CSB Bank
Trusted Heritage Smart Future

Foundation Built.
Future Unlocked.

CSB BANK LIMITED

Annual Report **2025-26**

Pillars of Excellence

Governance

Deepening trust through robust governance practices that promote transparency, accountability, and long-term value creation.
Read more on page 86

Customer Service

Delivering consistent, customer-centric experiences that combine deep personal understanding with responsive, digitally enabled service.
Read more on page 127

Compliance

Ensuring disciplined growth at CSB Bank through strict adherence to regulatory standards and a robust culture of risk awareness across the Bank.
Read more on page 127

Technology

Powering CSB Bank's SBS 2030 journey through modern platforms and integrated systems that enable faster, smarter, and more scalable banking.
Read more on page 60

Human Capital

Strengthening leadership depth and nurturing talent at CSB Bank to support a high-performance culture aligned with the strategy.
Read more on page 73

Table of Contents

Corporate Overview 02-95

04 How to Read the Report
06 Strong Foundations. Measurable Performance.
08 Built with Purpose. Ready for Progress.
12 Rooted in Strength. Built for the Future.
16 Letter from the Chairperson
20 Letter from the MD and CEO
26 Letter from the Executive Director
30 Offerings Strengthened. Progress Unlocked.
44 Enduring Strength. Evolving Possibilities.
46 Creating Value. Expanding Horizons.
48 Focussed Strategies. Superior Outcomes.
54 Executing Strategy. Delivering Results.
58 Value Built. Horizons Expanded.
60 Engineered for Strength. Driven by Technology.
66 Foundation of Integrity. Future of Impact.
68 Building Today. Preserving Tomorrow.
70 Banking on Trust. Investing in Lives.
84 Engaged Today. Empowered Tomorrow.
86 Purpose-led Governance. Trust-driven Growth.
88 Experience at the Helm. Vision at the Core.
94 Leadership Aligned. Future Empowered.
95 Corporate Information

Statutory Reports 96-221

96 Management Discussion and Analysis
133 Board's Report
166 Report on Corporate Governance

Financial Statements 222-309

223 Independent Auditor's Report
232 Balance Sheet
233 Profit & Loss Account
234 Cash Flow Statement
243 Significant Accounting Policies
251 Notes to Accounts

Scan this QR Code to access the Investor Relations page

Disclaimer
This document contains statements about expected future events and financials of CSB Bank Ltd ('CSB Bank,' 'The Bank'), which are 'forward-looking'. By their nature, forward-looking statements require the Bank to make assumptions and are subject to inherent risks and uncertainties. There is a significant risk that the assumptions, predictions, and other forward-looking statements may not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as several factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the Management Discussion and Analysis section of this Annual Report.

Investor Information

Market Capitalisation#	₹5,907 crore
CIN	L65191KL1920PLC000175
BSE Code	542867
NSE Symbol	CSBBANK
Bloomberg Code	CSBBANK IN
CRISIL Ratings@	CRISIL A/A1+
INDIA Ratings@	IND A/Positive
AGM Date	August 21, 2026
AGM Mode	VC/OAVMs

as on March 31, 2026

@ Instrument Ratings

Foundation Built. Future UNLOCKED.

Progress is rarely accidental. It is the result of deliberate choices, made consistently over time, and realised through sustained preparedness.

For CSB Bank, that moment has arrived. The Sustain and Build phases were about putting the right elements in place to position the Bank for the scale phase commencing in FY 2026-27. We expanded our presence across India, strengthened leadership depth, and invested in technology and infrastructure to build a more agile, integrated, and responsive organisation, while evolving our product suite to meet changing customer needs.

Collectively, these efforts have created a strong foundation aligned with 'SBS 2030'. As we move into the 'Scale' phase, this foundation is now translating into meaningful momentum.

In this phase, our focus is on expanding our presence across geographies and deepening engagement across a diverse set of customer segments, including retail, small businesses, and corporate. Central to this approach is the creation of enduring customer relationships. Backed by a strong capital base, we will continue to invest in infrastructure, technology, and product capabilities to enhance relevance, responsiveness, and overall customer experience.

This phase is defined not just by how fast we grow, but by how thoughtfully we shape that growth, guided by our values aligned with our strategy of evolving into a mid-sized Bank, with a pan-India presence. With the foundations firmly in place, the focus now moves to delivering outcomes, through sustainable and purposeful growth.

Navigational Tool

How to Read the Report

Navigating through this report will help the reader to answer queries regarding the following topics:

GOVERNANCE.

This section brings together leadership perspectives across governance layers, reflecting how experienced leadership steers the organisation with clarity, discipline, and long-term vision.

Read more on:

Page 16
Letter from the Chairperson

Page 20
Letter from the MD and CEO

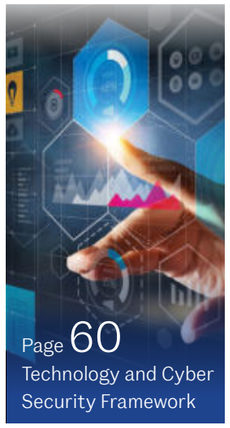
Page 26
Letter from the Executive Director

Page 96
Management Discussion and Analysis

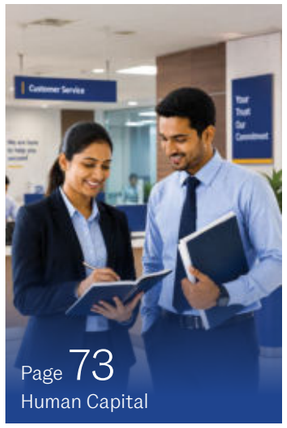
RESILIENCE.

This section highlights how a structured, evolving risk framework ensures preparedness against emerging challenges while strengthening operational reliability and future readiness.

Read more on:



Page 60
Technology and Cyber Security Framework



Page 73
Human Capital

Page 86
Risk Management

VALUE CREATION.

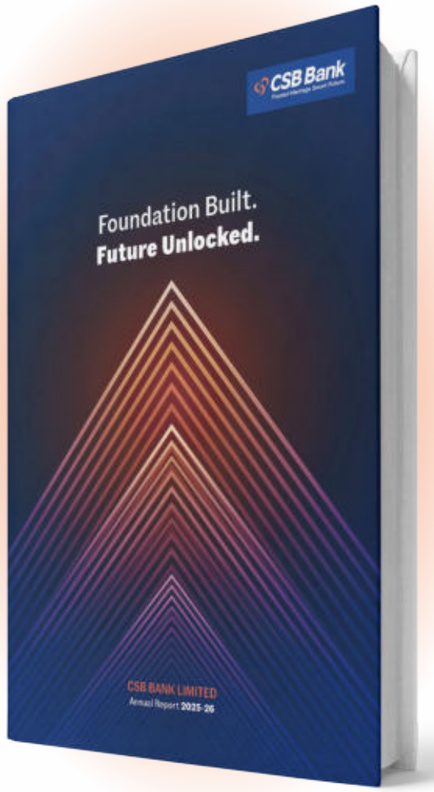
This section shows how the Bank transforms resources into sustained value through a balanced, stakeholder-focused approach, with actions that create tangible outcomes and reinforce long-term trust.

Read more on:

Page 66
ESG

Page 58
Economic Value Creation

Page 84
Stakeholder Engagement



Key Performance Highlights FY 2025-26

Strong Foundations. Measurable Performance.

Portfolio Scale

₹57,727 crore
Balance Sheet Size
21% YoY Increase

₹44,246 crore
Deposits
20% YoY Increase

₹40,359 crore
Gross Advances
27% YoY Increase

₹84,605 crore
Total Business
23% YoY Increase

Earnings and Profitability

₹5,682 crore
Total Income
24% YoY Increase

₹1,720 crore
Net Interest Income
17% YoY Increase

₹1,177 crore
Non-Interest Income
21% YoY Increase

₹633 crore
Profit After Tax
7% YoY Increase

Core Financial Ratios

3.76%
Net Interest Margin

1.29%
Return on Assets

0.40%
Net Non-Performing Assets

20.66%
Capital Adequacy Ratio

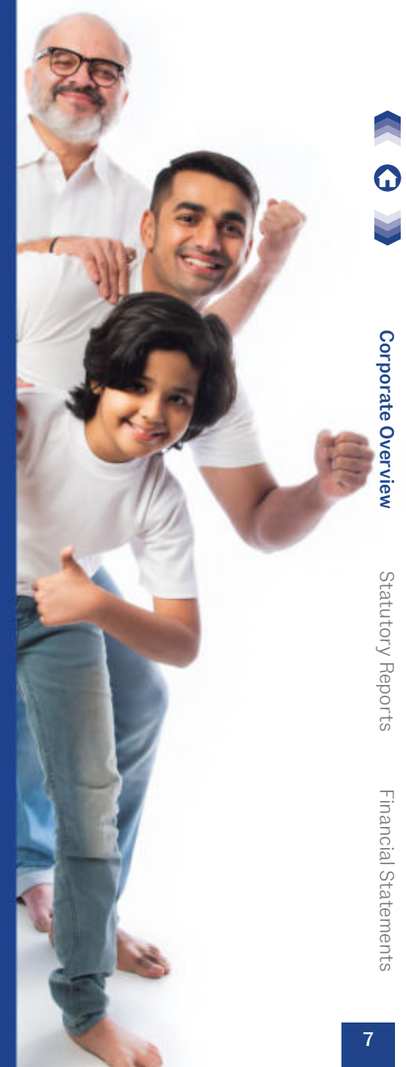
Creating Impact

8,187
Employees

2,534
Women Employees

35 Years
Average Age of Employees

826
Employees with 10+ Years of Experience



About CSB Bank

Built with Purpose. Ready for Progress.

CSB Bank ('The Bank,' 'We') is a private sector bank delivering simple, reliable, and technology-led financial solutions. Backed by marquee investor, FIH Mauritius Investments Ltd, an affiliate of the Fairfax Group, we are a focused, growth-oriented institution, committed to making banking more intuitive, responsive, and relevant for our customers, while continuing to build on strong foundations.

Vision and Mission

CSB endeavours to be a leading bank striving to excel in bringing products that satisfy the needs of targeted client segments, backed by excellent service – through our branches and technology driven initiatives in a compliant and regulated manner. For our employees, we want to create a culture of by performance and productivity that should eventually result in sustainable growth in business and deliver superior returns to our shareholders.

Our Offerings

We offer a range of financial products and services designed to address the diverse needs of our customers. Every product and service is anchored in operational excellence and future-ready innovation.

Deposit Products

- Savings Accounts
- Current Accounts
- Fixed Deposits
- Recurring Deposits
- Family Banking
- Segmented Products

Retail Assets

- Gold Loans
- Home Loans
- Vehicle Loans
- Personal Loans
- Agri Loans
- MFI Loans
- Education Loans
- Loan Against Property (LAP)
- Two-Wheeler Loans
- Healthcare Finance
- Loan Against Securities (LAS)

MSME Banking

- Term Loans
- Working Capital Loans
- Export Finance
- Import Finance
- Bill Discounting
- LC/BG
- Loans against Property (LAP)
- MSME Solutions
- Gold Loan

Corporate Banking

- Working Capital Finance
- Corporate Loans
- Term Loans
- Bill Finance
- Export/Import Finance
- Buyer's/Supplier's Credit
- LC/BG
- Bill Discounting
- Factoring

Digital and Other Offerings

- ATMs/CDMs
- Internet and Mobile Banking
- WhatsApp Banking
- POS/QR Solutions
- Cash Management Services
- Treasury Products
- RTGS/NEFT
- Utility and Bill Payments
- Foreign Exchange/TFX
- Insurance
- Locker Facility
- UPI Payments

Pan-India Presence

We are building a strong pan-India presence through a disciplined branch network expansion strategy. In line with this strategy, the Bank added 35 branches and 50 ATMs/CDMs during FY 2025-26. Further strengthening its distribution network over the past six financial years, the Bank has doubled its branch network, reflecting a sustained and calibrated expansion approach. Our growth remains anchored in careful and strategic location selection, ensuring alignment with branch productivity, profitability, and the Bank's long-term growth objectives.

This strategy has scaled our distribution network to 862 branches and 832 ATMs, enhancing our reach across diverse geographies.

This is complemented by a focused presence in rural and semi-urban markets, enabling us to serve a wide spectrum of customer segments. This reach is supported through Financial Literacy Centres (FLCs) and the Business Correspondent (BC) model, which improve access, awareness, and engagement across communities.

862
Branches

35
Branches Added in FY 2025-26

459
Branches in Semi-Urban/Rural Locations

832
ATMs/CDMs

50
ATMs/CDMs Added in FY 2025-26

1,690+
Touchpoints

% Distribution

State	March 2026	March 2025
Kerala	31	33
Tamil Nadu	16	16
Andhra Pradesh	13	13
Maharashtra	11	11
Karnataka	7	7
Others*	22	20

*Delhi(4%), Telangana (4%), Gujarat(3%)

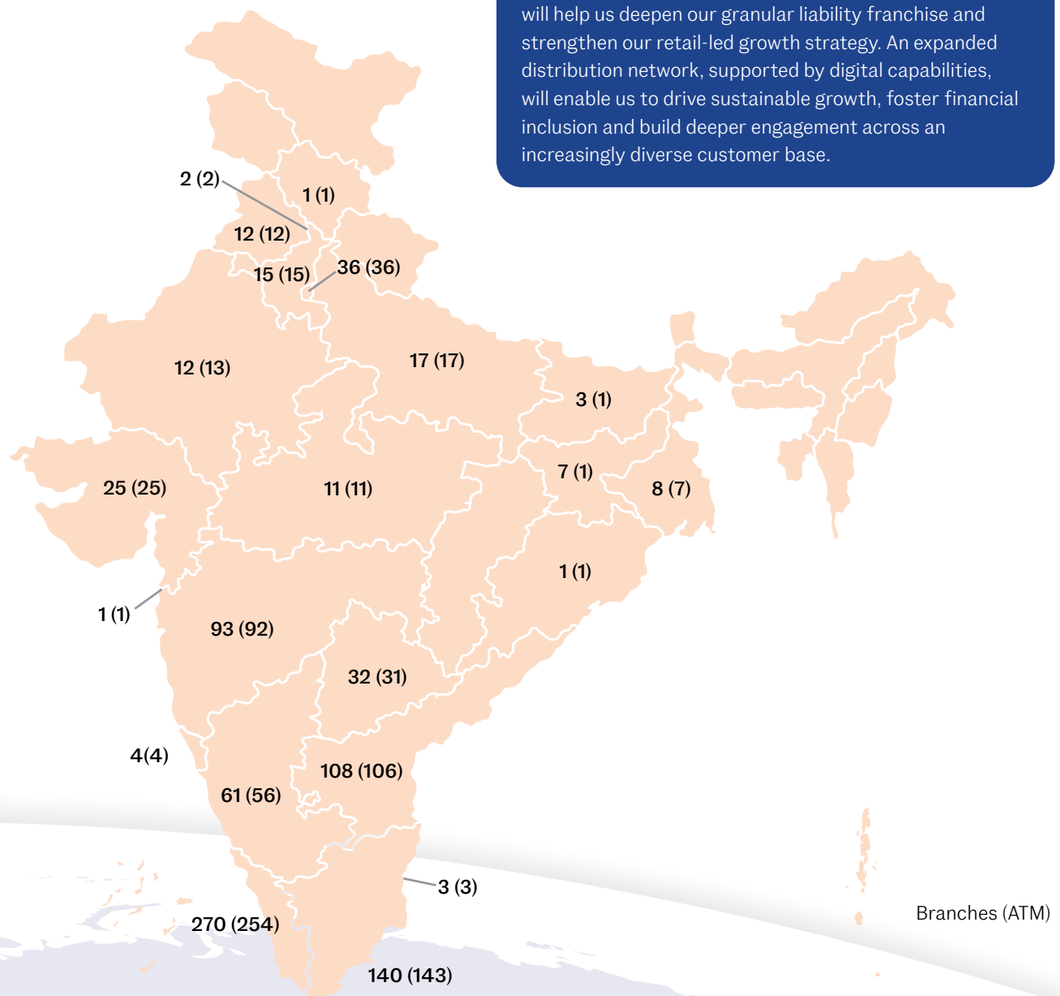
As of March 2026, Kerala continued to account for the largest share of our branches at 31%, compared with 33% in March 2025. The increase in the 'Others' category to 22% from 20% reflects gradual expansion beyond the Bank's traditional markets, while the branch mix across other major states remained unchanged.

No. of Branches

State	March 2026	March 2025
Metropolitan	232	216
Urban	171	164
Semi-Urban	394	387
Rural	65	62
Total	**862**	**829**

Road Ahead

We are accelerating the expansion of our branch network across high-potential markets in the North, West and select regions of South India. Our expansion roadmap is aligned with the stabilisation of our core banking platform and broader technology upgrades. As our digital infrastructure matures, we are complementing our physical network with a digital reach strategy to enhance customer acquisition and engagement. This approach will help us deepen our granular liability franchise and strengthen our retail-led growth strategy. An expanded distribution network, supported by digital capabilities, will enable us to drive sustainable growth, foster financial inclusion and build deeper engagement across an increasingly diverse customer base.



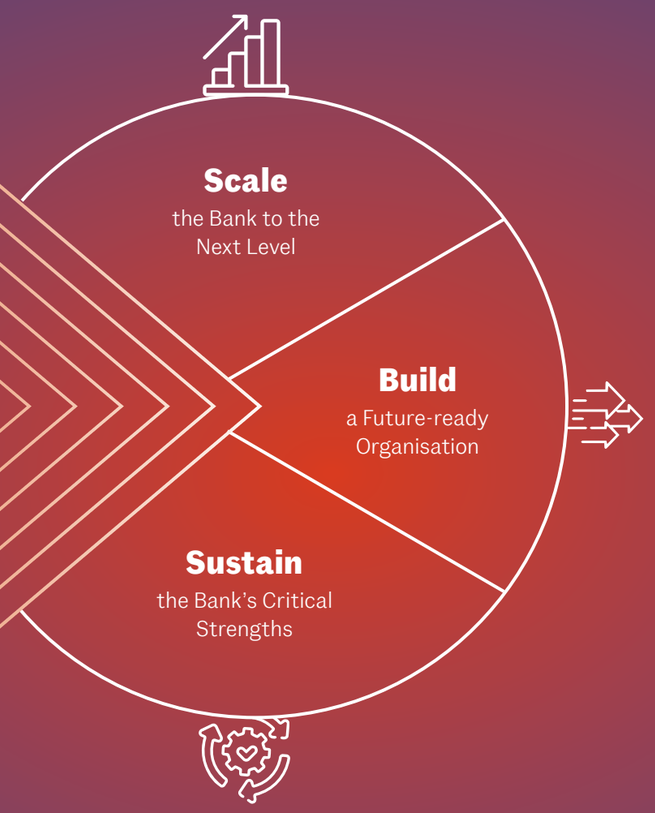
Disclaimer: This map is a generalised illustration only for the ease of the reader to understand the locations, and it is not intended to be used for reference purposes. The representation of political boundaries and the names of geographical features/states do not necessarily reflect the actual position. The Bank or any of our Directors, officers or employees cannot be held responsible for any misuse or misinterpretation of any information or design thereof. CSB Bank does not warrant or represent any kind of connection with its accuracy or completeness.

Transformational Journey

Rooted in Strength. Built for the Future.

Our vision, SBS 2030 (Sustain. Build. Scale.), sets out a clear pathway for our evolution from a regionally rooted institution to a pan-India, mid-sized bank. Anchored by a strong customer-focus, robust risk management framework, strong corporate governance practice, and strict regulatory compliance, we are committed to strengthening our core competencies, building the capabilities required to scale, and pursuing growth with purpose.

The transition from Build to Scale marks a shift in focus, from reinforcing foundational capabilities to driving disciplined, accelerated growth. Our priorities are scaling operations, expanding our geographic footprints and deepening customer engagement across segments. This is the moment to capitalise on the platform we have built and advance with confidence towards becoming a full-service, pan-India institution.



