKHAPATNAM
ANAKAPALLE
BUSINESS BANKING UNIT - VISAKHAPATNAM
PENDURTHI
SEETHAMMADHARA-VISAKHAPATNAM
TAGARAPUVALASA
VADLAPUDI
VISAKHAPATNAM - GAJUWAKA
VISAKHAPATNAM - MAIN
VISAKHAPATNAM - PEDAWALTAIR
VIZAG - DWARKANAGAR
VIZAG - GOPALAPATNAM
VIZAG - MADHURAWADA
VIZAG - MVP COLONY
VIZAG MURALINAGAR
VIZAG POORNA MARKET
VIZAG YENDADA
VIZAG-AKKAYAPALEM

VIZIANAGARAM
BOBBILI
G AGRAHARAM
GAJAPATHINAGARAM
KOTHAVALASA
PARVATHIPURAM
VIZIANAGARAM
VIZIANAGARAM - FORT

WEST GODAVARI
AKIVIDU
BHIMAVARAM
CHINAAMIRAM
GANAPAVARAM
NARASAPUR
PALAKOL
TADEPALLIGUDEM
TANUKU

Y.S.R.
PRODDATUR

NETWORK OF BRANCHES (Contd.)

BIHAR

PATNA
PATNA

CHANDIGARH

CHANDIGARH
CHANDIGARH

CHHATTISGARH

RAIPUR
RAIPUR

DELHI

DELHI
CORPORATE BUSINESS UNIT - DELHI
DELHI - CHANDINI CHOWK
DELHI - KAMLANAGAR
DELHI - LAXMINAGAR
DELHI - PITAMPURA
DELHI - RAMESH NAGAR
NEW DELHI - OKHLA

GOWTAMBUDDA
NOIDA

GURGAON
GURGAON

NEW DELHI
ASSET RECOVERY BRANCH - DELHI
BUSINESS BANKING UNIT - DELHI
DELHI - JANAKPURI
DELHI - KAROL BAGH
DELHI - KASHMERE GATE
DELHI - LAWRENCE ROAD
NEW DELHI - EAST OF KAILASH
NEW DELHI - ROHINI

GOA

NORTH GOA
PANAJI

GUJARAT

AHMEDABAD
AHMEDABAD
AHMEDABAD - G.L.S MANI NAGAR
AHMEDABAD - NARODA
AHMEDABAD - SANAND
AHMEDABAD - SHAHIBAUG
AHMEDABAD SATELLITE ROAD
BUSINESS BANKING UNIT - AHMEDABAD
CORPORATE BUSINESS UNIT - AHMEDABAD

ANAND
ANAND

BHARUCH
BHARUCH

KACHCHH
GANDHIDHAM

MAHESANA
MAHESANA
UNJHA

RAJKOT
RAJKOT - MAIN

SURAT
SURAT
SURAT - UM ROAD

VADODARA
VADODARA (BARODA)

NETWORK OF BRANCHES (Contd.)

HARYANA

DELHI
ROHTAK

FARIDABAD
FARIDABAD

KARNAL
KARNAL

PANIPAT
PANIPAT

SONIPAT
SONIPAT

JHARKHAND

RANCHI
RANCHI

KARNATAKA

BANGALORE
BANGALORE - PEENYA INDUSTRIAL AREA
BANGALORE K R PURAM
DOBBASPET
SARJAPURA ROAD

BANGALORE RURAL
DEVANAHALLI
DODDABALLAPUR
HOSKOTE
NELAMANGALA
RAMANAGARAM

BANGALORE URBAN
ATTIBELE
BANGALORE - BANASHANKARI
BANGALORE - BASAVANAGUDI
BANGALORE - BTM LAYOUT
BANGALORE - HALASUR
BANGALORE - HSR LAYOUT
BANGALORE - INDIRA NAGAR
BANGALORE - ISRO LAYOUT
BANGALORE - J P NAGAR
BANGALORE - J.C. ROAD
BANGALORE - JAYANAGAR
BANGALORE - KENGERI
BANGALORE - MAIN
BANGALORE - MALLESWARAM
BANGALORE - R T NAGAR
BANGALORE - RAJAJI NAGAR
BANGALORE - SAHAKAR NAGAR
BANGALORE - V V PURAM
BANGALORE - WHITE FIELD
BANGALORE RAJA RAJESHWARI NAGAR
BANGALORE YESHWANTHPUR
BANGALORE-CHANDRA LAYOUT
BANGALORE-KALYAN NAGAR
BANGALORE-KORAMANGALA
BANGALORE-VIDYARANYAPURA
CHANDAPURA
CHIKKABANAVARA
HEBBAGODI

BELGAUM
BELGAUM

BELLARY
BELLARY

BENGALURU URBAN
ASSET RECOVERY BRANCH - BANGALORE
BUSINESS BANKING UNIT - BANGALORE
CORPORATE BUSINESS UNIT - BANGALORE

CHIKBALLAPUR
GAURIBIDANUR

CHITRADURGA
CHITRADURGA
HIRIYUR

DAKSHIN KANNAD
MANGALORE

DAVANGERE
DAVANGERE

DHARWAD
HUBLI

GULBARGA
GULBARGA

HASSAN
ARSIKERE
HASSAN

KOLAR
CHINTAMANI
KOLAR GOLD FIELDS

KOPPAL
GANGAVATHI

MYSORE
MYSORE

RAICHUR
RAICHUR

SHIMOGA
SHIMOGA

TUMKUR
TUMKUR

NETWORK OF BRANCHES (Contd.)

