

SCHEDULES

SCHEDULE 1 - CAPITAL

(₹ 000's omitted)

	AS AT 31 st March 2026	AS AT 31 st 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 31 st March 2026	AS AT 31 st 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 31 st March 2026	AS AT 31 st 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 31 st March 2026	AS AT 31 st 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 31 st March 2026	AS AT 31 st 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 31 st March 2026	AS AT 31 st 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 31 st March 2026	AS AT 31 st 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 31 st March 2026	AS AT 31 st 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 31 st March 2026	AS AT 31 st 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 31 st March 2026	AS AT 31 st 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 31 st March 2026	AS AT 31 st 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 31 st March 2026	AS AT 31 st 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 31 st March 2026	AS AT 31 st March 2025
I Premises:		
At cost as on 31 st 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 31 st 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 31 st March 2026	AS AT 31 st 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 31 st March 2026	AS AT 31 st 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 31 st March 2026	Year Ended 31 st 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 31 st March 2026	Year Ended 31 st 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 31 st March 2026	Year Ended 31 st 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 31 st March 2026	Year Ended 31 st 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 31 st March 2026	Year Ended 31 st 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



SCHEDULE 17 - SIGNIFICANT ACCOUNTING POLICIES (Contd.)

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:

- 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.
- 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.

- 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

SCHEDULE 17 - SIGNIFICANT ACCOUNTING POLICIES (Contd.)

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

SN	Particulars	As at	
		31 st March 2026	31 st 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	Nil	
	a) Government of India		
	b) State Government		
	c) Sponsor Banks		
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).

SCHEDULE 18 – NOTES ON ACCOUNTS FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2026 (Contd.)

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.

SCHEDULE 18 – NOTES ON ACCOUNTS FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2026 (Contd.)

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.

SCHEDULE 18 – NOTES ON ACCOUNTS FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2026 (Contd.)

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.

**SCHEDULE 18 – NOTES ON ACCOUNTS FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2026 (Contd.)**

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

Particulars	Quarter ended 31 ST MARCH 2026			Quarter ended 31 ST December 2025			Quarter ended 30 th September 2025			Quarter ended 30 th June 2025			Quarter ended 31 ST March 2025		
	Total Unweighted Value (average)	Total Weighted Value (average)	Total Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total 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	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	
5 Additional requirements, of which	55.74	55.74		69.82	69.82		84.26	84.26		89.33	89.33		132.66	132.66	
(i) Outflows related to derivative exposures and other collateral requirements															

**SCHEDULE 18 – NOTES ON ACCOUNTS FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2026 (Contd.)**

Particulars	Quarter ended 31 ST MARCH 2026			Quarter ended 31 ST December 2025			Quarter ended 30 th September 2025			Quarter ended 30 th June 2025			Quarter ended 31 ST March 2025		
	Total Unweighted Value (average)	Total Weighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted 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	0.00	0.00	0.00	0.00	0.00
(iii) Credit and liquidity facilities	8,803.44	1,812.36	1,889.91	8,704.50	1,889.91	1,889.91	8,193.45	1,929.68	1,887.63	7,644.30	1,887.63	7,519.79	7,519.79	1,725.48	1,725.48
6 Other contractual funding obligations	5,629.96	168.90	643.93	643.93	643.93	643.93	829.12	829.12	639.40	639.40	639.40	845.77	845.77	845.77	845.77
7 Other contingent funding obligations	584.23	584.23	159.83	5,327.74	159.83	159.83	5,078.23	152.35	150.51	5,017.07	150.51	4,601.97	4,601.97	138.06	138.06
8 Total Cash Outflows		22,830.70	21,276.67		21,276.67	21,082.04		21,082.04	20,345.06		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	0.00	0.00	0.00	0.00	0.00
10 Inflows from fully performing exposures	4,526.70	2,711.11	2,563.37	4,157.98	2,563.37	3,663.26	5,309.24	3,663.26	4,170.37	5,987.95	4,170.37	5,117.72	5,117.72	3,464.08	3,464.08
11 Other cash inflows	56.15	56.15	70.55	70.55	70.55	85.77	85.77	85.77	90.71	90.71	90.71	138.22	138.22	138.22	138.22
12 Total Cash Inflows	4,582.85	2,767.26	2,633.92	4,228.53	2,633.92	3,749.03	5,395.01	3,749.03	4,261.08	6,078.66	4,261.08	5,255.94	5,255.94	3,602.30	3,602.30
		Total Adjusted Value	Total Adjusted Value		Total Adjusted Value	Total Adjusted Value		Total Adjusted Value	Total Adjusted Value		Total Adjusted Value	Total Adjusted Value		Total Adjusted Value	Total Adjusted Value
13 TOTAL HQLA		25,174.21	24,915.31		24,915.31	23,138.46		23,138.46	21,732.73		21,732.73			21,064.24	
14 Total Net Cash Outflows (8-12)		20,063.44	18,642.75		18,642.75	17,330.01		17,330.01	16,083.98		16,083.98			16,753.22	
15 Liquidity Coverage Ratio (%)		125.47%	133.65%		133.65%	133.49%		133.49%	135.12%		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.