Sustain and Build Phase
(till FY 2025-26)

- Establish a Pan-India operational footprint
- Develop an advanced, next-generation technology platform
- Diversify and enhance our product portfolio
- Build a strong and sustainable liability franchise
- Maintain strategic emphasis on the gold loan segment
- Drive process optimisation and re-engineering initiatives
- Strengthen the risk management framework for enhanced resilience

Scale Phase
(FY 2026-27 to FY 2029-30)

- Transition into a full-service private sector bank
- Enhance our product suite to serve diverse customer segments
- Place customer focus at the core of all operations
- Foster innovation and collaboration as key growth drivers
- Build a connected network through strategic partnerships and alliances
- Focus on delivering sustained value to stakeholders

KEY ENABLERS

- Growth-Oriented Policy
- Board Support and Guidance
- Clear Executable Strategy
- Good Governance Structure
- Building Infrastructure in Physical, Hybrid, and Digital Modes
- Robust and Efficient Customer-Centric Process
- Strong Leadership
- Innovation, Agility, and Digitalisation

Bank of the Future

As we progress towards our vision of becoming the Bank of the Future, we are building a resilient and diversified business model across key segments:

- Gold
- Retail
- MSME
- Wholesale

This balanced approach enhances portfolio stability while enabling sustainable, high-quality revenue streams and long-term value creation.

Technology Transformation

We are reimagining the banking experience through a comprehensive technology overhaul with the modernisation of our core systems, anchored by a next-generation Oracle FLEXCUBE platform, alongside a re-architected infrastructure spanning data centre consolidation, private cloud deployment, and advanced platforms and APIs. These initiatives enhance scalability, accelerate product innovation and drive operational efficiency.

Customer-centric Approach

Customer focus is at the core of our operating philosophy, driving continuous refinement of our offerings to stay aligned with evolving needs. This enables us to deliver tailored solutions with greater relevance and agility, while our branches serve as engagement hubs that foster deeper relationships and consistent high-quality service experiences.

Operational Excellence

We are strengthening our credit and risk management frameworks to enable disciplined growth and responsible lending, supported by compliance, control, and performance management systems that uphold high regulatory and operational standards. Alongside this, we are advancing our digital agenda through enterprise-wide digitisation, centralisation, process optimisation, and automation. Our objective is to deliver banking experiences that prioritise ease, efficiency and reliability.

Key Objectives

- Build a granular liability franchise with an improving CASA ratio
- Deliver consistent, strong operating performance
- Invest meaningfully in the initial 3–4 years within a defined payback period
- Maintain a prudent treasury strategy, balancing wholesale-funded book growth with due regard for risk and return focus
- Build a well-diversified retail book to manage credit cycles
- Drive fee business and non-interest income with sustained focus
- Maintain a well-capitalised balance sheet with adequate liquidity buffers
- Uphold asset quality through disciplined risk management and a strong monitoring and recovery framework

Letter from the Chairperson

Guided by an experienced Board, supported by professional management, and reinforced by robust compliance and risk management frameworks, we remain committed to the highest standards of transparency, accountability, and responsible decision-making. This commitment to governance strengthens stakeholder confidence and provides a solid foundation for sustainable long-term value creation.

Dear Shareholders,

Progress is often measured not by individual milestones but by the ability to move forward consistently amidst challenges. The year under review reflected CSB Bank's continued commitment to building a stronger, more agile, and future-ready institution, amidst a dynamic operating environment. The Bank continued to strengthen its foundations, invest in capabilities for the future, and pursue its growth ambitions with discipline and purpose. The consistency of our performance reflects the dedication of our people, the confidence of our stakeholders, and our steadfast commitment to our long-term strategic vision.

Our journey continues to be guided by the trust we have nurtured over more than a century and strengthened by a culture of strong governance, prudent decision-making, and responsible growth. These enduring principles have enabled us to navigate change with confidence and remain focused on creating sustainable long-term value for stakeholders.

Guided by these principles, we continued to make meaningful progress across our strategic priorities during the year. We strengthened the pillars of our franchise by expanding our footprint, deepening customer relationships, enhancing our liability base, and fostering strategic partnerships. We also continued to invest in technology and organisational capabilities, enhancing operational efficiency and building the infrastructure required to support the next phase of growth. Reflecting our prudent approach, we adopted an accelerated provisioning strategy, strengthening the resilience of our balance sheet and enhancing the Bank's preparedness to navigate future uncertainties with confidence.

The momentum we have built over the years provides a strong platform for the next phase of our journey. As we advance towards our aspiration of becoming a respected mid-sized bank with a strong national presence by 2030, FY 2025–26 marks an important transition from the 'Build' phase to the 'Scale' phase of our strategy SBS 2030, reflecting our confidence in the future and our readiness to pursue growth at greater scale.

Navigating a Changing Environment

The global economy continues to navigate a period of heightened uncertainty. Geopolitical developments, particularly in the Middle East, have impacted energy markets, commodity prices, and global trade flows. These developments have reinforced the need for institutions to remain agile, resilient, and forward-looking.

Against this backdrop, India has continued to demonstrate remarkable economic strength. Supported by robust domestic demand, sound macroeconomic fundamentals, and prudent policymaking, India remains one of the fastest-growing major economies in the world.

Monetary policy has remained calibrated and supportive throughout this period. The RBI's Monetary Policy Committee reduced the repo rate by a cumulative 100 basis points, from 6.25% in April 2025 to 5.25% by December 2025. It paused in February 2026 and maintained a neutral stance in April and June 2026. The interventions were directed at easing borrowing costs and reviving credit demand. The backdrop was one of moderating inflation alongside rising external uncertainties. Together, these moves reflect a careful balance between supporting growth and preserving price stability.

The banking sector continues to balance growth ambitions with

discipline. Credit growth has remained strong at approximately 14.1% year-on-year as of March 2026, while deposit growth has trailed at around 11.5%. This has created a structural gap that is influencing liquidity conditions. The divergence has pushed the system credit-deposit ratio to nearly 82%, above its long-term average of around 75%, with liquidity buffers being drawn down to sustain lending momentum.

Funding costs have edged higher, with certificate of deposit yields rising to about 7.49% in January 2026, and CASA ratios across the sector declining by nearly 700 basis points from earlier peaks. This reflects a structural shift towards higher-cost deposits.

Thus, the banking sector, while benefiting from sustained credit demand, continues to operate in an environment where deposit mobilisation remains a key challenge. Funding costs have increased across the system, and liquidity conditions remain relatively tight. These trends underscore the importance of balancing growth ambitions with prudent risk management and operational discipline.

At the same time, the banking industry is undergoing profound transformation. Artificial intelligence is increasingly becoming a core component of banking operations—not only as a driver of efficiency but also as a critical tool in fraud prevention, cybersecurity, and customer engagement. The future of banking will increasingly depend on successfully combining technological innovation with human judgement, strong governance, and responsible risk management.

Sustainability is also becoming integral to banking strategy. Environmental and social considerations are now being embedded into business models, risk frameworks, and capital allocation decisions. Institutions that adapt successfully to these evolving expectations will be best positioned for long-term success.

Building a Stronger Institution

During the year, we continued to strengthen the foundations required to support the Bank's next phase of growth.

Among the most significant milestones was the successful migration to Oracle FLEXCUBE and its integrated ecosystem. This transformation has created a scalable, future-ready technology platform that enhances operational efficiency, improves customer experience, and enables more agile and data-driven decision-making across the organisation.

Across our business segments, our approach remained measured and disciplined. The gold loan portfolio continued to demonstrate strong growth momentum and remained supported by robust risk management practices, including strict oversight of loan-to-value ratios, price sensitivity, and other key risk parameters.

Our corporate portfolio progressed in line with expectations, while we adopted a calibrated approach towards MSME and unsecured lending in response to prevailing market conditions. This disciplined stance reflects our continued focus on maintaining portfolio quality while pursuing sustainable growth.

Branch expansion also continued in a thoughtful and targeted manner. Each new location has been selected based on strategic priorities and operational readiness, helping us expand our reach, reduce geographic concentration, and strengthen our national presence.

Equally important has been our continued investment in people. We have strengthened leadership capabilities through focused development programmes, expanded training initiatives, and accelerated skill enhancement efforts across the organisation. As technology continues to reshape banking, our employees are being equipped with the knowledge and capabilities required to succeed in an increasingly digital environment while maintaining the highest standards of compliance and customer service.

Financial Performance

I am pleased to report that FY 2025–26 was another year of steady progress and disciplined growth.

Our deposit base increased by ₹7,384 crore to ₹44,246 crore. While CASA deposits moderated marginally due to a shift towards higher-yield term deposits amid competitive market conditions, our overall deposit franchise remained resilient and well diversified.

Advances grew by ₹8,341 crore to ₹39,848 crore, supported by healthy demand across key business segments, particularly gold loans and wholesale banking. This growth was achieved without compromising on credit quality and reflects the strength of our underwriting standards and risk management framework.

Total income increased by over ₹1,112 crore to ₹5,682 crore, driven by growth in both interest income and non-interest income streams. Operating profit remained strong at ₹1,085 crore, while net profit stood at ₹633 crore despite a challenging operating environment.

Our capital position continues to remain robust, with a Capital Adequacy Ratio of 20.66%. Return on Assets stood at 1.29% and Return on Equity at 14.44%.

Asset quality remained well under control, with Gross NPA at 1.66% and Net NPA at 0.40%.

These results reflect the resilience of our business model, the effectiveness of our strategy, and the disciplined execution demonstrated across the organisation.

Sustainability, Governance and Social Impact

At CSB Bank, we recognise that long-term success must be built on a foundation of responsible and sustainable growth.

Our sustainability approach is integrated across the organisation and influences decision-making at every level. We continue to reduce our environmental footprint, support renewable energy and low-carbon sectors, strengthen diversity and inclusion, and promote ethical business practices across all aspects of our operations.

Our Corporate Social Responsibility initiatives remain focused on creating meaningful and measurable impact. During the year, we expanded our efforts across healthcare, education, environmental sustainability, gender equality, poverty alleviation, and community development.

A notable example is our continued partnership with the Fairfax India Charitable Foundation under Project Dialysis, which has expanded access to affordable dialysis services across 24 states and 2 union territories, particularly in underserved regions where access to critical healthcare remains limited.

Strong governance continues to be a defining strength of the Bank. Guided by an experienced Board, supported by professional management, and reinforced by robust compliance and risk management frameworks, we remain committed to the highest standards of transparency, accountability, and responsible decision-making.

This commitment to governance strengthens stakeholder confidence and provides a solid foundation for sustainable long-term value creation.

The Road Ahead

As we enter the 'Scale' phase of our SBS 2030 journey, we do so with confidence, clarity, and purpose.

The investments made during the Build phase have established strong foundations in technology, talent, governance, risk management, and business capability. Our focus now is on leveraging these strengths to deliver sustained and scalable growth.

We will continue to pursue an integrated, customer-centric business model across retail, MSME, and wholesale banking segments. We remain committed to enhancing customer experience, improving operational efficiency, strengthening profitability, and creating enduring value for our shareholders.

Supported by our people, our technology platform, and the trust of our stakeholders, we are well positioned to strengthen our market presence and advance steadily towards our aspiration of becoming a respected mid-sized institution with a strong national footprint by 2030.

Gratitude

Before I conclude, I would like to express my sincere gratitude to our shareholders for your continued trust, confidence, and support.

I also extend my appreciation to our customers, partners, regulators, and all stakeholders who continue to contribute to the Bank's progress and success.

I wish to place on record our gratitude to the Reserve Bank of India, SEBI, the Ministry of Corporate Affairs, the stock exchanges, and the Central and State Governments for their guidance and oversight, which continue to support a stable and well-regulated banking environment.

I would also like to acknowledge the leadership of our Managing Director and CEO, Mr. Pralay Mondal, whose vision, commitment, and disciplined execution continue to guide the Bank's growth journey.

Most importantly, I thank every member of the CSB family. Their dedication, professionalism, and unwavering commitment remain the cornerstone of our achievements and our future success.

As we look ahead, we do so with confidence, optimism, and a shared commitment to building an institution that continues to create value for generations to come.

Thank you for your trust and support.

With Warm Regards,

Biswamohan Mahapatra
Chairperson

Letter from the MD and CEO

FY 2025–26 marked a year of disciplined, resilient performance in which the Bank delivered sustainable growth alongside a strengthened financial foundation. Our ability to balance business expansion with consistent profitability has strengthened stakeholder confidence and reaffirmed our long-term credibility.

Dear Shareholders,

At CSB Bank, every journey begins with a pledge: to grow with responsibility, lead with integrity, and serve with unwavering dedication. As we look back on the year gone by, what emerges is a narrative of transformation: driven by innovation, enabled by technology, and deeply attuned to the evolving aspirations of our customers.

This vision continues to redefine how banking is delivered and experienced. Focused investments in technology, people, products and governance have fortified our foundation, enhancing resilience and sharpening alignment across our operating model. As we advance into the final phase of SBS 2030, we do so with renewed conviction and a clear mandate; to broaden our reach and translate strategic investments into measurable outcomes. With our new core banking system as a catalyst, we have unlocked agility and accelerated innovation; empowering CSB Bank not merely to keep pace with change, but to lead it, setting new benchmarks and shaping the future of banking with vision, conviction, and enduring impact.

India: Resilient. Rising.

Despite global challenges from geopolitical uncertainties to energy market volatility, India has emerged as one of the fastest-growing major economies, recording a real GDP growth of 7.7% in FY 2025–26. This resilience reflects disciplined policymaking and structural strength. For CSB Bank, this growth story is best measured through the opportunities it creates for wholesale banking customers, MSMEs, and retail customers: the segments that drive India's economic dynamism. Wholesale banking customers are expanding their footprint and require sophisticated financial solutions to support scale and complexity. MSMEs continue to be the backbone of employment and innovation, demanding accessible credit and tailored support. Meanwhile, retail customers are increasingly active participants in financial markets, broadening the base of investment and consumption that sustains long-term growth.

This transformation is reshaping the financial ecosystem, adding both depth and complexity. It underscores the critical importance of financial literacy, informed risk-taking, and inclusive access to capital as enablers of sustainable progress.

In this evolving environment, CSB Bank stands as a trusted intermediary, channelling capital towards productive avenues and empowering customers across these segments. Our strategy is anchored in strong governance, prudent risk management, and a deep understanding of diverse customer needs. By strengthening core capabilities, advancing digital integration and expanding across wholesale banking, MSME, and retail segments, we are widening access to finance while safeguarding stability.

This unwavering commitment to inclusive growth and financial resilience ensures that CSB Bank is not only participating in India's rise, but actively shaping it with clarity, conviction, and purpose.

Performance across Businesses: Strong, Sustained.

Our unwavering commitment to building the Bank around customer needs continues to drive innovation, sharpen processes and deliver strong outcomes across all segments. This momentum is strengthening our competitive edge and propelling our growth trajectory further.

Retail Banking

Retail Banking at CSB Bank is entering a defining phase; evolving from selective participation into a comprehensive, profitable, and scalable franchise. In FY 2025–26, we focused on aligning products, processes, channels, and distribution with changing customer needs, laying the groundwork for scale. Deeper engagement across customer segments sharpened key drivers such as acquisition, onboarding, and relationship management, resulting in a differentiated experience.

On the asset side, we pursued a calibrated approach, prioritising secured and productive lending: gold loans, commercial vehicles, equipment financing and healthcare financing. This strategy preserved portfolio quality amid systemic stress in unsecured lending, while creating a foundation for sustainable growth. Our medium-term ambition is to diversify into new retail segments, supported by a robust pipeline of products and digital platforms such as Retail LOS & LMS, enabling seamless end-to-end journeys.

On the liability side, customer acquisition and building a granular franchise remain central priorities. With a customer-first approach, we are building a comprehensive suite of product offerings across segments. This includes a sharper focus on NRI customers, where specialised products, dedicated channels, and tailored engagement strategies are strengthening our presence and deepening relationships in this important segment. The foundation has empowered specialised teams and strengthened distribution, resulting in cohesive execution, deeper engagement and a clearer path to growing wallet share.

MSME Banking

The MSME segment remains a strategic priority, with a clear aspiration to drive portfolio diversification and long-term growth. In line with our SBS vision, the MSME segment is targeted to contribute 17–18% of the Bank's asset portfolio by 2030.

Our strategy is anchored on strengthening the core pillars: people, processes, products, policy, and technology; to build a high-quality portfolio. Moving beyond a branch-led model, we adopted a specialised, business-centric structure that sharpened underwriting, deepened expertise, and enhanced decision-making.

In FY 2025–26, we maintained a prudent stance amid adverse macroeconomic conditions, reinforcing risk guardrails with multi-layered due diligence and greater reliance on data-driven validations. On the product front, we introduced GST-led and bank statement-based lending solutions, alongside scorecard-driven offerings such as Turbo Products and onboarding tools like Spot On, enabling faster decisioning and improved turnaround times. With distribution established across key markets and a trained, certified workforce, the MSME franchise is well-positioned for its next phase of disciplined growth.

Wholesale Banking

Wholesale Banking delivered strong momentum in FY 2025–26, driven by a strategy to build a diversified, high-quality, and scalable portfolio. Growth was led by corporate and commercial banking segments, reflecting increased client acquisition and deeper wallet share. The Bank maintained deliberate caution in select sectors to preserve balance and avoid concentration risks, underpinned by granular exposures and a diversified portfolio across industries.

A standout development was the growth of the non-fund-based business, lifting the non-fund to fund ratio to 37% and broadening fee income streams. Transaction banking gained traction with the rollout of corporate internet banking and advanced modules, enhancing client servicing and operational efficiency. Expansion into new geographies and strategic partnerships with correspondent banks strengthened trade finance capabilities, enabling efficient cross-border transactions. With strong coverage teams, exposures concentrated in well-rated corporates, and a growing emphasis on ESG-aligned lending, wholesale banking is well placed to scale sustainably.

Treasury

The Treasury function played a pivotal role in supporting balance sheet growth, maintaining liquidity, and enabling business expansion. Operating in a dynamic macroeconomic environment, the function remained focused on prudent liquidity management, cost optimisation, and strengthening market-facing capabilities.

Strong credit growth outpaced deposit mobilisation, prompting a calibrated reliance on wholesale funding avenues such as certificates of deposit and foreign currency borrowings. Liquidity metrics remained comfortable, with the Liquidity Coverage Ratio maintained at an average level of above 115%, reflecting disciplined management. While structural pressures weighed on net interest margins, signs of stabilisation emerged by the latter part of FY 2025–26.

Treasury operations navigated volatility from global developments and interest rate movements with discipline, prioritising capital preservation and opportunistic gains. Capability building was a highlight, with the introduction and revamp of treasury products, including derivatives, enabling effective client solutions and strengthening relationships. As CSB Bank enters the Scale phase, Treasury is poised to evolve from a support function into an active growth driver, backed by stronger infrastructure and improving balance sheet dynamics.

Financial Performance: Consistent. Disciplined.

FY 2025–26 marked a year of disciplined, resilient performance in which the Bank delivered sustainable growth alongside a strengthened financial foundation. Our ability to balance business expansion with consistent profitability has strengthened stakeholder confidence and reaffirmed our long-term credibility.

- **Profitability:** Net profit reached ₹633 crore as of March 31, 2026, reflecting the strength of our core operating performance.
- **Provisioning Buffers:** We maintained a strong provisioning buffer, of approximately ₹210 crore above regulatory requirements, including contingent provisions of ₹106 crore. This strengthens our ability to absorb potential risks while supporting long-term stability.
- **Margins and Returns:** Net Interest Margin stood at 3.76%, while Return on Assets was at 1.29%. Elevated funding costs contained margin expansion through the year.
- **Liability Franchise:** Deposits grew by 20%. The CASA ratio stood at around 20%. Our term deposit growth recorded momentum, reflecting our calibrated approach to funding and growth.
- **Advances** grew by 27% year-on-year, outpacing industry growth, supported by a well-managed lending strategy.
- **Asset Quality:** Gross NPAs stood at 1.66% and Net NPAs at 0.40%, with a Provision Coverage Ratio of 86.33% (including technical write-offs) and 76.38% (excluding write-offs). Our focus on accelerated provisioning and contingent buffers reinforces the resilience of our asset book.
- **Capital Adequacy:** CRAR stood at 20.66%, supported by a favourable asset mix and prudent risk management.