KERALA

ALAPPUZHA
ALAPPUZHA
CHENGANNUR

ERNAKULAM
ANGAMALY
ERNAKULAM
ERNAKULAM - EDAPALLY
ERNAKULAM - PALARIVATTOM
THODUPUZHA
TRIPUNITHURA

KANNUR
KANNUR
THALASSERY

KASARGOD
KASARGOD

KOLLAM
KOLLAM

KOTTAYAM
KOTTAYAM

KOZHIKODE
KOZHIKODE

PALAKKAD
PALGHAT

PATHANAMTHITTA
PATHANAMTHITTA
TIRUVALLA

THRISSUR
IRINJALAKUDA
THRISSUR

TRIVANDRUM
BALARAMAPURAM
THIRUVANANTHAPURAM

MADHYA PRADESH

BHOPAL
BHOPAL

GWALIOR
GWALIOR

INDORE
INDORE

JABALPUR
JABALPUR

MAHARASHTRA

AMRAVATI
AMRAVATI

CHHATRAPATI SAMBHAJINAGAR
CHHATRAPATI SAMBHAJINAGAR

KOLHAPUR
ICHALKARANJI
KOLHAPUR

MUMBAI
ASSET RECOVERY BRANCH - MUMBAI
BUSINESS BANKING UNIT - MUMBAI
CORPORATE BUSINESS UNIT - MUMBAI
MUMBAI - ANDHERI(EAST)
MUMBAI - BORIVALI
MUMBAI - CHEMBUR
MUMBAI - FORT
MUMBAI - GHATKOPAR
MUMBAI - KALBADEVI
MUMBAI - KANDIVALI
MUMBAI - MATUNGA
MUMBAI - MULUND
MUMBAI - PRABHADEVI

NAGPUR
NAGPUR

NANDED
NANDED

NASIK
NASIK

PUNE
PUNE
PUNE-SAHAKAR NAGAR

SOLAPUR
SOLAPUR

THANE
BHIWANDI
DOMBIVALI
GHODBUNDER ROAD
MUMBAI - ICL SCHOOL
MUMBAI - NERUL
MUMBAI - THANE
MUMBAI - VASHI

NETWORK OF BRANCHES (Contd.)

ORISSA

CUTTACK
CUTTACK

GANJAM
ASKA
BERHAMPUR

KHURDA
BHUBANESHWAR

SUNDARGARH
ROURKELA

PONDICHERRY

KARAIKAL
KARAIKAL

PONDICHERRY
PONDICHERRY
PONDICHERRY - LAWSPET
REDDIYARPALAYAM
VILLIANUR
YANAM

PUNJAB

AMRITSAR
AMRITSAR

FATEHGARH SAHIB
MANDI GOBINDGARH

JALANDHAR
JALANDHAR

LUDHIANA
LUDHIANA

PATIALA
PATIALA

RAJASTHAN

JAIPUR
JAIPUR

TAMIL NADU

ARIYALUR
ARIYALUR
JAYANKONDAM
SENDURAI
THELUR

CHENGALPATTU
ANAKAPUTHUR
MADAMBAKKAM
MARAIMALAI NAGAR
PERUMBAKKAM-CHENNAI

CHENNAI
AVADI
CHENNAI - ADYAR
CHENNAI - ALAPAKKAM
CHENNAI - ANNA NAGAR
CHENNAI - ANNA SALAI
CHENNAI - ARUMBAKKAM
CHENNAI - BESANT NAGAR
CHENNAI - CHINMAYA NAGAR
CHENNAI - DHANDAPANI STREET
CHENNAI - GODOWN STREET
CHENNAI - HARRINGTON ROAD
CHENNAI - K.K NAGAR
CHENNAI - KODAMBAKKAM
CHENNAI - KODUNGAIYUR
CHENNAI - KOLAPAKKAM
CHENNAI - MAIN
CHENNAI - MANGADU
CHENNAI - MOOGAPPAIR
CHENNAI - MYLAPORE
CHENNAI - NANGANALLUR
CHENNAI - NELSON MANICKAM ROAD
CHENNAI - NUNGAMBAKKAM
CHENNAI - PERAMBUR
CHENNAI - PERIYAR NAGAR
CHENNAI - POONAMALLEE
CHENNAI - PURASAWALKAM
CHENNAI - ROYAPURAM

NETWORK OF BRANCHES (Contd.)

CHENNAI - SAIDAPET
CHENNAI - SALIGRAMAM
CHENNAI - T.NAGAR
CHENNAI - TEYNAMPET
CHENNAI - TRIPLICANE
CHENNAI - VALASARAVAKKAM
CHENNAI - VELACHERRY
CHENNAI - WHITES ROAD
CHENNAI ADAMBAKKAM
CHENNAI ASHOK NAGAR
CHENNAI KOLATHUR
CHENNAI MANDAVELI
CHENNAI-ANNA NAGAR EAST
CHENNAI-AYANAVARAM
CHENNAI-EGMORE
CHENNAI-KOTTURPURAM
CHENNAI-RAJA ANNAMALAIPURAM
CHENNAI-RAMAPURAM
CHENNAI-THIRUVANMIYUR
CHENNAI-TIRUVOTTIYUR
CHENNAI-TONDIARPET
CHENNAI-WEST MAMBALAM
CHITLAPAKKAM
MADHAVARAM
NOLAMBUR
PATTABIRAM
PUZHUTHIVAKKAM
THIRUMULLAIVOYAL