SCHEDULE 18 – NOTES ON ACCOUNTS FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2026 (Contd.)

The following table sets forth the daily average of un-weighted and weighted values for all the quarters in FY 2024-25

Particulars	Quarter ended 31 st March 2025		Quarter ended 31 st December 2024		Quarter ended 30 th September 2024		Quarter ended 30 th June 2024		Quarter ended 31 st 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:		5,742.03		5,632.66		5,548.86		5,578.36		5,479.70
i) Stable deposits		4,801.58		4,971.69		4,719.79		4,966.94		4,821.74
(ii) Less stable deposits		55,019.54		53,840.75		53,128.72		53,300.14		52,386.14
3 Unsecured wholesale funding, of which:		24,035.97		23,093.17		22,585.68		14,076.17		11,205.90
(i) Operational deposits (all counterparties)		0.00		0.00		0.00		0.00		0.00
(ii) Non-operational deposits (all counterparties)		24,035.97		23,093.17		22,585.68		14,076.17		11,205.90
(iii) Unsecured debt		0.00		0.00		0.00		0.00		0.00
4 Secured wholesale funding				0.00		0.00		0.00		0.00
5 Additional requirements, of which		7,652.45		1,858.14		7,356.28		6,807.35		6,703.07
(i) Outflows related to derivative exposures and other collateral requirements		132.66		53.32		27.82		19.77		22.64
(ii) Outflows related to loss of funding on debt products		0.00		0.00		0.00		0.00		0.00
(iii) Credit and liquidity facilities		7,519.79		7386.78		7,328.46		6,787.58		6,680.43
6 Other contractual funding obligations		845.77		712.13		1,034.12		119.30		217.53
7 Other contingent funding obligations		4,601.97		4175.66		4,137.54		710.27		43.66
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		6.24		22.34		89.24		15.30
10 Inflows from fully performing exposures		5,117.72		3,464.08		4,979.53		2,724.29		2,532.11
11 Other cash inflows		138.22		57.86		30.86		22.83		25.15
12 Total Cash Inflows		5,255.94		3,602.30		5,032.73		2,836.36		1,373.64
			Total Adjusted Value	3,266.78	Total Adjusted Value	3,262.95	Total Adjusted Value	1,482.14	Total Adjusted Value	1,373.64
13 TOTAL HQLA				20,355.65		20,164.23		20,427.66		19,632.84
14 Total Net Cash Outflows (8-12)				15,768.00		15,704.98		11,038.19		9,413.90
15 Liquidity Coverage Ratio (%)				125.73%		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:

- 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;
- Avoid over-reliance on wholesale funding during times of buoyant market liquidity;
- Counterbalance the cliff-effects of the liquidity coverage ratio approach;
- 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
- 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.

**SCHEDULE 18 – NOTES ON ACCOUNTS FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2026 (Contd.)**

Quantitative disclosure - The following table sets out the details of NSFR of the Bank

(₹ Crore)

Particulars	As on 31 st March 2026					As on 31 st December 2025			
	Unweighted value by Residual Maturity		Weighted Value	Unweighted value by Residual Maturity		Unweighted value by Residual Maturity		Unweighted value by Residual Maturity	
	No Maturity	< 6 months	6 months to < 1 year	> 1 year	No Maturity	< 6 months	6 months to < 1 year	> 1 year	Weighted Value
ASF Item									
1 Capital (2+3)	14,107.87	-	-	-	13,473.48	-	-	-	13,473.48
2 Regulatory capital	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	-	-	-	67,834.00	-	62,418.95
5 Stable deposits	-	-	28,660.22	-	-	-	27,366.83	-	25,998.49
6 Less stable deposits	-	-	41,798.14	-	-	-	40,467.17	-	36,420.46
7 Wholesale funding (8+9)	28,479.13	2,401.92	5,522.00	11,493.55	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	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)									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	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	-	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.)**

Particulars		As on 31 st March 2026					As on 31 st December 2025				(₹ Crore)
		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	
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.)