Our distribution strategy is firmly anchored in the vision of building CSB Bank into a mid-sized, pan-India private sector bank. Expansion is being pursued through a calibrated approach; adding 40–50 branches annually as we progress towards the milestone of 1,000 branches. At every stage, productivity and customer experience take precedence over sheer scale, ensuring that growth is sustainable and meaningful.

The focus at each distribution touchpoint is on service delivery excellence. Branches are designed not merely as transaction hubs, but as relationship centres that bring banking closer to customers. By strengthening frontline capabilities, enhancing digital integration, and embedding customer-centric processes, we are creating a seamless experience that blends physical presence with digital convenience.

A data-led operating model drives this transformation, enabling sharper insights into customer needs and ensuring that every branch contributes to service quality and engagement. Business verticals including Wholesale Banking, SME Banking, and Retail Banking are aligned to deliver comprehensive solutions at the customer interface, reinforcing trust and deepening relationships.

Through this disciplined expansion, CSB Bank is steadily broadening its footprint across India, positioning itself as a truly pan-India institution; resilient in structure, agile in delivery, and unwavering in its commitment to customer-centric growth.

Technology: Scalable. Future-Ready.

FY 2025–26 marked a defining chapter in our journey, as CSB Bank completed one of its most significant technology transformations; moving decisively from legacy constraints to a modern, agile and scalable architecture. This shift has not only enhanced operational efficiency but has fundamentally repositioned the Bank to scale with confidence.

The rollout of our new core banking system along with more than 50 surround systems across payments, digital channels, and financial management represents a milestone in capability building. This transformation has unlocked agility, enabling faster product launches, improved service reliability, and a superior customer experience. With advanced infrastructure, including modular architecture and state-of-the-art data centres, we are equipped to handle higher volumes and greater complexity as we enter the 'Scale' phase.

At the heart of this transformation lies data and intelligence. Enhanced analytics and a strengthened business intelligence framework are driving sharper decision-making across credit, risk, and customer engagement. Our risk architecture is being reinforced through the deployment of the Oracle OFSAA platform and upgraded fraud risk management systems, enabling real-time monitoring across both core and digital channels. We are embedding AI through a human-digital hybrid model, where technology amplifies efficiency and responsiveness while preserving the human touch that defines our service ethos.

Cybersecurity and data protection remain paramount. With a multi-layered security architecture and continuous investment in advanced monitoring and defence systems, we are building resilience against an increasingly complex threat landscape.

With this transformation now embedded, CSB Bank is evolving into a digitally led institution shaped by intelligent systems, intuitive experiences, and scalable infrastructure. Our architecture empowers faster innovation, deeper customer engagement and closer collaboration, positioning us to create genuine value and respond with agility as the financial landscape continues to evolve.

Customer First: Engaged. Empowered.

The principle guiding our customer strategy is straightforward: make banking simpler, more relevant, and easier to access, so as to ensure seamless customer transactions supported by confident financial decisions. Our core transformation has meaningfully expanded what we can offer. Our products across assets and liabilities now address a wider range of needs: from everyday banking to more complex financial requirements.

Engagement is being strengthened by making interactions more intuitive and responsive. Faster onboarding, simplified processes, and more personalised support enable customers to navigate their banking journeys more confidently. Our teams work closely with customers to understand their needs and deliver solutions that are practical and timely.

How we listen and act on feedback is also improving. Inputs gathered across channels are driving improvements in products, processes, and service delivery. Digitally, the experience is becoming more connected. Customers can raise and track requests through branches, our 24x7 contact centre, or digital platforms, with defined timelines and real-time updates. At the frontline, clear accountability ensures prompt customer responses. Ongoing capability building supports our teams in delivering better service and stronger engagement. Our focus remains on making banking accessible, dependable, and worth returning to, so that every interaction strengthens the relationship.

Sustainability: Purposeful. Progressive.

Sustainability runs through how we think, operate, and grow. We are aligning our business with responsible practices that balance economic progress with environmental stewardship and social impact. This is reinforced by a strong governance framework that ensures transparency, accountability, and long-term value creation.

Our people remain central to this progress. During the year, we strengthened our HR capabilities through technology-led interventions, enhanced engagement frameworks, and targeted talent development initiatives. The CSB Institute of Learning and Development (CSBILD) is central to building capability across the Bank. Through structured learning journeys, role-based training, and leadership development programmes, CSBILD enables our employees to continuously upgrade their skills and deliver greater value to customers.

Structured, frequent engagement was institutionalised across levels through the year. These initiatives have enabled deeper understanding of employee aspirations, early identification of attrition risks, and more responsive people practices. As a result, both overall and early-stage attrition have shown a decline.

Internal communication was strengthened through CSB Times, our quarterly employee newsletter, designed to connect, inform and engage. Featuring leadership messages, business updates, employee stories and knowledge-driven content, the initiative has fostered transparency, encouraged participation and reinforced a shared sense of purpose across the organisation.

Investment in future leaders continued through our emerging talent programmes: differentiated learning pathways, accelerated career progression, and global exposure for high-potential employees. Our learning and development agenda broadened to encompass both functional and behavioural training, strengthening managerial effectiveness and organisational capability.

Responsible growth is also reflected in the diversity and inclusivity embedded in our leadership and governance. We continue to strengthen representation of women at the Board/Leadership level, fostering a more balanced perspective in decision-making. This emphasis on diversity enriches our culture and reinforces the resilience and depth of our governance framework.

Future Roadmap: Strategic. Purposeful.

Years of disciplined execution are now converging into a phase of purposeful expansion. Guided by our long-term vision, SBS 2030, the past few years have been dedicated to strengthening our core, building future-ready infrastructure, enhancing organisational capabilities and aligning the institution for sustainable, scalable growth. As our technology and product architecture reach full readiness, we will accelerate customer acquisition and deepen market presence.

Building a strong, sustainable liability franchise remains central to our plans. Through targeted offerings under Current Account, TASC accounts, focused saving accounts, integrated payment solutions and tailored asset products, we are building a proposition that fosters deeper engagement and long-term customer relationships.

We are also reshaping our portfolio mix for greater resilience and balance. While gold loans continue to provide stability and liquidity, we are progressively diversifying towards a more balanced composition, with a long-term target of 19–21% retail, 30–32% wholesale, 30–35% gold, and 17–18% MSME. This transition is well underway, supported by the scaling of our retail and wholesale franchises, alongside expansion in MSME lending to capture underserved opportunities and drive cross-sell.

Our growth ambitions are anchored in clearly defined financial guardrails. We are targeting a steady-state Return on Assets of 1.4% to 1.5% and a Return on Equity of above 15%, with a clear pathway to exceed these levels in the 'Scale' phase. While the cost-to-income ratio is expected to remain elevated in the near term due to ongoing investments in technology and infrastructure, a calibrated improvement trajectory is envisaged from FY 2027–28 onwards. Asset quality remains fundamental to our strategy, with a continued focus on maintaining Gross NPAs below 2%, Net NPAs below 1%, and credit costs within a disciplined range of 40 to 50 basis points.

New business lines will further strengthen the franchise. The planned launch of wealth management in retail and debt capital market capabilities in wholesale by FY 2028–29 will expand our product suite, enhance revenue diversification, and enable deeper, lifecycle-driven engagement with customers.

Our strategic direction reflects a deliberate shift, from a product-centric approach to a holistic, customer-led franchise. Every initiative is anchored in creating sustainable value for our customers, employees, partners, and shareholders.

I extend my sincere gratitude to our customers, employees, shareholders, and partners for their continued trust and support.

I also acknowledge the guidance of our regulators, including the RBI, SEBI, IRDA, NPCI, NSE, BSE, and the Central and State Governments. My appreciation also goes to the Board for its continued oversight and direction as we advance our strategic agenda.

We enter the Scale phase with confidence and with a clear sense of where we are going and what we stand for.

With Warm Regards,

Pralay Mondal
Managing Director and CEO

Letter from the Executive Director

CSB Bank stands on a strong foundation, with the capabilities, clarity and confidence required to scale responsibly and on a sustained note.

Dear Shareholders,

FY 2025–26 marks a defining inflection point in CSB Bank's journey towards its 'SBS 2030' vision, a year marked by significant achievements particularly on the technology front that has laid a strong foundation for accelerated growth and enhanced impact. In this period, the Bank further strengthened its processes, products and organisational capabilities, reinforcing its readiness for the next phase of its vision. Since embarking on the 'SBS 2030 Vision' in 2022, our focus has been on laying strong foundations in technology, processes, products and organisational capabilities. Having successfully navigated the first two milestones, viz, 'Sustain and Build phases', we now embark on the final Scale phase of the vision, a stage marked by disciplined and structured execution, focused on translating intent into measurable outcomes across all verticals and delivering sustainable value creation for our stakeholders. Our ambition remains clear: to emerge as a pan-India, mid-sized bank by 2030, with a strong digital core, a diversified portfolio mix and a deeply embedded customer-first culture.

Global growth remains subdued, weighed down by prolonged geopolitical tensions and trade-related uncertainty. Despite the global headwinds, India's economic activity has demonstrated resilience. Domestic demand continues to be robust, underpinned by steady private consumption, sustained investment momentum and strong macroeconomic fundamentals. In the second half of the year, system liquidity stayed in surplus, aided by the Reserve Bank's liquidity-enhancing measures. However, the ongoing conflict in West Asia presents downside risks. Inflation is expected to firm up, with the regulatory stance remaining focused on safeguarding price stability while supporting growth.

Turning to the Bank's performance, we delivered robust topline growth, with deposits expanding by nearly 20% and advances rising by about 27%. This growth outpaced industry benchmarks by roughly 1.5 times, underscoring the strength of our execution and the discipline embedded in our growth strategy.

Building a Stronger Core

During the Build phase, our focus has been on establishing a resilient, future-ready operating platform. By stabilising our technology infrastructure and investing in digital capabilities, process re-engineering and enhanced risk frameworks, we have positioned ourselves to operate with greater agility and efficiency.

We have also taken deliberate measures to strengthen portfolio quality and composition. In retail advances, we realigned our mix by reducing exposure to the LAS portfolio, where the underlying security is gold, in line with regulatory guidance, while pivoting towards secured and productive asset classes such as Commercial Vehicles, Construction Equipment, HCF and LAP. This underscores our commitment to building a high-quality lending book. At the same time, we have remained cautious in unsecured lending and microfinance, moderating growth in recent quarters in response to evolving credit cycles. With the successful rollout of Loan Origination and Loan Management Systems, we are now equipped to scale retail lending in a more controlled, technology-driven manner in the next phase.

Swift strategic actions in the BLG book (SME) enabled us to address portfolio stress arising from adverse global conditions. Meanwhile, the WSB book delivered robust growth of

37%, supported by strong coverage and healthy portfolio quality.

Our branch network expanded from 829 branches in FY 2024–25 to 862 branches in FY 2025–26. We have expanded our horizon beyond our traditional strongholds in South India and Maharashtra into deposit-rich regions in the North and West. This geographic diversification is essential in reducing concentration risks and mobilising low-cost resources required for our next phase of growth.

On the liability side, the foundation for a more granular, sustainable franchise is now in place. CASA ratio moderated to around 20% during the year, followed by a strategic call taken for capitalising the quality asset growth opportunities by way of diversified funding duly weighing cost and tenor considerations. In order to embed accountability in liability mobilisation, we have introduced self-funding targets across all business verticals, thereby fostering a more balanced and self-sustaining growth model.

Designing the Bank of the Future (BOTF)

At the heart of our transformation is the ambition to become the Bank of the Future (BOTF). From my perspective, a bank's resilience depends as much on its institutional mindset as on its systems. BOTF signifies a fundamental shift in our operating model—moving beyond traditional approaches to create an organisation that is more agile, efficient, and customer-centric.

Guided by design thinking and anchored in empathy, simplicity and scalability, BOTF shapes the way we craft solutions, engage with customers and drive innovation. It also reflects our deliberate commitment to fostering a culture of continuous improvement—one where teams are empowered to embrace change and consistently deliver distinctive value.

Transitioning to the Scale Phase

The Scale phase of SBS 2030, spanning FY 2026–27 to FY 2029–30, represents the activation of the capabilities and investments made over recent years, as we intend to position CSB Bank as a full-service, technology-led mid-sized bank driven by customer focus, innovation, and partnerships.

Our approach to scale is anchored in a set of integrated drivers.

1. Strategic Distribution: We will continue expanding into new geographies while strengthening our presence in existing markets through a hub-and-spoke model that integrates digital and physical infrastructure. Branch growth will proceed steadily at 40–50 locations per year, with the primary emphasis on boosting productivity across the current network through stronger sales capabilities and deeper product penetration. Once we reach approximately 1,000 branches, our expansion approach will be reassessed to align with scale-driven priorities.

2. Data-driven Growth: With our technology platforms being stable now, we will accelerate digital-led acquisition. Enhanced onboarding systems and improved digital journeys will drive higher conversion and elevate customer experience. Analytics, AI-powered segmentation and personalised engagement will sharpen targeting and strengthen cross-sell opportunities across retail, MSME and liability products.

3. Liability Mobilisation: Building a robust and granular liability base remains central to this phase. Dedicated acquisition channels, including specialised segments such as TASC, combined with product innovation and digital platforms, will support CASA growth over the medium term. As retail asset offerings and current account products are launched/revamped, the quality and granularity of our deposit base will gradually improve.

4. Operating Efficiency: We will drive operating leverage through automation, digitisation, centralised processes and partnerships. Streamlined onboarding, servicing and transaction workflows will reduce turnaround times, lower cost-to-serve and improve scalability, ensuring efficiency as our network expands.

Our priorities for the phase are clear:

- **Advance Mix Diversification:** We will continue to build a balanced portfolio across Retail, Gold Loans, BLG and Wholesale segments, ensuring resilience and breadth in our revenue streams.
- **Non-Interest Income Growth:** Fee-based revenues will be expanded through transaction banking, trade finance, FX services and a suite of digital products, strengthening earnings beyond traditional streams.
- **Capital Strength and Liquidity Buffers:** A well-capitalised balance sheet and prudent liquidity management will remain central to sustaining growth and navigating market cycles.
- **Credit Governance and Asset Quality:** Strong underwriting standards, early warning systems and robust recovery processes will safeguard asset quality and ensure long-term sustainability.

As we scale, the focus remains on maximising the wealth of the shareholders by constantly improving Earnings per Share, Return on Assets and Return on Equity. Our efforts to strengthen the liability franchise, expand fee-based income and maintain risk-adjusted lending practices will be critical to enhancing returns while preserving asset quality and compliance standards.

Conclusion

CSB Bank stands on a strong foundation, with the capabilities, clarity and confidence required to scale responsibly and on a sustained note. Every initiative we undertake is anchored in our commitment to long-term value creation. The next phase will be defined by disciplined execution, sharper efficiency and a clearer focus on stakeholder value.

I would like to express my sincere gratitude to our customers for their continued trust, to our employees for their commitment, and to our partners and shareholders for their support. I also acknowledge, with appreciation, the guidance and oversight of our Board, as well as the continued support from regulatory authorities, including the Reserve Bank of India, SEBI, Stock Exchanges and Central and State Governments, which have been integral to our progress.

We move forward with purpose, towards the Bank of the Future and long-term value for every stakeholder we serve by keeping quality customer service high on our agenda.

With Warm Regards,

B. K. Divakara
Executive Director

Business Segments

Offerings Strengthened. Progress Unlocked.

Our business segments, Retail, Gold Loans, MSME, Wholesale Banking, and Treasury are structured to drive growth across distinct customer needs and market opportunities. We are sharpening our portfolio mix within these verticals, improving and strengthening resilience and returns. Through disciplined execution and a clear focus on customer relevance, we are enhancing franchise strength and building a more scalable business.

- Retail Banking
- Gold Loans
- MSME Banking
- Wholesale Banking
- Integrated Treasury

Retail Banking

Our retail franchise focused on delivering need-based financial solutions for individuals and small businesses across India. Through relationship-led banking and technology-enabled platforms, we deliver a multi-channel experience across branches, mobile interfaces, and dedicated relationship management. We remain focused on accessibility, personalisation, and solutions that support customers in achieving their financial goals.

Product Suite

- Comprehensive range of deposit products, including current accounts, savings accounts, fixed deposits, recurring deposits, and corporate salary accounts.
- Facilitation of international fund transfers for NRI customers through remittance and rupee drawing arrangements with leading exchange houses in the Middle East and partnerships with major money transfer agents.
- Bancassurance services in collaboration with top life and non-life insurance companies.
- Personal and business loans, including:
  - Gold
  - Two-wheeler and motor vehicle loans
  - Agri loans
  - MFI loans
- Housing loans and overdrafts against mortgage, hypothecation, or pledge
- Education loans
- Healthcare finance
- Credit cards
- Personal loans
- Loan Against Property (LAP) for individuals
- Equipment/Inventory finance

Opportunity Landscape

- India's housing finance market is expanding rapidly, driven by urbanisation beyond metros into Tier 2 and Tier 3 cities. With the market projected to grow from ~$430 billion in CY 2026 to ~$809 billion by CY 2031, and strong policy support through PMAY Urban 2.0, demand for retail home loans continues to deepen.
- India remains the world's largest recipient of remittances, with inflows reaching $144.8 billion in FY 2025–26. These increasingly investment-led flows are driving the demand for NRI deposits, home loans, and wealth products, especially in regions with strong diaspora linkages.
- A favourable interest rate cycle, with a cumulative 125-bps repo rate cut during FY 2025–26 that brought the repo rate to 5.25% by March 2026, has lowered borrowing costs and supported credit demand.
- Growing smartphone adoption and expanding internet penetration, particularly in rural areas, have broadened access to digital banking and credit products.

FY 2025–26 Dashboard

- Scaling of rural business through a cluster-based approach (~60 branches), supported by improved processes, collections, and product readiness.
- Strong focus on customer acquisition through liability franchise, with segment-specific products (e.g., NRI, women, and senior citizens) and cross-sell driving asset growth.
- Growth in unsecured and MFI segments moderated due to rising stress, strong emphasis maintained on portfolio quality and risk control.
- Rollout of LOS/LMS and digital journeys to improve turnaround time, customer experience, and scalability.

₹4,463 crore
Loan Book

₹4,136 crore
Disbursements in FY 2025–26

Outlook

- With technology, people, and processes in place, we are entering a scale-up phase focused on expanding across segments and geographies.
- Near-term growth will be driven by secured products such as gold loans, mortgages, commercial vehicles/equipment, and healthcare finance, ensuring quality and profitability.
- Unsecured lending will remain calibrated in the near term, with potential acceleration post FY 2027–28 once the systemic portfolio quality improves.
- We are deepening focus on SME and cash flow-based products, including structured gold-backed SME lending and working capital solutions.
- Retail growth will come from deepening customer relationships, growing wallet share, and building a profitable, multi-product franchise.
- Deposit mobilisation will remain a key strategic priority, with emphasis on growing granular retail deposits, strengthening CASA, deepening relationships with existing customers, and leveraging the branch network and digital channels to improve funding stability while containing the cost of deposits.
- The existing branch network is expected to deliver higher productivity and profitability as the product suite expands without proportional cost escalations.

Gold Loans

Gold loans remain a core pillar of our lending portfolio. By expanding our branch network across rural and semi-urban regions, areas historically served by informal credit channels, we have broadened our outreach, promoted financial inclusion, and reinforced the quality and resilience of our portfolio.

Opportunity Landscape

- Gold has long been a core household asset in India, particularly in South India, underpinning strong demand for gold loans.
- Rising gold prices have enhanced collateral values, expanding borrower eligibility and supporting higher disbursements.

FY 2025–26 Dashboard

- Gold loans remained a key contributor to the loan portfolio in FY 2025–26, accounting for 53.4% and delivering strong yields.
- The gold loan portfolio grew 53% year-on-year to ₹21,567 crore, reflecting sustained demand.
- Portfolio quality remained strong, with loan-to-value (LTV) below 66.94%.
- Yields stayed stable, with interest rates around 12.04% during the year, supporting profitability.
- Risk controls remained stringent, with internal LTV caps at 75% (including accrued interest), actual LTVs averaged below 75% for retail and 90% for agricultural gold loans.