COIMBATORE
ANAIMALAI
ANNUR
CHINNIAMPALAYAM
COIMBATORE - AVINASHI ROAD
COIMBATORE - Dr.NANJAPPA ROAD
COIMBATORE - GANAPATHY
COIMBATORE - GOUNDAMPALAYAM
COIMBATORE - KALAPATTI
COIMBATORE - KANUVAI
COIMBATORE - KUNIAMUTHUR
COIMBATORE - MAIN
COIMBATORE - NEW SIDDHAPUDUR
COIMBATORE - PAPANAICKENPALAYAM
COIMBATORE - R.S.PURAM
COIMBATORE - RAMANATHAPURAM
COIMBATORE - SAIBABA COLONY
COIMBATORE - SARAVANAMPATTI
COIMBATORE - SARAVANAMPATTI MAIN
COIMBATORE - SELVAPURAM
COIMBATORE - SINGANALLUR
COIMBATORE - SIVANANDA COLONY
COIMBATORE - SULUR
COIMBATORE - THUDIYALUR
COIMBATORE - VADAVALLI
COIMBATORE-SUNDARAPURAM
DHULLY
KANNAMPALAYAM
KITTAMPALAYAM
KOVAIPUDUR
KUNNATHUR
MAKKINAMPATTI
MALUMICHAMPATTI
MANGALAM
METTUPALAYAM
NALLATTIPALAYAM
NEELAMBUR
PATTANAM
PERIYANAICKENPALAYAM
POLLACHI
RASIPALAYAM
SOMANUR
THEETHIPALAYAM
THONDAMUTHUR
VADASITHUR
VILANKURICHI

CUDDALORE
BHUVANAGIRI
CHIDAMBARAM
CHIDAMBARAM - ANNAMALAI NAGAR
CUDDALORE
ERAIYUR
KALLUR
NEYVELI
PANRUTI
PARANGIPETTAI
VADALUR
VRIDDHACHALAM

DHARMAPURI
BARGUR
DHARMAPURI
KAMBAINALLORE
PALACODE
PAPPIREDDIPATTI
SAMALPATTI

DINDIGUL
BATLAGUNDU
CHINNALAPATTI
DINDIGUL
DINDIGUL - RM COLONY
KOOMBUR
NEIKKARAPATTI
NILAKOTTAI
ODDANCHATRAM
PALANI
VEDASANDUR
VILPATTI

ERODE
ANTHIYUR
BHAVANI
CHENNIMALAI
ERODE
ERODE - CHINNAIAMPALAYAM
ERODE - SAMPATH NAGAR
GOBICHETTIPALAYAM
KANAKAMPALAYAM
KARUMANDAMPALAYAM
KATHIRAMPATTI
KAVINDAPADI
KOLATHUPALAYAM
KONGARPALAYAM
METTUKADAI
MULLAMPARAPPU
NAMBIYUR
ORICHERI
P.KOMARAPALAYAM
PERUNDURAI
PERUNDURAI - KONGU ENGINEERING COLLEGE
PUNJAIPULIAMPATTI
SATHYAMANGALAM
SAVANDAPUR
SIVAGIRI
T. VELLODE
VEERAPPANCHATIRAM

KANCHEEPURAM
ACHARAPAKKAM
CHEMMANCHERY
CHENGALPATTU
CHENNAI - ALANDUR
CHENNAI - CHROMEPET
CHENNAI - GUDUVANCHERRY

NETWORK OF BRANCHES (Contd.)

CHENNAI - KELAMBAKKAM
CHENNAI - KUNDRATHUR
CHENNAI - MADIPAKKAM
CHENNAI - MEDAVAKKAM
CHENNAI - PALAVAKKAM
CHENNAI - PALLAVARAM
CHENNAI - PERUNGUDI
CHENNAI - PORUR
CHENNAI - SELAIYUR
CHENNAI - SHOLINGANALLUR
CHENNAI - SINGAPERUMAL KOIL
CHENNAI - SITHALAPAKKAM
CHENNAI - SRIPERUMPUDUR
CHENNAI - TAMBARAM
CHENNAI - URAPAKKAM
CHENNAI-ST. THOMAS MOUNT
EAST-TAMBARAM
KANCHEEPURAM
MADURANTAKAM
NANMANGALAM
NEW COLONY - CHROMPET
OLD PERUNGALATHUR
PADAPPAI
PALLIKARANAI
SUNGUVARCHATRAM
THORAIPAKKAM
ULLAVOOR
VARADHARAJAPURAM

KANYAKUMARI
COLACHEL
KOTTAR
MARTHANDAM
NAGERCOIL
PANCHALINGAPURAM
VALLIYUR

KARUR
ARAVAKURICHI
KARUR - CENTRAL
KARUR - GANDHIGRAMAM
KARUR - LNS (WEST)
KARUR - MAIN
KARUR - THANTHONIMALAI
KARUR - VENGAMEDU
KULITHALAI
OTHAKADAI
PADIRIPATTI
POYYAMANI
VEERARAKKIYAM
VELLIYANAI