Particulars	(₹ Crore)									
	As on 30 th September 2025					As on 30 th June 2025				
	Unweighted value by Residual Maturity		Weighted Value			Unweighted value by Residual Maturity		Weighted Value		
ASF Item	No Maturity	< 6 months	6 months to < 1 year	> 1 year		No Maturity	< 6 months	6 months to < 1 year	> 1 year	
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 30 th September 2025					As on 30 th 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		No Maturity	< 6 months	6 months to < 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.)**

Particulars	As on 31 st March 2025						As on 31 st December 2024			
	Unweighted value by Residual Maturity			Weighted Value			Unweighted value by Residual Maturity			Weighted Value
	No Maturity	< 6 months	> 1 year	No Maturity	< 6 months	> 1 year	No Maturity	< 6 months	> 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	-	-	-	-	58,404.31	-	52,752.62
5 Stable deposits	-	-	4,995.90	-	-	-	-	3,775.04	-	3,586.28
6 Less stable deposits	-	-	53,875.91	-	-	-	-	54,629.27	-	49,166.34
7 Wholesale funding (8+9)	15,052.66	6740.70	6,725.25	15,907.42	6,725.25	15,907.42	14,364.56	6,480.35	16,106.45	23,521.16
8 Operational deposits	-	-	-	-	-	-	-	-	-	-
9 Other wholesale funding	15052.66	6740.70	6,725.25	15,907.42	6,725.25	15,907.42	14,364.56	6,480.35	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)										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	54,610.80	54.70	30,484.76	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	4,432.49	-	393.86	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.)**

Particulars	As on 31 st March 2025					As on 31 st December 2024			
	Unweighted value by Residual Maturity		Weighted Value	Unweighted value by Residual Maturity		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
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
21 Performing residential mortgages, of which:	-	2.01	6.32	7,047.87	4,903.20	-	1.77	6.08	6,990.16
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
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
24 Other assets (25+26+27+28+29)	36,243.94	-	-	-	7,789.34	33,707.81	-	-	-
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	-	-	-
27 NSFR derivative assets	3.28	-	-	-	3.28	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	-	-	-
30 Off-balance sheet items	12,349.43	-	-	-	520.77	11,173.73	-	-	-
31 Total RSF (14+15+16+24+30)					62,920.91				62,367.49
32 NSFR (%)					142.56%				140.56%

**SCHEDULE 18 – NOTES ON ACCOUNTS FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2026 (Contd.)**

Particulars		As on 30 th September 2024						As on 30 th June 2024						Weighted Value
		Unweighted value by Residual Maturity				Weighted Value	Unweighted value by Residual Maturity							
		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 30 th September 2024					As on 30 th 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			No Maturity	< 6 months	6 months to < 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

SCHEDULE 18 – NOTES ON ACCOUNTS FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2026 (Contd.)

3. INVESTMENTS

3.1 Disclosure of carrying value of investments and fair value

	HTM		AFS		FVTPL		Subsidiaries, Associates & JVs		HTM		AFS		FVTPL		Subsidiaries, Associates & JVs	
	Fair value								At cost		Fair value		HFT		Non-HFT	
	At cost															
	As on 31 st 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	-	-	-	-	-

(₹ Crore)

**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

		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 31 st March 2026								As on 31 st 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

(₹ Crore)

**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	Nil	0.00	0.00
ii	Fls	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		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	Nil
ii	Fls	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
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	31 st March 2026	31 st 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	31 st March 2026	31 st 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	31 st March 2026	31 st March 2025
	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25				
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

SCHEDULE 18 – NOTES ON ACCOUNTS FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2026 (Contd.)

4. ADVANCES AND ASSET QUALITY

4.1 Classification of advances and provisions held

(₹ Crore)

Particulars	As on 31 st March 2026						As on 31 st March 2025				
	Total Standard	NPAs			Total	Total Standard	NPAs			Total	Total NPA
		Sub-Std.	Doubtful	Loss			Sub-Std.	Doubtful	Loss		
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	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	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	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	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.)**

Particulars	As on 31 st March 2026						As on 31 st March 2025				(₹ Crore)
	Total Standard	NPAs			Total	Total Standard	NPAs				
		Sub-Std.	Doubtful	Loss			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