₹21,567 crore
Loan Book

₹50,042 crore
Disbursements in FY 2025–26

Outlook

- We will continue to strengthen our gold loan portfolio while diversifying our loan portfolio across multiple business lines. Consequently, while the gold loan portfolio is expected to grow in absolute terms, its share of the overall loan portfolio is likely to decline as the overall loan portfolio becomes more diversified.

MSME Banking

We support the evolving needs of MSMEs through financial solutions designed to drive growth and resilience. Our offerings span working capital finance, tailored lending products, and sector-specific advisory, delivered through a relationship-led and execution-focused approach. By combining deep market insight with responsive service, we enable MSMEs to scale sustainably and contribute to India's economic growth.

Product Suite

- Term loans, working capital finance, invoice and bill discounting, letters of credit, and bank guarantees.
- MSME operations structured into the Business Banking Group (BBG) for established enterprises and the Emerging Enterprise Group (EEG) for newer businesses, based on revenue, scale and maturity.

Opportunity Landscape

- MSME formalisation is accelerating, with registrations rising from 0.79 crore in FY 2021–22 to 7.83 crore by February 2026, nearly a tenfold increase. Each newly formalised enterprise becomes eligible for bank credit, priority sector lending, and government schemes, expanding the addressable market.
- The MSME sector faces a credit gap of around ₹30 lakh crore, about 24% of total demand, with higher gaps in services (27%) and women-led enterprises (35%). Total MSME credit reached ₹67.6 lakh crore by CY 2025, with nearly 47% of new loans going to first-time borrowers.
- MSME credit growth remains strong at around 17.8%, outpacing overall bank credit. Asset quality has improved, with delinquencies declining to a five-year low of about 1.79%, supported by expanded credit guarantees.
- Union Budget 2026–27 measures, including a ₹10,000 crore SME Growth Fund, mandatory TReDS usage by public sector enterprises, expanded guarantee coverage, and receivables securitisation are helping to improve liquidity and credit access.
- MSME exports have grown from ₹3.95 lakh crore in CY 2021 to ₹12.39 lakh crore in CY 2025, with over 1.7 lakh exporters and increasing demand for trade finance, including export credit, letters of credit, and foreign exchange services.

FY 2025–26 Dashboard

- MSME portfolio recorded growth of ~149%, while maintaining a cautious stance amid macroeconomic uncertainties and pricing pressures.
- We transitioned from a branch-led approach to a specialised, business-centric structure, enabling better expertise, underwriting, and segment focus.
- We strengthened multi-layered due diligence, API-based validations (GST, bank statements), and collateral-focused lending to ensure portfolio quality.
- Automation was increased through digital underwriting, LOS integration, early warning systems, and API-based decisioning, improving turnaround times and scalability.
- We introduced GST-led, bank statement-based and scorecard-driven products, including algorithm-based lending up to ₹5 crore, supporting faster customer acquisition.
- We launched electronic bank guarantees, supply chain finance, and CMS platform to offer end-to-end solutions across assets and liabilities.

₹4,350 crore
Loan Book

₹1,726 crore
Disbursements in FY 2025–26

Outlook

- The MSME segment is targeted to contribute approximately 18% of our asset book by 2030, as part of our portfolio diversification strategy.
- Greater automation, scorecards, and real-time decisioning enhance productivity and customer experience.
- We will maintain strong collateral coverage and quality underwriting to manage risks while scaling.
- Return on investment is expected to improve as operating leverage, product depth, and customer cross-sell increase.

Wholesale Banking

Our Wholesale Banking platform delivers comprehensive financial solutions to large corporates, mid-sized enterprises, financial institutions, and government entities through three verticals: Corporate Banking, Commercial Banking, and Financial Institutions and PSUs (FIPS). Our offerings span term lending, working capital finance, trade and transaction banking, and specialised services for PSUs. Guided by a relationship-driven philosophy and disciplined execution, we are committed to strengthening client engagement, upholding compliance standards, and creating sustainable long-term value.

Funding a Sustainable Future

Product Suite

- Working capital finance for day-to-day operational needs.
- Trade finance across letters of credit, bank guarantees, and export and import financing.
- Term loans for capital expenditure and expansion.
- Supply chain finance solutions to enhance liquidity across value chains.
- Securitisation services for balance sheet optimisation.
- Foreign exchange risk management solutions, including derivatives.

Opportunity Landscape

- With infrastructure outlay increasing to ₹12.2 trillion in the Union Budget 2026–27, demand for project finance, syndicated loans, and long-tenor funding across sectors such as roads, railways, energy transitions (renewables), data centres, defence and urban infrastructure remains strong.
- India's private credit market is expanding rapidly, complementing bank lending and creating opportunities in origination, structuring, co-lending, and fee-based partnerships.
- Capital market deepening is driving transaction banking and treasury growth, with rising cross-border activity and GIFT City boosting demand for FX hedging and structured solutions.
- Formalisation of supply chains is accelerating transaction banking demand, particularly in cash management, collections, and supply chain finance, including TReDS-based solutions.

FY 2025–26 Dashboard

- Corporate and Commercial Banking delivered robust growth (50–100% range), with a strategic shift from concentration in the FIPS segment.
- We focused on building balanced, granular, and non-concentrated portfolio across large corporates, mid-market, and FIPS, with 77% exposure to AA-rated and A-rated clients.
- Non-fund to fund ratio improved to 36%, supported by growth in trade finance, guarantees, and fee-based products.
- Entry into Kolkata, Pune and Gujarat opened new client opportunities and contributed to business growth.
- We rolled out corporate internet banking and digital modules, enhancing fee income potential and client servicing.
- We deepened engagement with correspondent banks to grow trade finance partnerships and cross-border business.
- Supply chain finance and factoring gained traction, supporting lending across value chains and growing transaction flows.
- The renewable energy financing portfolio grew strongly, with ESG considerations embedded into credit evaluation and sector selection.
- There were deals with mandated syndication advice for risk distribution, enabling the Bank to generate fee income and de-risk the portfolio.

₹9,979 crore
Loan Book

₹5,407 crore
Disbursements in FY 2025–26

Outlook

- Growth momentum is expected to sustain, with a sharper focus on granular exposures and deeper relationships across segments.
- We are targeting a more balanced mix of approximately 30–40% each across Corporate Banking, Commercial Banking, and FIPS to reduce concentration risk.
- The rollout of digital transaction banking infrastructure is expected to drive fee income, improve client retention, and expand wallet share.
- Our emphasis on high-rated corporates, granular exposures, and disciplined underwriting will be maintained to protect asset quality.
- Initiatives towards generating income from liabilities (Deposits and CA) growing in line with digital transformation and cash management services.

Integrated Treasury

Our Treasury function is focused on maintaining optimal liquidity levels while adhering to regulatory requirements, including CRR and SLR norms. The SLR portfolio comprises a diversified mix of Government of India securities, treasury bills, state development loans, and other approved instruments, and is actively managed to optimise returns and capture market opportunities.

Product Suite

- We actively manage a diversified investment book across commercial papers, bonds, debentures, mutual funds, AIFs, pass-through certificates, certificates of deposit, and equities to optimise liquidity, enhance yields, and generate trading gains.
- We mobilise medium-term funding through foreign currency borrowings and issuance of certificates of deposit.
- We oversee both corporate bond and statutory liquidity portfolios, including state development loans, ensuring regulatory compliance and portfolio stability.

Opportunity Landscape

- Growing financialisation of the Indian economy provides the treasury with an opportunity to grow in products and services.
- Increasing internationalisation of the Indian Rupee (INR) and increases in forex flows provide a base to boost forex business
- Treasury has been expanding its bouquet of hedging solutions to penetrate and acquire a share in corporate hedging flows.

FY 2025–26 Dashboard

- We delivered stable performance despite market volatility, supported by disciplined risk management and opportunistic positioning.
- We expanded from plain vanilla offerings to a full suite of derivatives, strengthening our ability to deliver end-to-end treasury solutions.
- We maintained comfortable liquidity levels, with the LCR in the 115-125% range, supported by prudent deployment of wholesale funding instruments.
- We used a mix of wholesale deposits and foreign currency borrowings to support balance sheet growth during the transition phase.
- CRR and SLR requirements were sustained throughout with SLR maintained at approximately 23–24% of NDTL, ensuring adequate liquidity buffers.

Outlook

- Growing retail deposit contribution is expected to enhance funding stability and reduce reliance on bulk liabilities.
- Expanded product capabilities, including derivatives and structured solutions, will strengthen client engagement and diversify revenue streams.
- Interest rates and bond yields are expected to remain broadly range-bound, supporting stable treasury income.
- Our focus on systems, analytics, and specialised talent will support scalability and stronger risk management.
- As retail assets and liabilities scale, margins are expected to stabilise and improve over the medium term.

Strengths

Enduring Strength. Evolving Possibilities.

Our strengths reflect a disciplined franchise built on financial prudence, customer focus, and continuous transformation. A resilient balance sheet, diversified business model, risk governance, and technology-led capabilities position the Bank to deliver sustainable growth while adapting to an evolving financial landscape.

Resilient and Diversified Funding Franchise

Our funding architecture is underpinned by a well-diversified liability base, with a strong emphasis on granular retail deposits, including CASA and term deposits. This strengthens long-term stability while enabling effective cost optimisation. A balanced mix of bulk deposits, CDs, and foreign currency borrowings enhances liquidity resilience and funding flexibility. Carefully managed maturity profiles ensure regulatory comfort, including adequate maintenance of Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR), while supporting scalable and sustainable growth

Deposit Growth

21%
FY 2023-24

24%
FY 2024-25

20%
FY 2025-26

Comprehensive and Diversified Product Ecosystem

We offer a wide spectrum of banking solutions aligned to the evolving needs of diverse customer segments. We serve salaried individuals, self-employed professionals, high-net-worth clients, NRIs, SMEs and corporates. This breadth enables us to capture emerging credit demand while deepening customer engagement across segments.

Retail Banking | MSME Banking | Wholesale Banking | Treasury

Sustained Asset Quality Excellence

We have maintained low levels of non-performing assets through disciplined underwriting, rigorous monitoring, and proactive risk oversight. Our structured NPA management strategy is reinforced by internal controls, audit mechanisms, and a strong risk governance culture. Early risk identification and timely intervention strengthen portfolio resilience and ensure sustained asset quality.

1.66%
GNPA

0.40%
NNPA

Phygital Distribution Strength with Deep Reach

Our distribution network combines physical presence with digital infrastructure, enabling consistent customer engagement. Strong last-mile connectivity is complemented by an integrated 'phygital' approach, allowing us to serve diverse customer needs across geographies while maintaining service excellence.

862
Branches as on March 31, 2026

832
ATMs/CDMs as on March 31, 2026

1,690+
Touchpoints as on March 31, 2026

Technology-led Transformation at Scale

Technology remains at the core of our transformation, driving operational efficiency, scalability, and superior customer experience. The successful implementation of a new Core Banking Solution (Oracle FLEXCUBE), integrated with digital platforms, lending systems, and analytics capabilities, has enhanced productivity and service quality. This positions us strongly within a rapidly evolving, multi-product financial landscape.

1,655 lakh+
Digital Transactions

22,400+
Digital Touchpoints

Seasoned Leadership with Strategic Vision

Our leadership team combines deep domain expertise with strategic foresight and execution discipline. Their ability to navigate complexity and seize emerging opportunities, while maintaining a strong customer focus, has consistently delivered value to customers and stakeholders.

20+ Years
Average Domain Experience of Senior Management

Value Creation Model

Creating Value. Expanding Horizons.

Inputs

Branches

Our branch network is central to our operations and customer engagement strategy, serving as a key touchpoint for managing deposits, delivering gold loan services, and cross-selling financial products. Our branches also provide high-quality, personalised support that strengthens customer relationships and deepens the overall banking experience.

Customer Experience

Our commitment to enhancing customer experience is reflected in the expansion of our product suite, service offerings, and digital banking capabilities, supported by investments in technologies. These efforts enable engagement and provide access to personalised financial solutions.

People

We recognise our people as our most valuable asset. We are committed to building a supportive, inclusive workplace, investing in employee development, prioritising well-being, and fostering a performance-driven culture that aligns individual growth with organisational success. This enables stronger customer service, deeper relationships, greater innovation, and sustainable value for all stakeholders.

Products

We offer a range of financial products and services designed to meet the evolving needs of individuals, businesses, and institutions. Dedicated, product-specific teams drive focused execution and deliver high standards of service, strengthening our commitment to operational excellence and a customer-centric approach across all touchpoints.

Financial Capital

Pool of funds available with us from diverse sources for advances and investments.

Manufactured Capital

Funds available to establish a pan-India presence.

Intellectual Capital

Brand and reputation, processes and procedures, innovation and information technology.

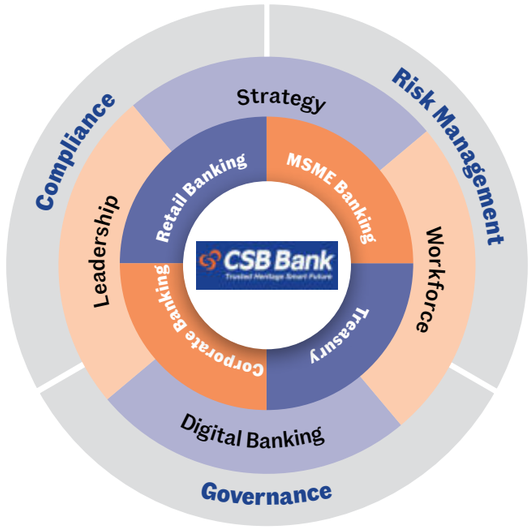
Human Capital

Skills, knowledge, experience of employees, and leadership.

Social and Relationship Capital

Customers, Shareholders, Community, Partners, and Regulators.

Operational/Governance Matrix



Key Drivers of the Business

Social Trends

- Demographic shifts
- Consumer behaviour and expectations
- Urbanisation and lifestyle changes
- Environmental and sustainability awareness

Economic Conditions

- Inflation, Interest rates, and GDP growth
- Employment trends and income levels
- Global economic volatility
- Currency fluctuations

Market Dynamics

- Competitive landscape
- Industry consolidation
- Technological disruption
- Supply chain dynamics
- Innovation cycles

Stakeholder Ecosystem

- Investors
- Customers
- Workforce
- Regulators
- Society at Large
- Suppliers and Business Partners
- Credit Rating Agencies
- Analysts and Media
- Industry Associations
- NGOs and Civil Society Organisations
- Technology and Infrastructure Providers
- Academic and Research Institutions
- Local Communities
- Competitors

Outputs

Financial Capital

- ₹4,895 crore Capital and Reserves
- ₹1,085 crore Operating Profit

Manufactured Capital

- 862 Branches
- 832 ATM/CDMs

Intellectual Capital

- 6.90 lakh+ Internet Banking Users
- 6.90 lakh+ Mobile Banking Users
- 1,655 lakh+ Digital Transactions

Human Capital

- 8,187 Employees
- 826 Employees with 10+ years of experience

Social and Relationship Capital

- 2.2 million+ Customers
- ₹61,311 crore Loans Disbursed in FY 2025–26
- 65,328 Shareholders (as of March 31, 2026)
- 27,731 CSR Beneficiaries

Strategies

Focused Strategies. Superior Outcomes.

Our priorities under SBS 2030 are shaped to build a resilient institution through purposeful, high-impact initiatives. We are advancing customer-focus, accelerating digital transformation, and broadening our product suite, supported by operational discipline and prudent risk management. These efforts position us to deliver sustainable growth while deepening our reach and relevance in an evolving financial landscape.

Our Strategies Include

- Strategy 1: Product Diversification
- Strategy 2: Customer Acquisition
- Strategy 3: Sustainability
- Strategy 4: Increasing Branch Distribution
- Strategy 5: Tech Stack Improvement

Strategy 1

Product Diversification

Our product diversification strategy is focused on expanding our product suite as we evolve into a full-service bank, strengthening engagement across the customer lifecycle. We aim to support customers across different stages of their business and personal financial needs, while capitalising on retail banking opportunities by enhancing our offerings, improving service quality, and upgrading our delivery capabilities.

Creating Linkages across

Capital

- Financial Capital
- Intellectual Capital
- Social and Relationship Capital

Stakeholders

- Customers
- Employees
- Partners
- Regulatory Bodies

SDGs

8 DECENT WORK AND ECONOMIC GROWTH
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
17 PARTNERSHIPS FOR THE GOALS

Key Highlights of FY 2025-26

Asset Strategy

- Gold loans evolved towards higher-ticket, business-oriented lending, including SME Working Capital.
- Retail lending focused on secured, income-generating assets while maintaining lower unsecured exposure.
- We selectively calibrated higher-risk unsecured segments such as personal loans, two-wheelers, and microfinance.

Business Segments

- We strengthened our secured portfolios like Commercial Vehicles (CV), Construction Equipment (CE), Healthcare Finance, and Loan Against Property (LAP).
- We expanded wholesale banking into large corporate and mid-market segments, with a focus on fee-based income.

Liability Franchise

- We continued shifting towards a granular, retail-led deposit base, supported by specialised segments such as TASC (Trusts, Associations, Societies, and Clubs).

Future Roadmap

- Launch our Credit Card and Wealth Management Businesses by FY 2028-29
- Target a Balanced portfolio mix by way of accelerated growth in segments other than gold

Strategy 2

Customer Acquisition

We are focused on accelerating customer acquisition through targeted digital initiatives, strategic fintech partnerships, and localised outreach in high-growth markets. Data analytics supports tailored offerings, stronger onboarding journeys, and cross-selling across products. We are also deepening trust through relationship-led engagement, extending our reach among MSMEs and emerging professional segments.

Creating Linkages across

Capital

- Financial Capital
- Manufactured Capital
- Intellectual Capital
- Human Capital
- Social & Relationship Capital

Stakeholders

- Investors
- Customers
- Employees
- Partners

SDGs

Key Highlights of FY 2025-26

- With the technology reboot complete, customer acquisition shifted from infrastructure build-out to scalable growth.
- We launched new liability and retail asset products to improve granularity and attract customers.
- We directed investments towards strengthening sales capabilities, product offerings, and operational processes to accelerate acquisition.
- Cross-selling to our existing customer base emerged as a key lever for growth and wallet share expansion.

Future Roadmap

- Customer acquisition remains a core priority, with significant scale-up expected from FY 2026–27 following core stabilisation.
- We will strengthen the CASA base and expand the retail customer franchise.
- Deepen customer relationships through higher penetration and engagement.
- The long-term objective is a sustainable franchise built on deep customer penetration and broad cross-sell across our product suite.

Strategy 3

Sustainability

We are embedding ESG principles across our operations and decision-making. This includes advancing green financing, strengthening financial inclusion and social impact, and upholding robust governance standards. We also aim to reduce our environmental footprint and foster stronger stakeholder relationships to support responsible, long-term growth.

Creating Linkages across

Capital

- Human Capital
- Social and Relationship Capital

Stakeholders

- Customers
- Employees
- Partners
- Communities

SDGs

Key Highlights of FY 2025-26

- Dedicated initiatives aimed at advancing financial inclusion by expanding access to underserved segments and strengthening outreach across remote and underpenetrated regions.
- Promoting employee engagement and fostering continuous talent development.
- Serving communities through a diverse range of impactful CSR initiatives.

Future Roadmap

- ESG principles will be embedded across our operations and business strategy to support responsible and balanced growth.
- Strengthening long-term sustainability to secure lasting value for the Bank and our stakeholders.
- Creating enduring value that benefits both our shareholders and the broader society.

Strategy 4

Strengthening Branch Distribution

We are combining steady expansion in high-potential markets with a sharper focus on improving productivity across our existing network. As we grow, we are aligning new branches with product readiness and digital capabilities, ensuring efficient deployment while deepening market presence and enabling higher business throughput per branch.

Creating Linkages across

Capital
- Financial Capital
- Manufactured Capital

Stakeholders
- Investors
- Customers
- Employees
- Partners
- Communities
- Regulatory Bodies

SDGs

Key Highlights of FY 2025-26

- Expanded the branch network to 862 branches and 832 ATMs by adding 35 new branches and 50 ATM/CDMs during the year.
- Extended pan-India footprint, with other regions including Delhi, Telangana, and Gujarat contributing 11% of the network.