KRISHNAGIRI
AGARAM
HOSUR
HOSUR - BAGALUR ROAD
HOSUR - BATHALAPALLI
KAVERIPATTINAM
KRISHNAGIRI
KRISHNAGIRI - GANDHI ROAD
MARUDANDAPALLI
RAYAKOTTAI
VADAMALAMPATTI

MADURAI
ALANGANALLUR
AYYANKOTTAI
ELUMALAI
KARADIPATTI
MADURAI - ANNA NAGAR
MADURAI - BIBIKULAM
MADURAI - GNANAOLIVUPURAM
MADURAI - K.K. NAGAR
MADURAI - K.PUDUR
MADURAI - KAMARAJAR SALAI
MADURAI - MAIN
MADURAI - MATTUTHAVANI
MADURAI - NORTH
MADURAI - PALANGANATHAM
MADURAI - SOUTH
MADURAI - TALLAKULAM
MADURAI - THIRUMANGALAM
MADURAI - THIRUNAGAR
MADURAI - THIRUPPALAI
MADURAI - VILLAPURAM
MADURAI CHINTHAMANI
MADURAI KOCHADAI
MADURAI OTHAKADAI
MADURAI-KOSAKULAM
MELUR
PALAMEDU
POTHUMBU
THENUR
USILAMPATTI

NAGAPATTINAM
MAYILADUTHURAI
NAGAPATTINAM
NEERMULAI

NAMAKKAL
BELUKURICHI
KALAPPANAICKENPATTI
KOMARAPALAYAM
MANGALAPURAM
MOHANUR
NAMAGIRIPET
NAMAKKAL - MAIN
NAMAKKAL -WEST
PALLIPALAYAM
PARAMATHI - KOTTAMANGALAM
PARAMATHI VELUR
PAUNDAMANGALAM
PUDUCHATRAM
RASIPURAM
TIRUCHENGODE
VALAYAPATTI
VELLAPILLAIAR KOIL

NILGIRIS
COONOOR
KOTAGIRI
UDHAGAMANDALAM

PERAMBALUR
PERAMBALUR

PONDICHERRY
PILLAIYARKUPPAM

PUDUKOTTAI
ALANGUDI
ALAVAYAL
ARANTHANGI
KOTHAMANGALAM
KURUVIKKONDANPATTI
PONNAMARAVATHI
PUDUKOTTAI
PUDUKOTTAI - NORTH

RAMANATHAPURAM
NARIPPAIYUR
PARAMAKUDI
RAMANATHAPURAM
RAMANATHAPURAM - BHARATHI NAGAR

SALEM
ATTUR
AYOTHIAPATTINAM
DEVIYAKURICHI
HARUR
IDAPPADI
ILAMPILLAI
JALAKANDAPURAM

KARIPATTI
KARUPPUR
METTUR DAM
OMALUR
PANJAKALIPATTI
SALEM - ALAGAPURAM
SALEM - GUGAI
SALEM - KONDALAMPATTI
SALEM - MAIN
SALEM - SHEVAPET
SALEM CHERRY ROAD
SALEM GORIEMEDU
SANKARI
THAMMAMPATTI
VAZHAPADI
VEERAGANUR

SIVAGANGAI
DEVAKOTTAI
KARAIKUDI
KOVILOOR
SAKKOTTAI
SINGAMPUNERI

THANJAVUR
KUMBAKONAM
KUMBAKONAM EAST
MADUKKUR
PATTUKOTTAI
PERAVURANI
PULIANTHOPPU
THANJAVUR
THANJAVUR - R.R.NAGAR
THIRUPALATHURAI
THIRUVIDAIMARUDUR

THENI
AUNDIPATTI
BODINAYAKANUR
CHINNAMANUR
CUMBAM
GUDALUR
KATHIRNARASINGAPURAM
KOMBAI
PERIYAKULAM
THENI
UPPUKOTTAI

THIRUVALLUR
AYAPAKKAM
CHENNAI - AMBATTUR
CHENNAI - TIRUVERKADU
CHENNAI-POONAMALLE HIGH ROAD
GUMMIDIPOONDI
MADURAVOYIL
MANAVALA NAGAR
NEMILICHERRY
PADI
PODATURPET
PONNERI
KOOTHANUR
MANNARGUDI
THAMBIKOTTAI
TIRUVARUR

TIRUNELVELI
ALANGULAM
AMBASAMUDRAM
ERANIEL
KADAYANALLUR
MELAPALAYAM
MUDALIYARPATTI
PALAYAMKOTTAI
SANKARANKOIL
SURANDAI
TENKASI
TIRUNELVELI - TOWN
TIRUNELVELI JUNCTION

TIRUPUR
AVINASHI
DHARAPURAM
ERISANAMPATTI
GANAPATHIPALAYAM
KANGEYAM
KODUVAI
KOLUMAM
MANNARAI
MUDALIPALAYAM
MULANUR
MUTHANAMPALAYAM
MUTHUR
NERUPERICHAL
PALLADAM
PAPPANKULAM
PETHAPAMPATTI
PONGALUR
TIRUPPUR - MAIN
TIRUPPUR - OSB
TIRUPPUR - P.N ROAD
TIRUPUR - S.R. NAGAR
TIRUPUR - VEERAPANDI PIRIVU
UDUMALAPET
UTHUKULI
VELAMPALAYAM
VELLAKOIL

TIRUVALLUR
CHENNAI - RED HILLS
MATHUR
MINJUR
SEETHANJERI
TIRUTTANI
TIRUVALLUR

TIRUVANNAMALAI
ADAMANGALAM
ALATHUR
ARNI
CHENGAM
CHETPET
CHEYYAR
KONALUR
KORUKKATHUR
NADUKUPPAM
PERUNDURAIPATTU
POLUR
TIRUVANNAMALAI
VANDAVASI

TIRUVENNAINALLUR
TIRUVENNAINALLUR

TRICHY
APPANALLUR
JEEYAPURAM
KANNANUR
KARAMBAKKUDI
LALGUDI
MANACHANALLUR
MANAPPARAI
MONDIPATTI

NETWORK OF BRANCHES (Contd.)