Ratios	(₹ Crore)	
	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 31 st March 2026			As on 31 st March 2025		
		Outstanding Total Advances	Gross NPAs	% of Gross NPAs to Total Advances in that sector	Outstanding Total Advances	Gross NPAs	% 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	1,056.21	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:	18,997.84	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	31 st March 2026		31 st 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 31 st 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 (31 st 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 (30 th 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 (30 th 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 (31 st 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)
31 st March 2026	44	47.16
31 st 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 31 st 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 Disclosure, 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 31 ST 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	Nil	238.06	Nil
Low	161.67		292.28	
Moderately Low	2.02		16.23	
Moderate	65.94		58.23	
Moderately High	0.35		0.12	
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 31 st 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	31 st March 2026	31 st 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 31 st 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	31 st March 2026		31 st 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 31 st March 2026			As on 31 st 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.

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				
	a) Off-balance sheet exposures		Nil		Nil
	i. First Loss				
	ii. Others				
	b) On-balance sheet exposures				
	i. First Loss				
	ii. Others				

(₹ Crore)

**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.

- 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 –

- ₹ 1,25,550*/- 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:

- 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.
- Devise/review a Policy on Appointment and Succession Planning for Directors.
- Devise/review a policy on Board Diversity.
- Formulate/review criteria for evaluation of performance of Chairman, Independent Directors, Board of Directors, Committees of Board.
- 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.
- Frame/review Compensation Policy towards ensuring effective alignment between remuneration and risk. Directors and Senior Management Personnel shall be part of the Compensation Policy.
- 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
- Review and recommend to the board, all remuneration, in whatever form, payable to Directors & senior management.
- Consider grant of stock options to employees, administer and supervise the Employee Stock Option Plans in conformity with statutory provisions and guidelines.
- 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.
- 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.

SCHEDULE 18 – NOTES ON ACCOUNTS FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2026 (Contd.)

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/- b. Non-cash – 1,22,641 ESOPs	a. Cash- ₹96,72,153/- b. Non-cash – 1,58,772 ESOPs
f)	Total amount of deferred remuneration paid out in the financial year	a. Cash- ₹ 42,92,460/- b. Non-Cash- 88,148 ESOPs	a. Cash- ₹ 26,90,056/- 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/- 2. Variable Pay: ₹ 3,47,15,781/-	1. Fixed Pay ₹ 3,10,61,755/- 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
		Deviation of the pay [*]	₹ 12,27,414
		For MD&CEO	41.04X
		For Shri J. Natarajan, ED (Demitted office on 21.05.2025)	34.17X
		For Shri Sankar Balabhadrapatruni, ED	18.23X
			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.)**

- 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.
- 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.
- 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 Balabhadrapatruni	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 Balabhadrapatruni (Appointed as ED from 12 th March 2025)	2024-25	ED (MRT)	5,82,332
Total				3,10,61,755

* Includes perquisites worked out as per Income Tax Rules, 1962.

- 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.
- 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.
- 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.
- 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 (SBE & 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:

Particulars	(₹ Crore)	
	For the year ended 31 st March 2026	For the year ended 31 st 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	31 st March 2026	31 st 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 International 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)	31 st March 2026	31 st March 2025	31 st March 2026	31 st 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 31 st March					Year ended 31 st 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)
	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	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		
	1. Treasury	590.92	401.86
	2. Corporate/Wholesale Banking	882.50	652.98
b	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		
	Segment Assets		
	1. Treasury	30,120.24	27,113.85
	2. Corporate/Wholesale Banking	21,146.79	17,216.05
j	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
	Segment Liabilities		
	1. Treasury	29,854.41	24,426.39
	2. Corporate/Wholesale Banking	18,397.43	15,487.46
k	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
	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
l	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		
Outstanding Letter of Comfort as on 31 st March	Nil	Nil

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**

Non-executive
Independent (Part-time)
Chairperson

DIN: 05337181

**CA DR.
CHINNASAMY
GANESAN**

Audit Committee
Chairman

DIN: 07615862

B. RAMESH BABU

Managing Director
& C E O

DIN: 06900325

**SANKAR
BALABHADRAPATRUNI**

Executive Director

DIN: 08846754

RAMSHANKAR R

Chief Financial Officer

M.SRINIVASA RAO

Company Secretary

As per our report of even date

For **Kalyaniwalla & Mistry LLP**

Chartered Accountants

FRN: 104607W/W100166

For **Varma & Varma**

Chartered Accountants

FRN:004532S

Sushant S. Lahoti

Partner

M. No. 114092

Radhesh L Bhat

Partner

M. No. 214229

Place : Karur

Date : 7th May 2026