Future Roadmap

- Customer Steadily expand our network by consistently adding new branches each year while simultaneously monitoring the performance of newly opened branches and pushing them to attain break-even at the earliest.
- From FY 2026-27, branch expansion will accelerate in line with product and system readiness, supporting efficient capital deployment.
- Focusing on achieving milestone of 1,000 branches, following which the expansion strategy will be recalibrated.
- Evolving towards a diversified, multi-product model, with a longer break-even horizon to enable sustainable growth.

Strategy 5

Tech Stack Improvement

We have strengthened our technology stack to build a scalable, resilient architecture that supports accelerated growth. By advancing digital platforms and integrating data-driven capabilities, we are improving operational efficiency and supporting expansion across retail, transaction, and wholesale banking segments.

Creating Linkages across

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

Stakeholders
- Investors
- Customers
- Employees
- Partners
- Communities
- Regulatory Bodies

SDGs

Key Highlights of FY 2025-26

Core Systems and Platforms
- Migrated to the FLEXCUBE Core Banking System, integrating over 50 surround systems in May 2025.
- Implemented a new finance platform OGL (Oracle General Ledger) to strengthen financial management and reporting.
- Rolled out modern lending platforms through LOS/LMS across Retail, SME, and Corporate segments, enabling faster processing and improved product delivery.

Customer Experience and Channels
- Established a fully integrated digital call centre to enhance service delivery and customer experience.

Infrastructure and Technology Backbone
- Commissioned new data centres alongside the development of a private cloud environment to support core operations.
- Set up a centralised Technology Command Centre for real-time monitoring and management of the technology ecosystem.

Risk, Security and Resilience
- Strengthened cybersecurity through the implementation of WAF, DDoS protection, EDR, and advanced monitoring tools such as Splunk.

Digital Adoption and Outcomes
- Scaled digital transactions significantly, contributing over 89.11% of total transaction volumes, reflecting strong customer adoption.

Future Roadmap

- The upgraded technology stack will serve as a catalyst for scaling retail assets while facilitating a strategic expansion into transaction and wholesale banking segments.
- The loan management system is being extended to cover agri and vehicle loans, enabling wider product penetration.
- New corporate banking channels and trade finance systems are under implementation to improve client experience and operational efficiency.
- The Neo platform is being enhanced to drive scalable, granular growth in retail liabilities.
- A new enterprise backup solution is being deployed to strengthen business continuity and system resilience.

Financials

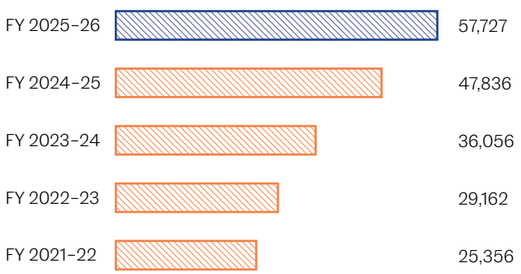
Executing Strategy. Delivering Results.

Balance Sheet

Total Assets

(₹ crore)

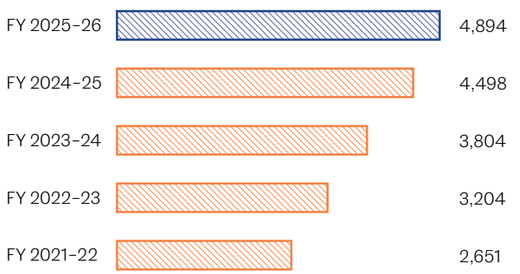
YoY Growth: 20.68%



Capital and Reserves

(₹ crore)

YoY Growth: 8.80%

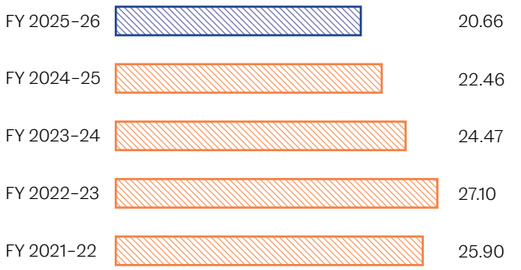


CRAR and Tier 1

CRAR

(%)

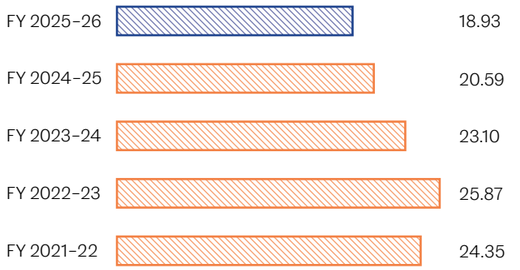
YoY Growth: (180) bps



Tier 1

(%)

YoY Growth: (166) bps

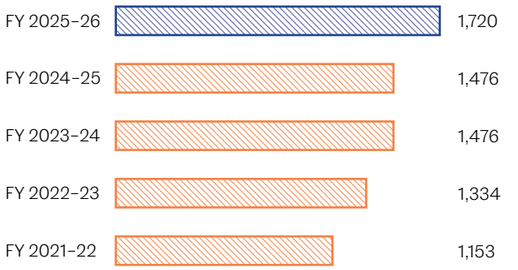


Profit and Loss

Net Interest Income

(₹ crore)

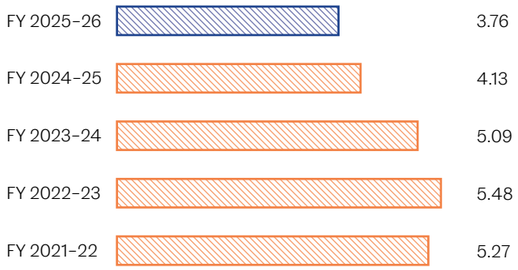
YoY Growth: 16.53%



Net Interest Margin

(%)

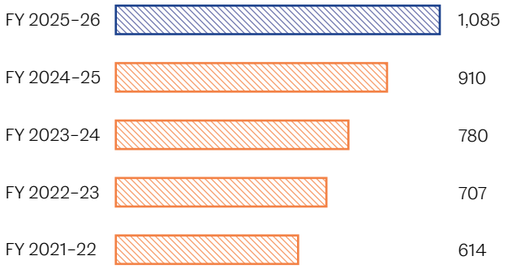
YoY Growth: (37) bps



Operating Profit

(₹ crore)

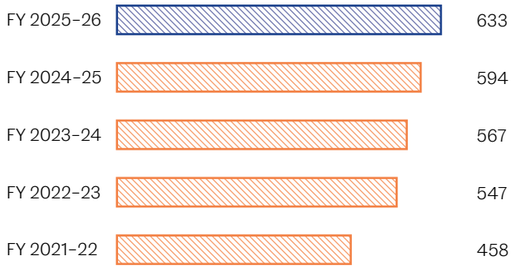
YoY Growth: 19.23%



Net Profit

(₹ crore)

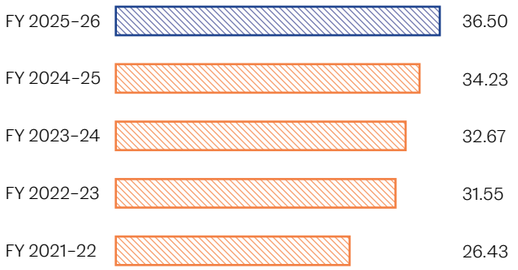
YoY Growth: 6.57%



EPS

(₹)

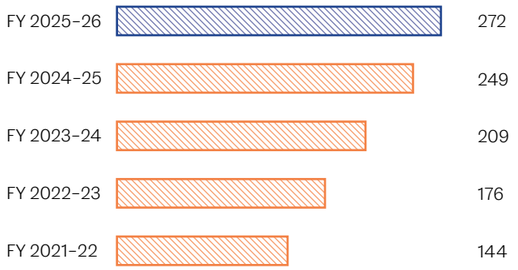
YoY Growth: ₹ 2.27



Book Value/Share

(₹)

YoY Growth: ₹ 23



Key Ratios

ROE

(%)

YoY Growth: (130) bps

FY 2025-26	14.14
FY 2024-25	15.44
FY 2023-24	17.37
FY 2022-23	20.35
FY 2021-22	21.28

RoA

(%)

YoY Growth: (24) bps

FY 2025-26	1.29
FY 2024-25	1.53
FY 2023-24	1.79
FY 2022-23	2.06
FY 2021-22	1.9

Cost to Income

(%)

YoY Growth: (9) bps

FY 2025-26	62.53
FY 2024-25	62.62
FY 2023-24	62.15
FY 2022-23	57.12
FY 2021-22	56.17

Provision Coverage

(%)

YoY Growth: 262 bps

FY 2025-26	86.33
FY 2024-25	83.71
FY 2023-24	86.44
FY 2022-23	92.11
FY 2021-22	89.65

Gross NPA

(%)

YoY Growth: 9 bps

FY 2025-26	1.66
FY 2024-25	1.57
FY 2023-24	1.47
FY 2022-23	1.06
FY 2021-22	1.81

Net NPA

(%)

YoY Growth: (12) bps

FY 2025-26	0.40
FY 2024-25	0.52
FY 2023-24	0.51
FY 2022-23	0.35
FY 2021-22	0.68

Operational

Net Advances

(₹ crore)

YoY Growth: 26.74%

FY 2025-26	39,848
FY 2024-25	31,507
FY 2023-24	24,336
FY 2022-23	20,651
FY 2021-22	15,815

Total Deposits

(₹ crore)

YoY Growth: 20.03%

FY 2025-26	44,246
FY 2024-25	36,861
FY 2023-24	29,719
FY 2022-23	24,506
FY 2021-22	20,188

CASA

(₹ crore)

YoY Growth: (0.96%)

FY 2025-26	8,832
FY 2024-25	8,918
FY 2023-24	8,084
FY 2022-23	7,886
FY 2021-22	6,795

Economic Value Creation

Value Built. Horizons Expanded.

Economic value creation at CSB Bank is anchored in the quality of our decisions, the strength of our operating discipline, and the consistency of our execution. We believe enduring value is created when growth is pursued with prudence, capital is allocated with care, and performance is sustained through a balanced and resilient business model.

Our approach focuses on improving operating leverage, strengthening margin quality, and enhancing productivity across the organisation, while continuing to serve the broader needs of the economy and society. The value we generate is meaningfully distributed across stakeholders and prudently retained to support future growth. This reflects a banking franchise that is not only delivering in the present, but also building capacity for the future.

Economic Performance (in ₹ crore)

Revenue (Direct Economic Value Generated)

FY 2025-26	5,681.79
FY 2024-25	4,569.20

Economic Value Distributed

FY 2025-26	5,048.61
FY 2024-25	3,975.40

Payments to Government (Taxes)

FY 2025-26	217.99
FY 2024-25	205.73

Community Investments (CSR)

FY 2025-26	15.30
FY 2024-25	13.90

Operating Costs

FY 2025-26	1,098.11
FY 2024-25	880.55

Employee Wages and Benefits

FY 2025-26	932.34
FY 2024-25	754.25

Interest Expended

FY 2025-26	2,784.87
FY 2024-25	2,120.97

Economic Value Retained

FY 2025-26	633.18
FY 2024-25	593.8

Technology

Engineered for Strength. Driven by Technology.

FY 2025–26 marked a defining year in our transformation journey, with the execution of a comprehensive technology reboot. We transitioned to a modern, integrated, and scalable architecture, establishing a strong foundation for our Scale Phase beginning FY 2026–27. This transformation has re-architected the Bank's technology landscape across core systems, digital channels, data platforms, and cybersecurity frameworks, enabling agility, resilience, and innovation at scale.

1 PILLAR

Building a Strong Technology Foundation

Central to the transformation is the successful migration to the Oracle FLEXCUBE core banking platform, complemented by Oracle General Ledger for enterprise-wide financial consolidation.

- Integration of 50+ surround systems spanning digital onboarding, HR, compliance, and digital call centre capabilities
- Modernisation of 120+ satellite systems across lending, treasury, trade finance, fraud detection, and onboarding
- Deployment of lending platforms across Retail (Gold, Personal Loans, Two-Wheeler, LAP, EL, Auto Loans), SME, and Corporate segments
- Adoption of a 'Hollow the Core' strategy to enhance modularity and externalise specialised functions
- Implementation of ServiceNow automation platform to streamline workflows and operational processes

The infrastructure backbone was strengthened through:

- Commissioning four Tier-3 data centres supported by private cloud infrastructure
- Establishing a Technology Command Centre in Navi Mumbai for real-time monitoring and control
- Hardware refresh with next-generation servers to support higher processing capacity

This architecture positions us to handle higher volumes and support product expansion as we enter the Scale phase.

2 PILLAR

Digital-First Approach

- Enhanced mobile and internet banking platforms with product access
- A 'phygital' engagement model combining digital convenience with branch support
- Employee productivity will be improved through platforms such as MyCSB App and MyCSB.co.in, which centralise internal services across HR, IT, procurement, and operations
- Digital channels driving targeted offerings, acquisition, and cross-sell initiatives

3 PILLAR

Data, Analytics and Intelligence

- Plan for a centralised data repository consolidating enterprise-wide data.
- Real-time and scheduled data streaming for actionable insights
- Governance frameworks covering encryption, masking, and quality controls
- Self-service Business Intelligence tools giving teams real-time, customised insights
- Secure data sharing via APIs with internal and external stakeholders

These capabilities enhance credit underwriting, risk management, marketing effectiveness, and personalised customer engagement.

AI Integration and Intelligent Automation

Building on our modular architecture, we are deploying AI across key areas:

- AI-driven customer interactions in contact centres
- Intelligent automation in internal IT and service management systems
- Early-stage AI-led credit decisioning and underwriting

AI models operate within secure internal environments, ensuring data privacy while improving efficiency and decision-making.

API Integration and Fintech Partnerships

Through our Enterprise Service Bus (ESB) and microservices framework, we are enabling the integration with fintech partners, technology players, and regulatory systems. This architecture:

- Accelerates product innovation and time-to-market
- Enables real-time, personalised customer experiences
- Supports scalable and flexible technology deployment

Cybersecurity as a Key Enabler

Cybersecurity remains central to the Bank's technology strategy, supported by a multi-layered defence framework. A series of educative messages were sent to customers/ employees to protect them from cyber attacks. Enhancements during the year include:

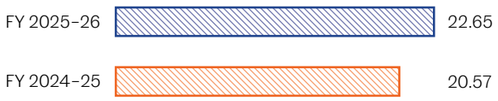
- Establishment of the Security Operations Centre (SOC) for real-time monitoring and threat detection
- Deployment of Web Application Firewall (WAF), Radware DDoS protection, Endpoint Detection and Response (EDR), and SPLUNK for incident response
- Implementation of a Fraud Risk Management (FRM) system, monitoring core banking, UPI, and digital channels
- Adoption of zero-trust architecture, advanced perimeter controls, and Dark Web Surveillance
- Identity and access management with automated provisioning and deactivation
- Data protection through encryption, maskings, and compliance with regulatory standards

Digital Banking Services

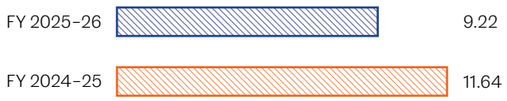
Our digital banking portfolio combines convenience with security, giving customers easy access to essential services with strong safeguards in place. Offerings such as WhatsApp Banking, Green PIN, and Cardless Cash Withdrawal provide instant access, secure authentication, and flexibility across everyday transactions. We have also fully digitised onboarding through Video KYC (VKYC) for account opening and credit card applications, delivering a paperless, compliant, and efficient journey that enhances speed, simplicity, and overall customer experience.

No. of Digital Transactions

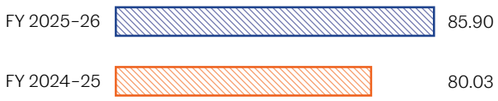
Mobile Banking (₹ lakh)



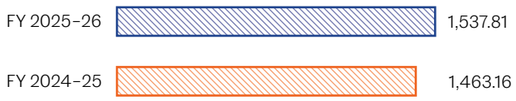
Internet Banking (₹ lakh)



Debit Cards (₹ lakh)

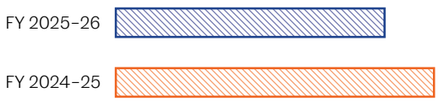


UPI (₹ lakh)



Total Channel Transactions (₹ lakh)

Branch Transactions (₹ lakh)



Digital Touchpoints

3,400+
PoS Machine Installations

9.78 lakh+
Debit Cards

19,000+
QR Installations

1.94 lakh+
Credit Card Users

6.90 lakh+
Net Banking Users

6.90 lakh+
Mobile Banking Users

The Road Ahead

As we move into the Scale phase, our focus remains on deepening digital adoption, leveraging AI and analytics, strengthening cybersecurity, and driving sustainable outcomes in an increasingly digital financial ecosystem. In line with this direction, we are advancing on a set of strategic initiatives to further strengthen our technology ecosystem and support scalable growth.

On the risk and compliance front, we are implementing Oracle OFSAA, alongside broader RegTech and GRC automation initiatives planned for FY 2026-27. In lending, we are expanding our loan management systems to include agriculture and vehicle loans, enabling diversification and deeper penetration in priority segments.

At the same time, we are enhancing our channel capability through the launch of corporate digital channels and trade finance platforms, while strengthening customer acquisition by upgrading the 'Neo' digital platform to drive granular retail and liability growth. To reinforce operational resilience, we are also implementing an enterprise-wide backup solution to ensure business continuity.

Together, these initiatives will enable straight-through processing, accelerate product innovation, and improve scalability. This ensures that our digital foundation continues to support sustained, long-term growth.

ESG

Foundation of Integrity. Future of Impact.

ESG shapes both our strategy and day-to-day operations. Through responsible banking practices, we drive sustainable growth while broadening access to financial services. As we strengthen the communities we serve, we remain anchored in governance, fostering transparency, accountability, and enduring value for our stakeholders.

Environment

- Energy Efficiency
- Reduction of GHG Emissions
- Effluent and Waste Management
- Sustainable Procurement Practices
- Promotion of Digital Initiatives
- ESG Impact Assessment/ Scorecard in Lending
- Climate Risk Assessment/ Stress Tests

Social

- Employees: Equality, Diversity, Inclusion, Growth, Health & Accident Coverage
- Customers: Customer Focus, Experience, Grievance Redressal, Feedback Mechanism
- Community: CSR Initiatives, Responsible Banking, Distribution, Financial Inclusion Initiatives
- Cyber Security: ISO 27001 Certification, Policies, Audits, 24/7 Fraud Risk Management Cell

Governance

- Board Oversight, Diversity, Stakeholder Engagement
- Board/Committees with Independent Directors
- Minority Shareholder Participation and Protection Mechanisms
- Compliance/Vigilance Policies and Framework

Environment

Building Today. Preserving Tomorrow.

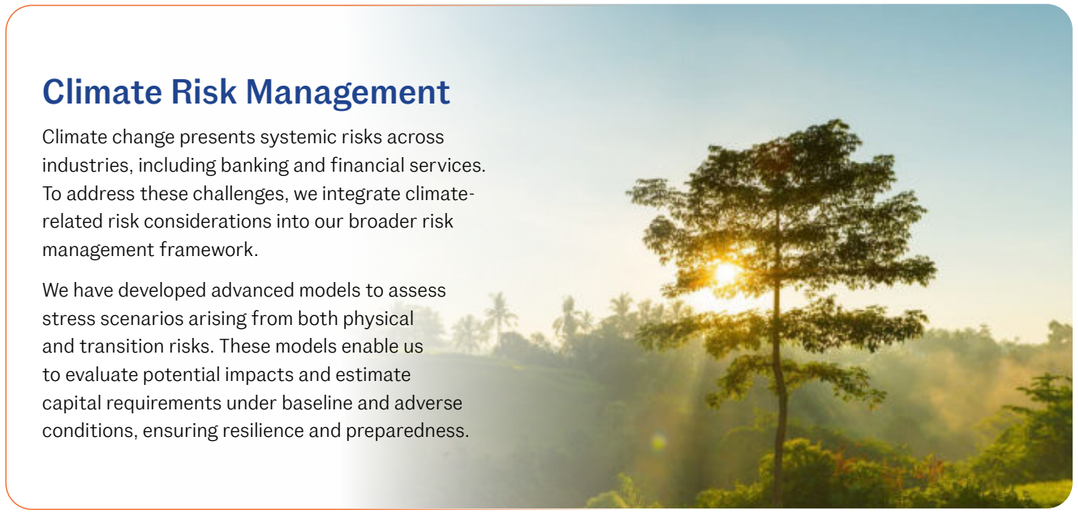
Our environmental approach is centred on reducing our footprint while building for the future. We embed eco-conscious practices across our operations to lower energy use, cut emissions, and manage resources responsibly, ensuring measurable impact alongside long-term value creation.