MOOVANUR
MUSIRI
SAMAYAPURAM
SOBANAPURAM
THATHIENGARPET
THIRUPPATTUR
THURAIYUR
TRICHY - ALEXANDRIA ROAD
TRICHY - ARIYAMANGALAM
TRICHY - BHEEMA NAGAR
TRICHY - CANTONMENT
TRICHY - KARUMANDAPAM
TRICHY - MAIN
TRICHY - SRINIVASA NAGAR
TRICHY - SRIRANGAM
TRICHY - THILLAI NAGAR
TRICHY - TIRUVERUMBUR
TRICHY GUNDUR
TRICHY KK NAGAR UDAYANPATTI
TRICHY MELA CHINTHAMANI
TRICHY NO I TOLL GATE
TRICHY WEST BOULIWAR ROAD
TRICHY- K.K NAGAR
TRICHY - LINGAM NAGAR WORAIYUR
TRICHY - SUBRAMANIYAPURAM
VENKATESAPURAM
VILAR

TUTICORIN
IDAICHIVILAI
KOVILPATTI
SEYDUNGANALLUR
TIRUCHENDUR
TUTICORIN
VAZHAVALLAN
VILATHIKULAM

VELLORE
ARAKKONAM
ARCOT
BAGAYAM
BRAHMAPURAM
DEVALAPURAM
GUDIYATHAM
JOLARPET
KANIYAMBADI
KATPADI
NARIYANERI
NATRAMPALLI
PERNAMBUT
PERUMUCHI
POOTUTHAKKU
PUTHAGARAM
RANIPET
SALAI
SATHUVACHARI
SHOLINGUR
TIRUPATHUR
VANIYAMBADI - NEW TOWN
VELLORE
VIRUPAKSHIPURAM

VILLUPURAM
CHINNASALEM
GINJEE
KACHIRAPALAYAM
KADUVANUR
KALLAKURICHI
MARAKKANAM
MURARBADU
PANANKUPPAM
PRITHIVIMANGALAM
RANGAPANUR
SANKARAPURAM
THIRUMANGALAM
THOTTIYAM
TINDIVANAM
TIRUKKOYILUR
ULUNDURPET
VILLUPURAM

VIRUDHUNAGAR
ARUPPUKOTTAI
NAKKENERI
RAJAPALAYAM
S.N.PURAM
SIVAKASI
SRIVILLIPUTTUR
VIRUDHUNAGAR

CHENNAI
ASSET RECOVERY BRANCH - CHENNAI
BUSINESS BANKING UNIT - CHENNAI
CORPORATE BUSINESS UNIT - CHENNAI

COIMBATORE
ASSET RECOVERY BRANCH - COIMBATORE
BUSINESS BANKING UNIT - COIMBATORE
CORPORATE BUSINESS UNIT - COIMBATORE

KARUR
BUSINESS BANKING UNIT - KARUR

MADURAI
ASSET RECOVERY BRANCH - MADURAI
BUSINESS BANKING UNIT - MADURAI
CORPORATE BUSINESS UNIT - MADURAI

SALEM
BUSINESS BANKING UNIT - SALEM

TIRUCHIRAPALLI
BUSINESS BANKING UNIT - TRICHY

TELANGANA

ADILABAD
ADILABAD

HANAMKONDA
WARANGAL - HANAMKONDA
WARANGAL - KAZIPET

HYDERABAD
ASSET RECOVERY BRANCH - HYDERABAD
BUSINESS BANKING UNIT - HYDERABAD
CORPORATE BUSINESS UNIT- HYDERABAD
HYDERABAD - ABIDS
HYDERABAD - AMEERPET
HYDERABAD - BANJARA HILLS
HYDERABAD - HABSIGUDA
HYDERABAD - HIMAYAT NAGAR
HYDERABAD - KALYANNAGAR
HYDERABAD - MAIN
HYDERABAD - MEHADIPATNAM

NETWORK OF BRANCHES (Contd.)

HYDERABAD - NALLAKUNTA
HYDERABAD - S.R.NAGAR
HYDERABAD - SANTOSH NAGAR
HYDERABAD - TADBUND
HYDERABAD JUBILEE HILLS
KHAMMAM KAVIRAJ NAGAR
RETAIL ASSET AND PERSONAL BANKING
SECUNDERABAD

JAGTIAL
JAGTIAL

JOGULAMBA GADWAL
GADWAL

KAMAREDDY
KAMAREDDY

KARIMNAGAR
JAMMIKUNTA
KARIMNAGAR

KHAMMAM
KHAMMAM
KOTHAGUDEM
PALWANCHA

KRISHNA
IBRAHIMPATNAM

MAHABUBNAGAR
JADCHERLA
MAHABUBNAGAR

MANCHERIAL
MANCHERIAL

MEDAK
MEDAK

MEDCHAL - MALKAJGIRI
HYDERABAD - A S RAO NAGAR
HYDERABAD - ALWAL
HYDERABAD - BODUPPAL
HYDERABAD - KUKATPALLY
HYDERABAD - MALKAJGIRI
HYDERABAD - NIZAMPET
HYDERABAD - PRAGATHI NAGAR
MEDCHAL
NAGARAM