We have engaged CARE Edge as our ESG advisor to facilitate the structured implementation of our ESG initiatives.

Climate Risk Management

Climate change presents systemic risks across industries, including banking and financial services. To address these challenges, we integrate climate-related risk considerations into our broader risk management framework.

We have developed advanced models to assess stress scenarios arising from both physical and transition risks. These models enable us to evaluate potential impacts and estimate capital requirements under baseline and adverse conditions, ensuring resilience and preparedness.



Reducing Emissions

Our commitment to lowering greenhouse gas emissions is reflected in our financing practices. These include excluding funding for businesses involved in ozone-depleting substances (ODS) and limiting exposure to sectors reliant on harmful chemicals such as chlorofluorocarbons (CFCs). Our approach reflects a proactive effort to minimise environmental harm and support global initiatives aimed at protecting atmospheric health.

Green Technology Adoption

We actively leverage innovative technologies to reduce our environmental footprint:

- Software-Defined Data Centres (SDDC) and SD-WAN have significantly improved energy efficiency, reducing power consumption across operations.
- Virtual Desktop Infrastructure (VDI) has lowered energy usage while enhancing cybersecurity, enabling secure and flexible remote work.

These improvements advance our sustainability goals while also strengthening operational efficiency.

Social

Banking on Trust. Investing in Lives.

Our social responsibility agenda is centred on inclusive growth and community empowerment. We actively support initiatives that promote financial inclusion, enabling underserved and unbanked populations to access formal banking services. Our employee volunteering efforts and community partnerships strengthen our impact. A strong focus on customer well-being, ethical practices, and data security ensures trust and long-term relationships with all stakeholders.

Customers

We are deeply aligned with the aspirations and evolving needs of our clients. Our focus is on delivering financial solutions that help customers achieve their ambitions and build lasting financial well-being

Comprehensive and Personalised Banking Solutions

- Deliver banking solutions tailored to retail, wholesale, MSME, and treasury segments.
- Harness deep customer insights to design integrated, bespoke financial solutions.
- Align offerings with each customer's unique financial journey and evolving priorities.
- Cultivate long-term relationships anchored in trust, value creation, and holistic financial well-being.

Digital Excellence with a Human Touch

- Provide secure, seamless, and cost-efficient access to banking services round the clock.
- Drive sustained growth in digital adoption, reinforcing customer confidence and engagement.
- Blend advanced technological capabilities with empathetic, human-centric service.
- Uphold the importance of personal interaction in delivering a differentiated and holistic banking experience.

Accessible Customer Support and Rural Outreach

- Enable a comprehensive, multi-channel grievance redressal framework spanning branches, 24/7 contact centres, and digital platforms.
- Strengthen presence across rural and semi-urban markets to enhance accessibility and inclusion.
- Offer personalised support through dedicated relationship managers and specialised agricultural officers.
- Champion agricultural advancement and priority sector growth through targeted outreach and service initiatives.

Omnichannel Engagement and Continuous Enhancement

- Deliver a seamless omnichannel experience by integrating physical and digital touchpoints.
- Leverage customer insights and feedback to drive continuous service innovation and product enhancement.
- Ensure prompt and effective resolution of customer grievances to build trust and advocacy.

Financial Inclusion

We are taking banking services closer to where customers are located. Our presence across rural and semi-urban markets, supported by over 53% of our network and more than 459 touchpoints, enables us to reach communities that are often underserved by traditional banking channels.

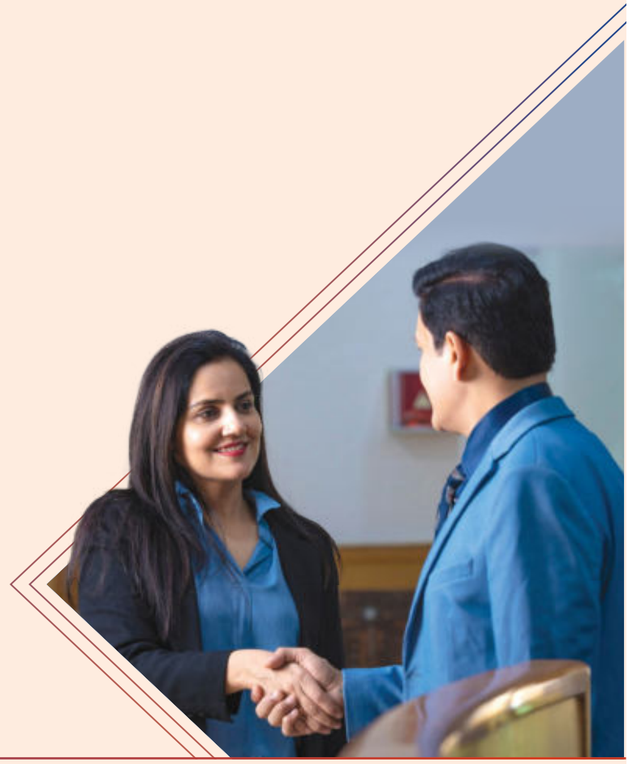
This reach is complemented by simple, accessible products and assisted service models that help customers engage with confidence. Our financial literacy and counselling initiatives, delivered through Financial Literacy and Credit Counselling Centres (FLCCs), build awareness, strengthen financial decision-making, and encourage participation in formal banking.

Strategic Partnerships

We collaborate with fintech partners to make banking faster, simpler, and more accessible. These partnerships enhance onboarding journeys, enable quicker lending, and strengthen our credit card offerings with more relevant and flexible solutions. By combining digital capabilities with specialised expertise, we deliver better experiences, reduce turnaround times, and expand access to a wider range of products. Together, these collaborations make everyday banking more efficient, responsive, and convenient.

One such collaboration that we started in FY 2025-26 is with VinFast Auto India to support auto and inventory financing across its dealer network and customers. This partnership offers flexible financing solutions while supporting the broader shift towards electric mobility.

Through such partnerships, we are expanding into emerging segments and addressing evolving customer needs with accessible financing solutions.



Employees

Our people strategy during FY 2025-26 focused on enabling the transition from the Build phase to the Scale phase. We continued to invest in talent acquisition, employee engagement, capability development, and digital HR transformation, while maintaining a strong focus on productivity, retention, and leadership development.

8,187 Employees	2,534 Women Employees	3,753 Hires in FY 2025-26
60.4% Retention Rate in FY 2025-26	4,51,845 Learning Hours	100% Women Returning from Maternity Leave

Talent Acquisition and Workforce Strategy

We adopted a differentiated hiring approach, balancing volume hiring with targeted sourcing for specialist roles. We used multiple channels such as job boards, specialised talent pools, and internal referrals to ensure quality hiring outcomes. Our hiring momentum remained ahead of attrition trends, supporting our growth and expansion plans.

Talent Development

We prioritise the development of our people to build future-ready capabilities and deliver consistent customer experiences, supported by institutionalised career programmes that enable continuous learning and role readiness.

Our 'Demonstrate-Observe-Release-Monitor' (DORM) framework remains central to capability building. By combining guided learning with performance validation, we ensure that employees are certified for independent roles only after demonstrating required proficiency. This has strengthened operational readiness and contributed to a reduction in early attrition.

Managerial Development

Managerial capability building remains a priority as many of our managers transition into leadership roles, often managing diverse and multi-generational teams. To support this, we introduced Managerial Engagement Reports for over 436 managers. These reports provide structured insights into leadership effectiveness, enabling managers to identify development areas while reinforcing strengths. This enhances overall team performance.

Emerging Talent and Career Progression

Our Emerging Talent Programme, introduced in 2023, remains a key pillar of our talent management strategy. The programme identifies high-potential employees up to DVP II grade based on performance and potential, and provides targeted interventions to accelerate their readiness for critical roles.

During FY 2025–26, we identified 622 employees under this programme. This cohort demonstrated strong outcomes, with lower attrition levels and approximately 11% progressing to higher roles, reflecting the programme's effectiveness in building our leadership pipeline.

We have also institutionalised Career Progression Plans across key business verticals including Gold and Liability. These frameworks define role-based performance benchmarks and enable centralised grade progression for employees meeting defined criteria. This enhances transparency, strengthens merit-based growth, and provides clear visibility into career pathways.

Employee Engagement Initiatives

Employee engagement remained a priority, supported by strong participation in our engagement surveys, resulting in improved engagement levels. We strengthened internal communication through 'CSB Times', our quarterly employee newsletter featuring leadership messages, diversity perspectives, employee stories, and knowledge-driven content, fostering a stronger organisational connect.

We also strengthened our Employee Connect Framework through a structured, data-driven HR business partnering model. Our regionally distributed HR team conducted one-on-one interactions with over 6,930 employees during FY 2025–26, enabling deeper engagement and real-time understanding of employee sentiment.

Insights from these interactions are translated into dashboards and shared with relevant stakeholders to drive timely interventions. This approach has improved responsiveness, strengthened alignment with organisational goals, and contributed to better employee engagement and retention.

Diversity, Inclusion, and Employee Well-being

We remain committed to fostering an inclusive and supportive workplace. Our policies reflect our commitment to employee well-being through provisions for menstrual leave, surrogacy leave, and bereavement leave, along with flexible welfare practices.

We have also taken steps to ensure equitable career progression by safeguarding the performance appraisal outcomes of women employees returning from maternity leave.

Structured engagement initiatives, mentoring programmes, and continuous feedback mechanisms support this further, contributing to improved retention and satisfaction.

Compensation, Benefits, and Recognition

We strengthened our employee value proposition through higher term life insurance coverage and expanded medical benefits. Long-term incentive programmes, such as cash-settled stock appreciation rights (CSARs), and other performance-linked rewards, were introduced to align employee interests with long-term growth. We also implemented recognition programmes to reward contributions to key transformation initiatives.

Digital HR Transformation

Oracle Fusion HR platform has enhanced efficiency across hiring, payroll, and employee lifecycle management. These improvements were achieved without increasing HR headcount, reflecting our focus on productivity. The platform's self-service capabilities give employees easy access to information on attendance, documentation, and policies, improving both transparency and experience.

Communities

We are committed to creating meaningful impact beyond banking by fostering inclusive growth and strengthening the communities. Our initiatives enhance access to credit, promote financial literacy, and drive digital adoption, particularly in underserved regions. As we grow, we align our community efforts with long-term social and economic development priorities, ensuring our progress remains inclusive, responsible, and responsive to the evolving needs of society.

Our CSR priorities include:

Driving Impact in Community Dialysis Services

We have partnered with Fairfax India Charitable Foundation (FICF) since 2022 to deliver affordable, high-quality dialysis services across India, particularly in underserved regions where critical healthcare infrastructure remains limited. By combining FICF's domain expertise with our grassroots presence, we are bridging systemic gaps in renal care. The result is expanded access to life-sustaining treatment and creating a lasting impact for patients and their families.

Our Focus

- **Enhancing Access to Life-saving Treatment:** We provide affordable or free dialysis services to patients with chronic kidney disease, improving health outcomes and overall quality of life.
- **Addressing a Critical Healthcare Gap:** We strengthen public healthcare facilities in underserved and rural areas.
- **Promoting Health Equity:** We are committed to ensuring that economically disadvantaged individuals have equitable access to essential medical care, in line with our broader commitment to inclusive growth.
- **Creating Sustainable Community Impact:** Our initiatives reduce the financial burden of chronic illness and enable patients to lead healthier, more productive lives.

Our Key Considerations

- **In-depth Analysis of Patient Load:** Each centre is established following a thorough assessment of patient demand to ensure optimal utilisation and impact.
- **Infrastructure Readiness:** We ensure the availability of essential infrastructure, including space, utilities, and hygiene standards, to support safe and efficient dialysis operations.
- **Accessibility and Connectivity:** Centres are strategically located for ease of access, particularly for rural and low-income populations, ensuring critical healthcare services remain within reach.

Why Dialysis is Our Flagship Project

- **High Treatment Costs:** Dialysis remains prohibitively expensive, placing a significant financial strain on low-income families. Limited access to sustained treatment often results in compromised health outcomes, making affordable dialysis support essential.
- **Limited Public Infrastructure:** Public healthcare systems frequently lack adequate dialysis infrastructure, creating long waiting periods and increased travel burdens for patients, particularly in rural and underserved regions.
- **Improves Quality of Life:** Regular dialysis enables patients to manage their condition effectively, maintain daily routines, and lead more stable and productive lives.
- **Bridges the Gap to Transplant:** For patients awaiting kidney transplants, dialysis ensures continuity of care and improved health stability.
- **Supports Underserved Communities:** Our targeted interventions reach vulnerable populations who would otherwise be unable to afford or access essential dialysis treatment.

A Glimpse of Dialysis Centres Across India

FY 2025–26 Highlights

173
Machine Installations

31,755
Free Dialysis Sessions

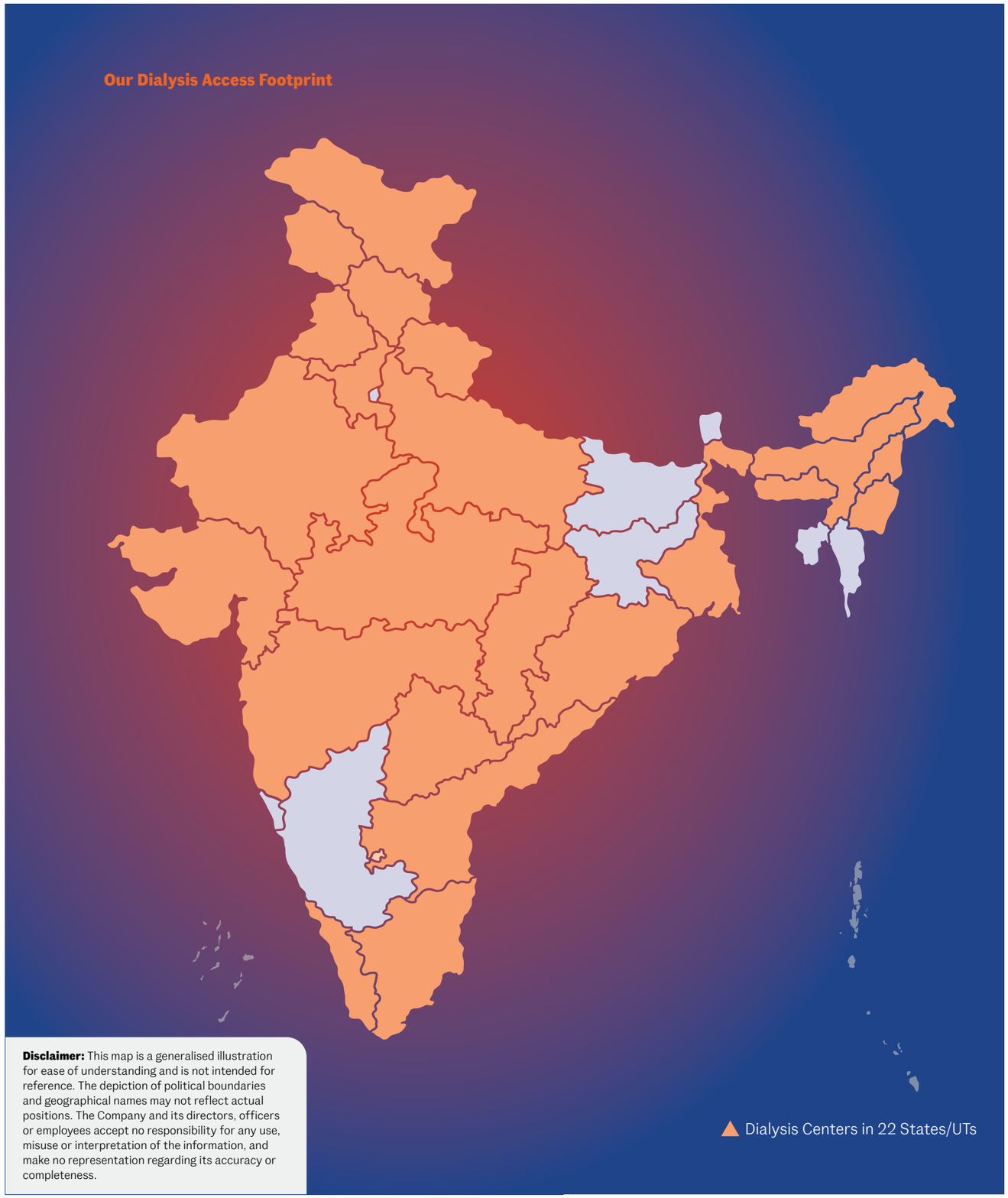
15
Presence in States/UTs

76
Dialysis Centres

760
Healthcare Employment

₹63.5 million
Patient Savings

Our Dialysis Access Footprint



Disclaimer: This map is a generalised illustration for ease of understanding and is not intended for reference. The depiction of political boundaries and geographical names may not reflect actual positions. The Company and its directors, officers or employees accept no responsibility for any use, misuse or interpretation of the information, and make no representation regarding its accuracy or completeness.

Milestones

Machine Installations

FY 2025–26	173
FY 2024–25	167
FY 2023–24	252

Dialysis Centres

FY 2025–26	76
FY 2024–25	48
FY 2023–24	56

Dialysis Sessions

FY 2025–26	31,755
FY 2024–25	85,088
FY 2023–24	1,34,795

Aspirational Districts Covered

FY 2025–26	3
FY 2024–25	5
FY 2023–24	4

Our Support to the Foundation (₹ in lakh)

FY 2025–26	955.21
FY 2024–25	778.93
FY 2023–24	579.04

Programme 'NEXT LEVEL' - Tamil Nadu Tennis Association

Bank supported the programme titled 'NEXT LEVEL' organised by Tamil Nadu Tennis Association, aimed at nurturing and developing the next generation of tennis champions. The programme's core objective is to equip young athletes with the resources and guidance required to compete and excel on the international stage. It provides a comprehensive support framework, including assistance for participation in domestic and international tournaments, access to travelling coaches, specialised local training camps, international training exposure, mentorship from experienced professionals, and structured physical fitness programmes.

Empowerment through Education and Livelihood - Support for Economically Underprivileged Children - Sustainable Development Council

Bank extended support to Sustainable Development Council (SDC), Cuddalore, Tamil Nadu, an organisation having Special Consultative Status with United Nations Economic and Social Council, for the project titled 'Empowerment through Education and Livelihood Support' with the aim to uplift economically underprivileged children. The project benefited approximately 1,000 economically underprivileged children covering 100 villages across five backward districts of Tamil Nadu, through initiatives focused on improving their access to education and strengthening livelihood of their families. The initiative aims to create a sustainable, community-driven support system that improves the life conditions and helps break the cycle of poverty.

Project 'Clean City' – Thrissur Corporation

Bank extended support to the Project 'Clean City' an innovative plan of Thrissur Corporation aimed at strengthening household-level wet waste management within the corporation limits. The project facilitates the installation of bio-compost bins in households, enabling residents to effectively manage organic waste generated at source. The initiative promotes cleaner surroundings, reduces waste burden on municipal systems, and contributes to environmental sustainability.

Project 'Green Spot' – Indore Municipal Corporation

Bank extended support to Indore Municipal Corporation towards the 'Green Spot Project', a tree plantation campaign aimed at increasing the green cover and improving air quality of the city. The project envisages the plantation of saplings on both sides and on the middle strip of the road stretch from Gopur Chauraha to Phuti Kothi Chauraha. This initiative helps to improve ecological balance, promote environmental sustainability and enhance urban green infrastructure.

Women Empowerment Programme – Kadavallur Grama Panchayat

Bank extended support to Kadavallur Grama Panchayat under its Women Empowerment Programme for the distribution of bicycles to 267 deserving girl students studying in Classes V to X across 11 schools in the Panchayat. The initiative aims to address mobility challenges faced by students from economically weaker sections by providing safe and affordable mode of transportation to schools. The project supports continued access to education, promotes independence and well-being among girl students, and further encourages eco-friendly commuting while contributing to the social and economic empowerment of the beneficiaries.