NAGARKURNOOL
NAGAR KURNOOL

NALGONDA
MIRYALAGUDA
NALGONDA

NIRMAL
BHAINSA

NIZAMABAD
NIZAMABAD
NIZAMABAD HYDERABAD ROAD

RANGA REDDY
HYDERABAD - DILSUKH NAGAR
HYDERABAD - MANIKONDA
HYDERABAD - MEERPET
BRAHMANAPALLY
HAYATHNAGAR
HYDERABAD - CHANDANAGAR
HYDERABAD - KONDAPUR
HYDERABAD - L.B.NAGAR
HYDERABAD - MIYAPUR
HYDERABAD - VANASTHALIPURAM
SHADNAGAR

SANGAREDDY
SANGAREDDY
ZAHEERABAD

SIDDIPET
SIDDIPET

SURYAPET
KODADA

WANAPARTHY
WANAPARTHY

WARRANGAL
WARANGAL - MAIN

YADADRI BHUVANAGIRI
YADAGIRIGUTTA

NETWORK OF BRANCHES (Contd.)

UTTAR PRADESH

AYODHYA
AYODHYA

GHAZIABAD
GHAZIABAD

KANPUR
KANPUR

LUCKNOW
LUCKNOW

MEERUT
MEERUT

VARANASI
VARANASI

UTTARAKHAND

DEHRADUN
DEHRADUN

WEST BENGAL

BURDWAN
DURGAPUR

HOWRAH
BAGNAN
GHOSHPARA
JAGACHA

KOLKATA
ASSET RECOVERY BRANCH - KOLKATA
KOLKATA - BALLYGANGE
KOLKATA - BANGUR AVENUE
KOLKATA - N.S.ROAD
KOLKATA - SALT LAKE
KOLKATA - SHAKESPERE SARNI
KOLKOTA - BURRA BAZAAR

MIDNAPORE WEST
KHARAGPUR

NORTH 24 PARGANAS
DAKSHINESHWAR

SOUTH 24 PARGANAS
GARIA
JOKA

DIGITAL BANKING UNIT

TAMIL NADU
CHENNAI
CHENNAI - NANDANAM D.B.U.

PRINCIPAL CORRESPONDENT BANKS

Name of the Bank and address

OUR SWIFT CODE KVBLINBBIND

CHIPS UID: 154137

Name of the Bank and address	Name of the Bank and address	Name of the Bank and address	Name of the Bank and address
USD	**EURO**	**JPY**	**GBP**
Citi Bank, N A	**Commerz Bank AG**	**Standard Chartered Bank**	**Standard Chartered Bank**
111, Wall Street New York City, NY 10018, USA	Theodor-Heuss-Allee 50 60489 Frankfurt AM Main, Germany	30-16 Ogikubo 4-chome, Suginami-ku Tokyo 167-8530, Japan	1 Aldermanbury Square London EC2V 7SB, UK
A/c 36844037	**A/c 400875119000EUR**	**A/c 0219600-1110**	**A/c GBP 01265520901**
SWIFT: CITIUS33	**SWIFT: COBADEFF**	**SWIFT: SCBLJPJT**	**SWIFT: SCBLGB2L**
FEDWIRE: 021000089			**IBAN: GB94SCBL60910412655209**

USD	EURO	AUD	CHF
Standard Chartered Bank	**Standard Chartered Bank Gmbh**	**Australia & New Zealand Banking Corporation**	**ZUERCHER KANTONAL BANK**
One Madison Avenue New York, NY 10010-3603, USA	Postfach 110162 Frankfurt am Main, Germany	55 Collins Street Melbourne, Victoria, Australia	Zurich, Switzerland
A/c 3582069922001	**A/c 18021504**	**A/c 237776-00001**	**A/c 0700-01283278**
SWIFT: SCBLUS33	**SWIFT: SCBLDEFX**	**SWIFT: ANZBAU3M**	**SWIFT: ZKBKCHZZ80A**
FEDWIRE:026002561	**IBAN: DE39512305000018021504**	**BSB:013024**	
CH5200700070001283278			

SGD	CAD	AED	SGD
Standard Chartered Bank	**ICICI Bank Canada**	**Commercial Bank of Dubai**	**Indian Overseas Bank**
Battery Road Branch 6 Battery Road, Singapore 049909	Don Valley Business Park 150 Ferrand Drive, Suite 700 North York, Ontario	PO Box 2668 Al Ittihad Street, Dubai, UAE	64 Cecil Street, IOB Building Singapore 049711
A/c 0106342533	**A/c 101928815**	**A/c 1001361656**	**A/c 4916210132**
SWIFT: SCBLSG22	**SWIFT: ICICCATT**	**SWIFT: CBDUAEADXXX**	**SWIFT: IOBASGSG**
AE590230000001001361656			