Assistance for Procurement of Advanced Cancer Diagnostic Equipment – Saveetha Institute of Medical and Technical Sciences

Bank extended partial financial assistance to Saveetha Institute of Medical and Technical Sciences towards the procurement of uMI 550 Digital PET/CT Scanner, an advanced medical imaging system that combines Positron Emission Tomography (PET) with an 80-slice Computed Tomography (CT) scanner.

The scanner facilitates high-resolution whole-body imaging, enabling accurate diagnosis, staging and monitoring of cancer and other diseases. Equipped with advanced digital detector technology, it enhances diagnostic precision, supports faster clinical workflows and aids early detection and personalised treatment planning. The project is expected to strengthen the hospital's diagnostic capabilities and improve access to quality and affordable cancer diagnosis and follow-up treatment, particularly for economically disadvantaged sections of society.

Upgradation of Research Centre and Computer Laboratories – Sree Krishna College and Sree Krishna Higher Secondary School, Guruvayur

Bank extended support for the upgradation of Research Centre and computer laboratories at Sree Krishna College and Sree Krishna Higher Secondary School, Guruvayur, institutions owned and managed by Guruvayur Devaswom Board. Under the project, 30 computer systems were donated to the Computer Lab and Research Centre of Sree Krishna College and 22 computer systems to Sree Krishna Higher Secondary School. The initiative aims to strengthen the digital infrastructure of the institutions and enhance access to technology-enabled learning for students, including those from economically weaker sections. The upgraded facilities are expected to support academic, research and skill development activities, improve digital literacy, and equip students with essential technological competencies required in a rapidly evolving digital environment.

Housing Programme - Trichur Archdiocese Buon Natale Trust

Bank, in collaboration with the Trichur Archdiocese Buon Natale Trust, has extended support for the construction of houses for destitute women. This initiative is designed to provide safe shelter and a sense of security to vulnerable women in Thrissur and surrounding areas. By addressing a critical need for stable housing, the project seeks to empower women and foster dignity through long-term support.

Stakeholder Engagement

Engaged Today. Empowered Tomorrow.

We engage with stakeholders through a structured and outcome-oriented approach, building trust through consistent dialogue and clear accountability. We create tangible value by combining domain expertise with targeted, purpose-driven collaboration.

We identify and engage stakeholders across diverse platforms and communication channels through a disciplined approach. Feedback is systematically captured, evaluated, and translated into actionable insights, ensuring timely and effective resolution of concerns.

Structured processes, advanced digital tools, and clearly defined governance protocols underpin our engagement practices. These mechanisms empower stakeholders to interact seamlessly while ensuring that all engagements remain aligned with the Bank's standards, regulatory expectations, and strategic priorities.

Engagement Strategies

- **Proactive Communication:** We uphold transparent and continuous communication practices, ensuring stakeholders remain well informed about our performance, initiatives, and strategic direction.
- **Feedback Mechanisms:** We actively solicit and integrate stakeholder feedback through structured surveys, consultations, and ongoing dialogue, strengthening product, service, and policy refinement.
- **Collaborative Partnerships:** We engage constructively with customers, regulators, and industry stakeholders to foster shared value creation, financial inclusion, and responsible banking practices.
- **Sustainability Integration:** We embed environmental, social, and governance considerations into our engagement approach, ensuring communities and other stakeholder perspectives are embedded in our sustainability roadmap.

Engagement Channels

- **Customers:** Branch interactions, digital platforms, customer service helplines, feedback forms, and satisfaction surveys.
- **Employees:** Internal newsletters, performance appraisal, learning programmes, and employee engagement surveys.
- **Investors:** General meetings, postal ballot, investor presentations/calls, financial disclosures, and dedicated investor relations portals.
- **Regulators and Government Bodies:** Compliance reporting, policy consultations, and participation in regulatory forums.
- **Communities:** CSR initiatives, financial literacy programmes, and local outreach events.
- **Partners and Vendors:** Regular reviews, service-level agreements, and collaborative innovation initiatives.

Purpose-led Governance. Trust-driven Growth.

Strong governance is the foundation of our resilience, sustainable growth, and long-term value creation. Integrity, transparency, and accountability are embedded into every layer of our operations. Our governance framework promotes consistency, enables proactive risk oversight, and fosters a culture of clarity and responsibility.

01

Governance Philosophy and Practice

Our governance framework is guided by an experienced and diverse Board, ensuring disciplined, oversight, sound decision-making and strategic clarity. The Bank is committed to the highest standards of ethics, regulatory compliance, and corporate governance, with a strong emphasis on integrity and responsible leadership across all levels.

A well-defined structure of Board Committees provides focused oversight across key areas, including risk management, audit, compliance, and strategy. These mechanisms enhance transparency, enable timely identification and mitigation of risks, and ensure alignment with evolving regulatory expectations, including those of Reserve Bank of India.

The Bank's Code of Conduct and Ethics sets out clear standards of professional behaviour, reinforcing accountability, integrity, and alignment with the Bank's core values.

02

Culture of Excellence and Responsibility

We foster a performance-driven culture anchored in excellence, inclusion, and continuous improvement. By combining personalised engagement with innovative solutions, we remain responsive to the evolving needs of our customers and partners.

This approach supports both individual development and the overall success of the Bank.

03

Risk Management Framework

Risk management is integral to the Bank's strategic approach. In an increasingly dynamic financial landscape, the ability to anticipate, assess, and respond to risks is critical. Our framework combines domain expertise, structured processes, and forward-looking risk identification to proactively address emerging challenges. The Bank maintains a robust framework of policies, internal controls, and monitoring mechanisms to ensure effective risk mitigation and safeguard stakeholder interests. Continuous assessment of the external environment, including regulatory and market developments, enables timely adaptation and supports sustained operational resilience.

Guiding Principles

Our governance and risk practices are anchored in the listed core principles:

- Integrity
- Transparency
- Fairness
- Responsibility
- Compliance
- Accountability
- Disclosures

Board of Directors

Experience at the Helm. Vision at the Core.

Mr. Biswamohan Mahapatra

Non-Executive Independent Chairperson

Date of Appointment: April 16, 2025

Mr. Biswamohan Mahapatra is the Non-Executive Chairperson of the Bank with effect from May 9, 2025.

Experience: A central banker with a career spanning about 34 years in various capacities and retired as Executive Director in August 2014. He was instrumental in implementation of Basel III regulations. He was associated with various working groups and committees and also represented the RBI as a member/ Chairman/Convener of various working groups and committees. Post-retirement, he was an advisor to the RBI on banking license process. He was the convener of the Government of India Task Force to set up the Resolution Corporation under the Indian Financial Code.

Qualification: MA (English Literature), MBA (Finance), MSM (Master of Science in Management) and CAIIB

Mr. Pralay Mondal

Managing Director & CEO

Date of Appointment: February 17, 2022

Mr. Pralay Mondal is the Managing Director & CEO of the Bank since September 15, 2022. He held the position of Deputy Managing Director from February 17, 2022 to September 14, 2022. Prior to that, he was the President (Retail, MSME, Operations, and IT). He served as the Managing Director & CEO (Interim) from April 1, 2022 to September 14, 2022.

Experience: A professional Banker with over 31 years of experience in leading banking companies across multiple business segments and functions, including retail assets, retail liabilities, business banking, products and technology. His achievements include pioneering efforts in doorstep banking and direct sales, creating deep geography distribution, and building and scaling up of retail businesses. He is also credited with building capital market, wealth management, private banking, NBFC, credit cards, payments, and digital businesses from scratch.

Qualification: B.Tech (IIT, Kharagpur) and MBA (IIM, Calcutta)

Mr. B. K. Divakara

Executive Director

Date of Appointment: March 15, 2024

Mr. B. K. Divakara is the Executive Director of the Bank since March 15, 2024.

Experience: He has over 39 years of banking experience spanning various spheres. Mr. Divakara worked closely in finance, credit, priority sector lending, balance sheet management, profit planning and forecasting, capital raising programme, investor relations, credit monitoring, recoveries, operations, treasury, internal audit, risk management, and transaction banking, among others. Before being appointed as Executive Director, he worked at the Bank as CFO for a little over 3 years and as Head of Strategy and Corporate Legal for almost 9 months. Prior to joining the CSB Bank, he was the Executive Director of Central Bank of India for a period of five years, from January 23, 2014.

Qualification: BBM, ACA, ACMA and ACS

Mr. Sumit Maheshwari

Non-Executive Director

Date of Appointment: September 3, 2018

Experience: He is the Non-Executive Director of Fairbridge Capital since May 2018, playing a pivotal role in sourcing, evaluating, negotiating, and executing investment opportunities. Since joining Fairbridge in 2011, he has overseen key investments in Bangalore International Airport, CSB Bank, Fairchem Organics, and several others. Mr. Maheshwari also serves on the boards of various Fairfax portfolio companies. A seasoned investment professional with deep experience in both private and public Indian companies. He manages over $7 billion in Indian investments for Fairfax Financial Holdings and Fairfax India Holdings Corporation. He excels in conducting due diligence, managing high governance, and providing strategic direction to portfolio companies. Mr. Maheshwari's success is driven by his ability to partner with high-quality business owners, maintain strong governance, and nurture relationships with stakeholders.

Qualification: MBA from Indian School of Business, Hyderabad, Chartered Accountant and M.com.

Ms. Sheetal Rupesh Sancheti

Non-Executive Director

Date of Appointment: November 5, 2025

Experience: Ms. Sheetal Shetty Sancheti has been associated with Fairbridge Capital Private Limited since April 2019 and currently holds the position of Principal. She plays a pivotal role in monitoring the portfolio investments held by Fairfax India Holdings Corporation, a Toronto-listed entity, across its Indian investments. She is recognised for her results-driven approach, integrity, and ability to deliver under tight timelines while leading and mentoring high-performing teams. Her career reflects a strong commitment to continuous learning, cross-functional collaboration, and value creation beyond core finance. Ms. Sheetal has proven expertise in investment monitoring, regulatory compliance, financial reporting, and corporate governance.

Qualification: Chartered Accountant, ACCA Diploma in International Financial Reporting and B.Com.

Ms. Sharmila Abhay Karve

Independent Director

Date of Appointment: July 20, 2020

Experience: She has been associated with the Network of PricewaterhouseCoopers firms in India in various capacities for over three decades, including in the capacity of Head of Audit and Head of Risk and Quality, until her retirement in 2019. She was appointed as the Ethics and Business Conduct Leader for the firms and was also elected to the Partnership Oversight Committee (POC) which is responsible for governance and oversight. She was appointed as the Diversity and Inclusion Leader for the PwC Global Network and was on the Global Leadership Team and the Global Human Capital Team.

Qualification: B.Com and FCA

Mr. Sudhin Choksey

Independent Director

Date of Appointment: March 30, 2021

Experience: He has over 40 years of professional experience, both in India and overseas. Mr. Choksey was the former Managing Director of Gruh Finance Limited which was merged with Bandhan Bank, and as a part of the scheme of merger Mr. Choksey joined Bandhan Bank as Executive Director (Designate). He has expertise in the mortgage finance business and is skilled in lending business. He was the recipient of the 'Business Leader - Financial Services' Award for the year 2015 from the Institute of Chartered Accountants of India, New Delhi.

Qualification: B.Com and FCA

Mr. Sharad Kumar Saxena

Independent Director

Date of Appointment: February 19, 2022

Experience: He has over 30 years of experience in banking and has held almost all the leadership positions in ICICI Bank Technology Group. Mr. Saxena was the Chief Technology Officer of Bank of Baroda, and as the Head of IT of Bank of Baroda, successfully led the bank merger of erstwhile Vijaya Bank and erstwhile Dena Bank with Bank of Baroda. He was a member of the core technical committee of the RBI and was in charge of automation of regulatory return filing, NG-RTGS, RBI core banking and interface with government departments and managing outsourcing risks.

Qualification: B.E. (Electronics and Telecommunications) and Certified Information System Auditor (CISA)

Ms. Renu Kohli

Independent Director

Date of Appointment: December 14, 2023

Experience: She is an economist with research and practitioner experience on macroeconomic policies and issues. Ms. Kohli is currently the Senior Fellow at the Centre for Social and Economic Progress (CSEP), an independent, public policy think tank based in New Delhi. She has previously worked with the RBI, the IMF and think tanks, including ICRIER and the Institute of Economic Growth. Ms. Kohli has diverse exposure in banking and macroeconomic surveillance. With extensive policy practice and academic research experience, she has served as a consultant to foreign investors and as a short-term expert with the IMF.

Qualification: D.Phil (Economics)

Mr. Deepak Maheshwari

Independent Director

Date of Appointment: June 12, 2024

Experience: He is an experienced banker with an impressive career spanning over four decades in top banking institutions in the country, viz., State Bank of India, HDFC Bank and Axis Bank. Mr. Maheshwari has a proven track record of building best-in-class loan portfolios across the banks where he had worked. His expertise extends to credit decision-making, credit underwriting, and monitoring of large credit exposures. He also has expert knowledge in banking regulations, including relevant policy matters.

Qualification: B.Com and CAIIB

Mr. D. N. Narasimha Raju

Independent Director

Date of Appointment: December 13, 2024

Experience: He is a Karnataka-cadre IAS officer of 1984 batch with over three decades of diverse and rich experience in various fields. Mr. Raju has held various significant positions in both Government of India and Government of Karnataka, which includes policy formulation and implementation in several sectors such as revenue, finance, industry, governance, urban governance, urban commerce, and energy. He has also served as Additional Chief Secretary/Principal Secretary to the Chief Minister, Government of Karnataka and was the Joint Secretary in Ministry of Petroleum and Natural Gas, Government of India.

Qualification: MSc (Horticulture) and Master's in Business Law

Board Expertise

Our Board of Directors comprises accomplished professionals with diverse expertise, providing strong strategic guidance and oversight to the Bank's functions. Our Board is committed to upholding the highest standards of corporate governance with a clear focus on customer-centricity and sustainable value creation. Leveraging its collective experience, the Board continues to support innovation, strengthen organisational resilience, and guide the Bank towards long-term, sustainable growth.

Board Skill and Experience*

*as per Banking Regulation Act

Leadership Aligned. Future Empowered.

31+

Narendra Kumar Dixit
Head - Retail Banking

31+

Satish Gundewar
Chief Financial Officer

30+

Manish Modi
Head - Wholesale Banking

29+

Shyam Mani
Head - BLG & TBG

31+

Rajesh Choudhary
Chief Technology Officer

26+

Chinmay Adhikari
Chief Human Resources Officer

28+

Manish Agarwal
Chief Credit Officer

27+

Alok Singh
Head - Treasury

30+

Ajith Jose
Chief Compliance Officer

32+

Satyendra Sharma
Chief Risk Officer

23+

Punit Saruparia
Head - Internal Audit

26+

D. Lakshmi Narayanan
Head - Operations

41+

Jaikumar S.
Chief Internal Vigilance Officer

23+

Sijo Varghese
Company Secretary

20+

Raju Kumar Ojha
Head - Planning & Execution

● Years of Experience

Corporate Information

Board of Directors

Biswamohan Mahapatra
Non-Executive Independent Chairperson

Pralay Mondal
Managing Director & CEO

B. K. Divakara
Executive Director

Sumit Maheshwari
Non-Executive Director

Sheetal Rupesh Sancheti
Non–Executive Director

Sharmila Abhay Karve
Independent Director

Sudhin Choksey
Independent Director

Sharad Kumar Saxena
Independent Director

Renu Kohli
Independent Director

Deepak Maheshwari
Independent Director

D. N. Narasimha Raju
Independent Director

Key Managerial Personnel

Pralay Mondal
Managing Director & CEO

B. K. Divakara
Executive Director

Satish Gundewar
Chief Financial Officer

Sijo Varghese
Company Secretary

Senior Management Team

Narendra Kumar Dixit
Head - Retail Banking

Satish Gundewar
Chief Financial Officer

Manish Modi
Head - Wholesale Banking

Shyam Mani
Head - BLG & TBG

Rajesh Choudhary
Chief Technology Officer

Chinmay Adhikari
Chief Human Resources Officer

Manish Agarwal
Chief Credit Officer

Alok Singh
Head - Treasury

Ajith Jose
Chief Compliance Officer

Satyendra Sharma
Chief Risk Officer

Punit Saruparia
Head - Audit & Inspection

D Lakshmi Narayanan
Head - Operations

Jaikumar S.
Chief Internal Vigilance Officer

Sijo Varghese
Company Secretary

Raju Kumar Ojha
Head - Planning & Execution

Stock Exchanges

BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400 001
Scrip Code: 542867

National Stock Exchange of India Ltd.
Exchange Plaza,
5th floor, Bandra-Kurla Complex, Bandra (E),
Mumbai – 400 051
Scrip Code: CSBBANK

Corporate Identity Number

L65191KL1920PLC000175

Registered Office

CSB Bhavan, Post Box No. 502, St. Mary's College Road,
Thrissur, Kerala – 680 020
Telephone: 0487 2333 020
Fax: 0487 2338 764
Email: secretarial@csb.bank.in
Website: www.csb.bank.in

Registrar & Share Transfer Agents

MUFG Intime India Private Limited
Surya 35, Mayflower Avenue, Behind Senthil Nagar, Sowripalayam Road,
Coimbatore – 641 028
Telephone: 91 422 2314 792, 2315 792
Email: coimbatore@in.mpms.mufg.com

Statutory Auditors

Walker Chandiok & Co LLP
11th Floor, Tower II, One International Centre, Senapati Bapat Marg, Prabhadevi,
Mumbai – 400 013

Sundaram & Srinivasan
Chartered Accountants
23, CP Ramaswamy Road,
Alwarpet, Chennai – 600 018

Secretarial Auditors

BNP & Associates
101, 1st Floor, Bholenath Chogle Residency, Babhai Naka, Near Ram Mandir, Borivali (West)
Mumbai – 400 092

ISIN

INE679A01013

Ratings

CRISIL Ratings
Certificate of Deposits/Short Term Fixed Deposits:
CRISIL A1+ Tier II
Basel III Compliant Bonds:
Crisil A/Stable

India Ratings & Research
Tier II, Basel III Compliant Bonds: IND A/Positive

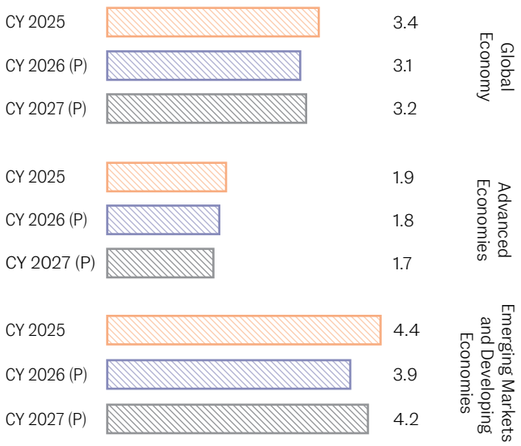
Management Discussion and Analysis

GLOBAL ECONOMY

Global economic activity is projected to remain steady in CY 2026, reflecting a phase of balanced expansion despite ongoing uncertainties. The International Monetary Fund's (IMF) World Economic Outlook (WEO) Update (April 2026) projects growth at 3.1% in CY 2026, followed by a slight increase to 3.2% in CY 2027, broadly in line with the estimated 3.4% growth recorded in CY 2025.

This stability is underpinned by strong technology investments, continued fiscal and monetary support, and accommodative financial conditions. However, the escalating geopolitical risks, particularly US–China trade tensions and conflicts in the Middle East, pose downside uncertainties to the global growth trajectory. Nevertheless, the global economy has consistently demonstrated its ability to absorb and overcome such challenges through prudent policy action, structural resilience and innovation-led growth, thereby supporting sustained stability.

GDP Growth Projections (in %)



P: Projected

TRADE DYNAMICS AND ADVANCED ECONOMIES

Within this broadly stable environment, characterised by resilience despite heightened geopolitical and trade-related uncertainties, trade patterns are adjusting without significantly disrupting global momentum. The wave of tariffs announced in late CY 2025 has not triggered a sharp contraction in trade flows, aided by policy carve-outs, corporate hedging strategies, and supply-chain reconfigurations, although the risk of a more disruptive phase remains. These evolving dynamics are also shaping growth prospects across regions. In advanced economies, growth is expected to moderate to 1.8% in CY 2026 from 1.7% in CY 2025 as structural and cyclical headwinds such as aging demographics, underinvestment in infrastructure and R&D, and policy frictions including tighter immigration and rising protectionism continue to weigh on output, even as the ongoing AI investment cycle offers a partial offset through potential productivity gains.