SGD
DBS Bank
Singapore 018982
A/c 0370038466
SWIFT: DBSSSGSGXXX

DECADE OF SUSTAINED GROWTH

Year	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
Paid up Capital	122	122	122	145	160	160	160	160	160	161	161	193
Reserves	4,124	4,451	4,723	6,066	6,205	6,440	6,760	7,308	8,264	9,687	11,559	13,914
Owned funds	4,246	4,573	4,845	6,211	6,365	6,600	6,920	7,596	8,584	9,848	11,720	14,107
Basel III (%)	14.62	12.17	12.54	14.43	16	17.17	18.98	19.46	18.56	16.67	18.17	18.76
Deposits	44,690	50,079	53,700	56,890	59,868	59,075	63,278	68,486	76,638	89,113	1,02,078	1,15,666
Advances	36,691	39,476	41,435	45,973	50,616	48,516	52,820	56,876	64,168	74,423	84,491	98,754
Total Business	81,381	89,555	95,135	1,02,863	1,10,484	1,07,591	1,16,098	1,25,362	1,40,806	1,63,536	1,86,569	2,14,420
Total Income	5,977	6,150	6,405	6,600	6,779	7,145	6,389	6,357**	7,675	9,863	11,508	13,159
Operating Profit	943	1,303	1,571	1,777	1,711	1,761	1,291	1,630**	2,476	2,829	3,212	4,075
Net Profit	464	568	606	346	211	235	359	673	1,106	1,605	1,942	2,510
Return on Assets (%)	0.88	1.03	1	0.53	0.31	0.32	0.49	0.86	1.27	1.63	1.72	1.93
Cost of Deposit (%)	7.96	7.4	6.6	5.99	5.8	5.76	4.96	4.3	4.27	5.19	5.61	5.56
Yield on Advance (%)	12.14	11.67	11.34	10.3	9.75	9.63	8.93	8.47	8.93	9.95	10.15	9.86
EPS (In ₹)	39.86	46.59	99.51	4.78	2.64	2.94	4.5	8.42	13.81	19.99	20.1	25.98
Book Value(In ₹)	348.42	375.25	79.51*	85.49	79.63	82.57	86.57	94.95	105.03	122.42	145.57	145.95@
Dividend (%)	130	140	130	30	30	-	25	80	100	120	130	130#
No of Employees	7,197	7,211	7,400	7,956	7,663	7,935	7,746	7,306	7,764	9,085	9,866	9,883
Business per employee	11.31	12.42	12.86	12.93	14.42	13.56	14.99	17.28	18.14	18	18.91	21.7
Branches (No.)	629	667	711	790	778	779	780	789	799	838	888	901

*Stock split during the Financial Year 2016-17, Converting one ₹ 10/- Face Value Equity Share into five ₹ 2/- Face value Equity Shares

**After reclassification of depreciation on investments as an item of other income.

#Proposed dividend subject to approval at AGM

@Includes proposed dividend subject to approval of AGM

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	2-2 Entities included in the organization's sustainability reporting	BRSR Sec. A , Q23	143
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	2-4 Restatements of information	Not Applicable	
	2-5 External assurance	BRSR Sec A, Q.14	140
	2-6 Activities, value chain and other business relationships	Engaging Responsibly. Delivering Consistently.	38
	2-7 Employees	BRSR Sec. A, Q20	142
	2-8 Workers who are not employees		
	2-9 Governance structure and composition	Corporate Governance Report	248-249
	2-10 Nomination and selection of the highest governance body	Corporate Governance Report - Nomination and Remuneration Committee	274
	2-11 Chair of the highest governance body	Corporate Governance Report - Board of Directors	249
	2-12 Role of the highest governance body in overseeing the management of impacts	Corporate Governance Report - Board Committees	267-291
	2-13 Delegation of responsibility for managing impacts	Corporate Governance Report - Board Committees	267-291
	2-14 Role of the highest governance body in sustainability reporting	Corporate Governance Report - Board Committee	288
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	2-17 Collective knowledge of the highest governance body	Corporate Governance Report	255-263
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	2-19 Remuneration policies	Directors' Report - Policy on Remuneration of Directors	121
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	2-23 Policy commitments	BRSR Section B	154-159
	2-24 Embedding policy commitments		
	2-25 Processes to remediate negative impacts		
	2-26 Mechanisms for seeking advice and raising concerns		
	2-27 Compliance with laws and regulations		
	2-28 Membership associations	BRSR Principle 7, EI Q1	195
	2-29 Approach to stakeholder engagement	Engaging Responsibly. Delivering Consistently.	38
	2-30 Collective bargaining agreements	BRSR Principle 3, EI Q7	171

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	3-2 List of material topics		37
	3-3 Management of material topics	BRSR Sec. A, Q26	146-153
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Balance Sheet	322
	201-2 Financial implications and other risks and opportunities due to climate change	Management Discussion & Analysis - Integrated Risk Management Framework- Climate Risk	239
	201-3 Defined benefit plan obligations and other retirement plans	BRSR Principle 3, EI Q2	169
	201-4 Financial assistance received from the government	Not Applicable	
GRI 202: Market Presence 2016	202-1 Ratios of standard entry-level wage by gender compared to local minimum wage	BRSR Principle 5, EI Q2	180
	202-2 Proportion of senior management hired from the local community	Corporate Governance Report	255-263
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Social And Relationship Capital - Communities	78-85
	203-2 Significant indirect economic impacts	BRSR Principle 8, LI, Q6	200
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	BRSR Principle 8, EI, Q4	198
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	BRSR Principle 1, EI Q4	162
	205-2 Communication and training about anti-corruption policies and procedures		
	205-3 Confirmed incidents of corruption and actions taken	Director's Report	113
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	BRSR Principle 7, EI Q2	196
GRI 207: Tax 2019	207-1 Approach to tax	Schedule 17 - Significant Accounting Policies	331
	207-2 Tax governance, control, and risk management		
	207-3 Stakeholder engagement and management of concerns related to tax		
	207-4 Country-by-country reporting	Not Applicable	
GRI 301: Materials 2016	301-1 Materials used by weight or volume	Not Applicable	
	301-2 Recycled input materials used		
	301-3 Reclaimed products and their packaging materials		

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GRI 302: Energy 2016	302-1 Energy consumption within the organization	BRSR Principle 6, EI Q1	185
	302-2 Energy consumption outside of the organization	Not Applicable	
	302-3 Energy intensity	BRSR Principle 6, EI Q1	185
	302-4 Reduction of energy consumption	BRSR Principle 6, EI Q1	185
	302-5 Reductions in energy requirements of products and services	Not Applicable	
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	BRSR Principle 6, EI Q3 and EI Q4	186-187
	303-2 Management of water discharge-related impacts	BRSR Principle 6, EI Q3 and EI Q4	187
	303-3 Water withdrawal	BRSR Principle 6, EI Q3 and EI Q4	186
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GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	BRSR Principle 6, EI Q7	188
	305-2 Energy indirect (Scope 2) GHG emissions	BRSR Principle 6, EI Q7	188
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	305-4 GHG emissions intensity	BRSR Principle 6, EI Q7	188
	305-5 Reduction of GHG emissions	BRSR Principle 6, EI Q8	189
	305-6 Emissions of ozone-depleting substances (ODS)	Not Applicable	
	305-7 Nitrogen oxides (NOX), sulfur oxides (SOX), and other	Not Applicable	
GRI 306: Effluents and Waste 2016	306-1 Water discharge by quality and destination	BRSR Principle 6, EI Q4	187
	306-2 Waste by type and disposal method	BRSR Principle 6, EI Q9	189
	306-3 Significant spills	Not Applicable	
	306-4 Transport of hazardous waste	Not Applicable	
	306-5 Water bodies affected by water discharges and/or runoff	Not Applicable	
GRI 307: Environmental Compliance 2016	307-1 Non-compliance with environmental laws and regulations	BRSR Principle 6, EI Q13	191
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Not Applicable	
	308-2 Negative environmental impacts in the supply chain and actions taken	Not Applicable	
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Human Capital	64-73
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	BRSR Principle 3 EI Q1, Q5	168, 170
	401-3 Parental leave	BRSR Principle 3 EI Q1, Q5	
GRI 402: Labor/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes	In the event of operational changes, the concerned stakeholders are notified well in advance to allow them to adapt to these operational changes.	

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GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	BRSR Principle 3, EI Q10	172
	403-2 Hazard identification, risk assessment, and incident investigation	BRSR Principle 3, EI Q10	172
	403-3 Occupational health services	BRSR Principle 3, EI Q10	172
	403-4 Worker participation, consultation, and communication on occupational health and safety	BRSR Principle 3, EI Q10	172
	403-5 Worker training on occupational health and safety	BRSR Principle 3, EI Q10	172
	403-6 Promotion of worker health	BRSR Principle 3, EI Q10	172
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	BRSR Principle 3, EI Q10	172
	403-8 Workers covered by an occupational health and safety management system	BRSR Principle 3, EI Q10	172
	403-9 Work-related injuries	BRSR Principle 3, EI Q11	173
	403-10 Work-related ill health	BRSR Principle 3, EI Q10,11	172-173
GRI 404: Training and Education 2016	404-1 Average hour of training per year per employee	Learning, Training and Capability Building	64-73
	404-2 Programs for upgrading employee skills and transition assistance programs	BRSR Principle 3, EI Q9	172
	404-3 Percentage of employees receiving regular performance and career development reviews	BRSR Principle 3, EI Q9	172
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Corporate Governance Report - Policy on Board Diversity, Social Capital - Diversity and Inclusion	250,70
	405-2 Ratio of basic salary and remuneration of women to men	BRSR Principle 5, EI Q2	180
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	BRSR Principle 5, EI, Q6, Q7 & Q8	181-182
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	BRSR Principle 3, EI, Q7	171
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	BRSR Principle 5, LI, Q4	183
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	BRSR Principle 5, Leadership Indicator, Q4	183
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	The Security personnel are deployed through third party agencies, and the bank is ensuring that the necessary trainings are imparted to them.	

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GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of Indigenous peoples	Not Applicable	
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Social And Relationship Capital - Communities	78-85
	413-2 Operations with significant actual and potential negative impacts on local communities	Social And Relationship Capital - Communities	78-85
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	BRSR Principle 3, LI Q5	175
	414-2 Negative social impacts in the supply chain and actions taken		
GRI 415: Public Policy 2016	415-1 Political contributions	Corporate Governance Report- Disclosure on Political Contribution	302
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	BRSR Principle 9, LI Q2	204
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Not Applicable, The Bank is providing products and services in the Financial Sector	
GRI 417: Marketing and Labelling 2016	417-1 Requirements for product and service information and labelling	Social and Relationship Capital -Customers	75
	417-2 Incidents of non-compliance concerning product and service information and labelling	BRSR Sec. A, Q25, Principle 9, EI Q3	144 203

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