EMERGING MARKETS AND DEVELOPING ECONOMIES

Emerging market economies have demonstrated relatively stronger resilience, supported by robust domestic consumption, sustained infrastructure investment, and favourable demographic profiles. Within this cohort, India continues to stand out as a key contributor to global growth, while Asia remains the principal engine of incremental global economic expansion.

INFLATION TRENDS AND GEOPOLITICAL TENSIONS

The inflation trajectory, which had been gradually moderating, was disrupted following the escalation of the US–Iran conflict, started at the end of February 2026. Energy prices rose sharply as critical supply routes through the 'Strait of Hormuz', which accounts for nearly 20% of global oil and gas flows, came under pressure. The resulting knock-on effects extended to fertiliser prices, merchandise trade, maritime insurance, and logistics costs. For import-dependent emerging economies, this reignited inflationary pressures at a time when central banks were only beginning to regain policy space for monetary easing.

The inflation picture is uneven across regions. China remains in deflationary territory. India has witnessed a meaningful easing in inflation, supported by softer food and commodity prices along with tax rationalisation measures. In Latin America, inflation has moderated but remains above target levels in several economies. Reflecting these divergences, monetary policy settings vary across regions, with advanced economies cautiously lowering policy rates, while emerging markets remain focussed on balancing growth support with inflation control and currency stability.

OUTLOOK

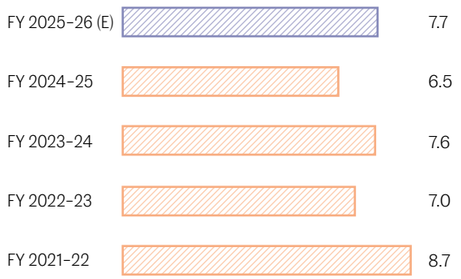
The global outlook remains broadly stable, with the balance of risks moderately tilted to the downside. Principal vulnerabilities stem from trade fragmentation, heightened geopolitical uncertainty, fiscal constraints, and the potential for financial market corrections. However, the accelerated adoption of AI technologies provides a meaningful counterbalance, with growing potential to ease supply-side constraints, enhance productivity across sectors, even as the benefits continue to emerge unevenly.

INDIAN ECONOMY

The Indian economy continues to demonstrate strong resilience and steady growth, with real GDP projected to expand by 7.7% in FY 2025–26, as per the provisional estimates. This sustained performance reflects the inherent strength of the country's economic fundamentals and reinforces its trajectory towards the vision of Viksit Bharat 2047, driven by higher productivity, inclusiveness, and long-term stability.

This performance is particularly notable given the volatility of the external environment. Easing inflation, improving labour market conditions, and strengthened external buffers have collectively reinforced macroeconomic stability, equipping the economy to navigate global headwinds without sacrificing growth momentum.

Real GDP Growth Rate (in %)



E: Estimated

UNION BUDGET FY 2026–27 HIGHLIGHTS

The Union Budget FY 2026–27 set out a broad-based growth agenda anchored in strengthening manufacturing capabilities, scaling up infrastructure investment and human capital development. Policy support for MSMEs and domestic value chains, alongside initiatives to attract private investment and accelerate the green transition, reflected a deliberate effort to build productive capacity while maintaining fiscal discipline. Tax reforms and regulatory simplification enhance the ease of doing business, reinforcing the conditions for sustained and inclusive economic growth.

CAPITAL MARKETS AND FOREIGN INVESTMENT TRENDS

India's capital markets navigated a year of intermittent volatility, with the Nifty50 closing below 22,350 and the BSE Sensex ending under 72,000 on the last trading day of FY 2025–26. Markets came under pressure from global cues, particularly the escalation of the West Asia conflict and its impact on oil prices. There was also pressure from the Reserve Bank of India's (RBI) directive limiting lenders' net open rupee positions in the forex market, which weighed on banking stocks.

Domestic institutional investors provided a consistent stabilising counterweight through the year. Retail participation deepened meaningfully, with demat accounts crossing 21.6 crore and mutual fund investors reaching 5.9 crore, with a growing share from smaller cities. The corporate bond market continued to expand steadily, and regulatory developments including the Securities Markets Code, 2025 strengthened the governance and efficiency of the broader capital market ecosystem.

Foreign investment momentum remained strong. FDI inflows rose sharply to $47 billion in CY 2025, driven primarily by services, spanning finance, IT, and R&D, and manufacturing sectors, supported by policy measures deepening India's integration into global supply chains. The scale of inflows reflects growing international confidence in India's policy stability, reform momentum and long-term growth prospects.

MONETARY POLICY MEASURES

In its April 2026 meeting, the Reserve Bank of India's Monetary Policy Committee opted to keep key policy rates unchanged, maintaining the repo rate at 5.25% and maintaining a neutral policy stance, reflecting a cautious approach amid heightened global and domestic uncertainties. This decision followed a cumulative easing of 100 basis points in FY 2025–26, undertaken to support domestic demand.

CPI inflation for FY 2025–26 is projected at 2.1%, supported by stable food prices, robust agricultural output and contained core inflation. External risks, particularly from energy price volatility arising from the West Asia conflict, warranted a cautious policy stance despite the benign domestic inflation environment.

CURRENCY AND EXTERNAL SECTOR DYNAMICS

The rupee came under significant pressure through FY 2025–26, with the $/₹ rate breaching the 95 mark by late March 2026, a sharp departure from the 83–84 range of recent years. The depreciation was driven by the escalation of the West Asia crisis, which pushed Brent crude above $100 per barrel and intensified global risk aversion.

The trade deficit widened to $34.68 billion in January 2026, driven by a surge in gold imports and elevated energy costs. Foreign portfolio outflows added to currency pressure as investors moved towards the US dollar amid divergent global monetary policy trajectories.

EXTERNAL SECTOR AND FOREIGN EXCHANGE STABILITY

Forex reserves climbed to a record $728.5 billion as of February 27, 2026, providing coverage for approximately 12 months of imports and accounting for over 97% of total external debt. This buffer substantially strengthens India's capacity to absorb external shocks and supports the central bank's ability to manage currency volatility and maintain orderly market conditions.

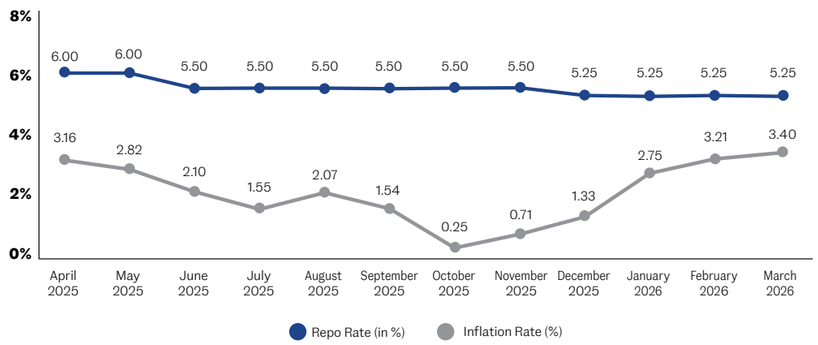
SECTOR-WISE PERFORMANCE

India's growth trajectory in FY 2025-26 reflects broad-based expansion across agriculture, industry, and services, with each sector playing a distinct yet complementary role in overall economic performance. The services sector continues to be the primary driver of growth, expanding by an estimated 9.1% in FY 2025-26 compared to 7.2% in FY 2024-25. This acceleration has been supported by sustained momentum in financial services, trade, transport, communication, and digitally delivered services.

At the same time, agriculture continues to lend stability to the growth cycle. The sector is projected to grow by 3.1% in FY 2025-26, supported by favourable monsoon conditions in the first half of the year. Allied activities, particularly livestock and fisheries, have maintained steady growth of around 5-6%, strengthening rural incomes and supporting diversification within the rural economy.

Industrial activity is expected to strengthen moderately, with growth projected at 6.2% in FY 2025-26, slightly higher than 5.9% in FY 2024-25. Manufacturing and construction remain key contributors, supported by targeted government initiatives such as Production Linked Incentive (PLI) schemes across multiple sectors. These measures have encouraged investment, expanded production capacity and supported employment generation, while improvements in innovation and competitiveness continue to strengthen medium-term growth prospects.

Repo Rate and Inflation Rate



Artificial intelligence (AI) is emerging as a structural driver of India's digital economy. Cumulative investment commitments in AI-related initiatives surpassed $20 billion in CY 2025, driven by public initiatives, including the ₹10,300 crore IndiaAI Mission and significant private investment in data centres and the development of sovereign large language models. These investments underscore the growing strategic emphasis on building domestic AI capabilities and strengthening digital infrastructure.

Management Discussion and Analysis (Contd.)

India's AI readiness is reinforced by several structural advantages, including a large and youthful workforce with over 65% of the population below the age of 35, a robust digital public infrastructure, and a rapidly expanding startup ecosystem. Together, these factors provide a strong foundation for enabling AI-driven innovation at scale.

GLOBAL BANKING INDUSTRY

The global banking industry recorded its strongest performance in over a decade in CY 2025. A higher-for-longer rate environment through the first half of the year expanded NIMs across major economies, driving total revenues to an estimated $6.8 trillion and net income to $1.5 trillion. The sector's average Return on Equity (ROE) rose to 13.5%, its highest in over a decade, further supported by global liquid wealth surpassing $250 trillion.

These tailwinds are fading, and the industry faces a more complex operating environment. Core profit pools remain sizeable, but non-bank financial intermediation (NBFI), spanning private credit, fintech platforms, and specialised wealth managers, has grown to account for nearly half of global financial assets. This is eroding the competitive ground that traditional banks have long held in lending and deposit mobilisation.

Compounding this, the shift towards monetary easing that began in late CY 2025 is compressing margins, prompting banks to recalibrate their business models. The strategic response is increasingly centred on building non-interest income streams and deploying AI-led efficiencies to protect profitability as the rate environment softens.

TECHNOLOGY AND THE RISE OF AI

Technology, particularly AI, is fundamentally reshaping how banks operate, compete, and deliver value. Industry estimates suggest that AI could reduce certain cost categories by up to 70%, with an overall cost base reduction of around 15-20%, improving operational efficiency and customer experience simultaneously.

AI also carries significant disruptive potential. The emergence of agentic AI and automated financial decision-making tools could fundamentally alter customer behaviour and erode traditional revenue streams in deposits and lending. Banks that fail to integrate these capabilities risk ceding ground to fintech firms and technology-driven platforms that are building around AI from the outset.

CHANGING CUSTOMER BEHAVIOUR

Customer expectations in banking are changing rapidly. Consumers are increasingly digital and more selective in their choice of financial service providers. The traditional loyalty that banks once relied upon is eroding, with customers actively comparing options before committing to any provider. Against this, the demand for hyper-personalised, mobile-first banking experiences is accelerating. More than half of global consumers are already using AI-based tools and expect banks to integrate such capabilities into their services. Alternate channels are now the primary point of engagement, though physical branches remain relevant for specific services.

OUTLOOK

The global banking industry is navigating a post-peak transition in CY 2026, with structural shifts beginning to reshape the foundations of profitability. With central banks moving towards neutral policy rates, NIMs are expected to contract by 5-10% in CY 2026, bringing the rate-driven earnings cycle that underpinned recent performance to a close.

The environment ahead is one of moderate growth, intensifying competition, and accelerated technological disruption. Financial performance remains resilient for now, but sustaining it will depend on structural transformation rather than the cyclical tailwinds that have supported earnings in recent years.

Banks that embrace technology-led transformation, align offerings with changing customer expectations, and diversify beyond rate-dependent business models are better placed to preserve margins and unlock new growth opportunities. Conversely, laggards face rising competitive pressure and profitability challenges.

INDIAN BANKING INDUSTRY

India's banking sector has emerged as a stable and resilient pillar of the economy, having moved through a prolonged phase of structural stress to one defined by greater transparency, efficiency, and the capacity to support sustained economic growth. Regulatory reforms, improved governance, and rapid technological advancement have collectively strengthened trust in the financial system.

The Insolvency and Bankruptcy Code (IBC) has been central to this turnaround. As of CY 2025, recoveries exceeding ₹4.11 trillion from stressed assets underscore its efficacy, while streamlined processes at the National Company Law Tribunal (NCLT) have compressed resolution timelines to under 330 days for mid-sized corporates. This structural cleanup is reflected in Gross Non-Performing Assets (GNPA) falling to a decadal low of 2.3% in January 2026, a sharp reduction from the double-digit stress levels of the past. Complementing this improvement is a strengthened Capital to Risk-Weighted Assets Ratio (CRAR) of 16.8%, which provides banks with enhanced balance-sheet resilience to support India's infrastructure-led growth ambitions at scale.

The sector is simultaneously undergoing a structural shift towards AI-native operations. Leading banks have moved beyond conventional automation to deploy agentic AI frameworks that execute ~70% of the routine credit underwriting processes. This has significantly compressed loan disbursement turnaround times from days to minutes, while enabling more nuanced risk assessment through alternative data streams such as GST filings, utility payments, and real-time cash flow analytics. The Unified Payments Interface (UPI) reinforces this technological edge, cementing India's position as a global leader in real-time digital payments.

The strategic focus has shifted from financial inclusion to financial deepening. While the Pradhan Mantri Jan Dhan Yojana established the foundational access layer, the current thrust is driven by Digital Lending 2.0. Leveraging the Account Aggregator (AA) ecosystem, banks are extending collateral-free credit to MSMEs, moving beyond the constraints of legacy distribution towards an embedded finance model.

Three strategic priorities are now shaping the direction of the banking sector. First, aggressive deposit mobilisation has become imperative to address the emerging credit deposit imbalance. Second, Indian banks are expanding their international footprint, with dedicated platforms in GIFT City (IFSC) positioning them to compete with established global financial centres such as Singapore and Dubai, particularly in dollar-denominated trade finance. Third, green financing has transitioned from a peripheral initiative to a core strategic focus, with over ₹2 trillion earmarked for renewable energy and electric mobility infrastructure in FY 2025-26, reflecting the sector's growing role in supporting sustainable development.

MAJOR BANKING METRICS

Credit and Deposit Growth

India's banking system witnessed strong and broad-based growth in both credit and deposits during the fortnight ended February 28, 2026.

Total bank credit stood at ₹207.5 lakh crore as of February 28, 2026, registering a robust 14.5% year-on-year (YoY) growth, up from 11% in the corresponding period last year. Sequentially, credit grew 1.6%, supported by continued strength in retail and MSME lending, higher exposure to NBFCs, a pickup in infrastructure financing, and opportunistic corporate borrowing.

Aggregate deposits rose to ₹251.9 lakh crore, registering 13.0% YoY growth, compared with 10.3% a year earlier. Time deposits, which account for 87.2% of total deposits, grew 11.2% YoY to ₹219.7 lakh crore, while demand deposits recorded a sharp acceleration, rising 27.6% YoY.

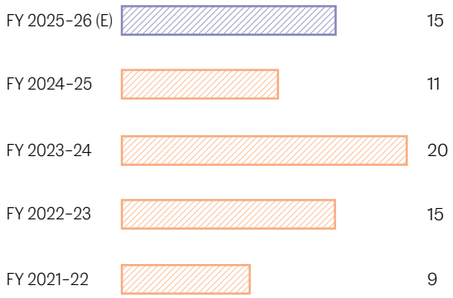
Sequentially, deposits grew by 1.7%, slightly above the 1.6% credit growth. This led to a modest 10 basis point easing in the credit to deposit ratio to 82.4%, although it remains at elevated levels.

The credit-to-total assets ratio remained stable at 73.6%, while the share of government investments in total assets declined to 24.6% (₹69.5 lakh crore). The weighted average call rate (WACR) edged up to 5.09%, staying 16 basis points below the repo rate.

Taken together, these trends point to a gradual rebalancing within the system. The pickup in deposit growth, particularly the sharp rise in demand deposits, suggests improving liquidity conditions and better traction in low-cost funding. The narrowing gap between credit and deposit growth is reducing incremental funding pressures. Alongside this, the shift away from government securities towards credit deployment reflects greater risk appetite and confidence in economic activity.

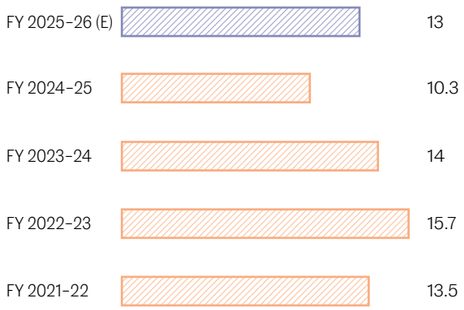
Overall, the banking system is strong, with improving stability providing a solid foundation for growth.

Credit Growth (in %)



E: Estimated

Deposit Growth (%)



E: Estimated

Asset Quality

India's banking sector has undergone a significant structural transformation in asset quality over the past several years, culminating in a multi-decade low in stress levels. GNPA fell to 2.1% as of September 2025 as a result of comprehensive balance-sheet clean-up and resolution efforts, rather than by cyclical tailwinds.

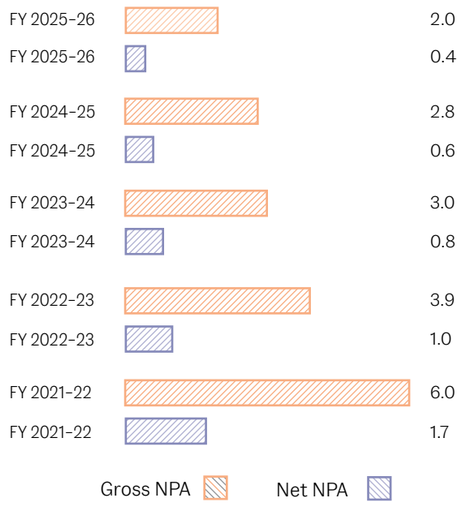
This marks a sharp reversal from the 11.2% GNPA peak in FY 2017-18, a period defined by aggressive corporate lending and the enforcement of stricter Asset Quality Review (AQR) norms. The subsequent normalisation trajectory, however, was not without disruption. The COVID-19 shock threatened to reverse these gains, but policy interventions such as targeted restructuring frameworks and the Emergency Credit Line Guarantee Scheme (ECLGS) effectively mitigated systemic risk. This also averted a potential rise to 12-15% GNPA levels.

In the post-pandemic phase, asset quality has improved meaningfully, driven by institutional reforms and enhanced risk discipline. Net NPAs have compressed to 0.5%, reflecting strong provisioning buffers and conservative recognition practices. Slippage ratios have stabilised at 1.2%, while standard assets now comprise 98% of total advances, pointing to a high-quality loan book system-wide.

Public sector banks (PSBs) have led this recovery cycle with a pronounced turnaround, while private sector banks have shown steady progress with lower baseline stress. By March 2026, PSBs reported aggregate GNPA levels of below 2.8%, as private sector banks maintained GNPA ratios around 1.3% through proactive risk management, reflecting sustained improvement. This improvement has been driven by the resolution of legacy 'twin balance sheet' exposures. Write-backs and recoveries from previously stressed accounts reflect both enhanced resolution efficiency and stronger provisioning coverage, reinforcing the structural strengthening of PSB balance sheets, with private sector banks benefiting from diversified portfolios and digital lending efficiencies.

Compressed tail risks have materially strengthened systemic stability. As of September 2025, credit costs normalised to sub-0.7% levels, enabling a structurally higher earnings profile, with return on assets (RoA) for the sector consistently above 1%. With cleaner balance sheets, stronger capital buffers, and improved underwriting standards, Indian banks are better placed than they have been in years to support credit growth with confidence.

Improvement in Asset Quality for the Banking Sector (%)



Net Interest Margin

India's banking sector faces pressure on NIMs in FY 2025-26 as the RBI's rate cycle has stabilised, with the repo rate holding at 5.25% since December 2025. NIMs are expected to contract by 10 to 20 basis points, settling in the range of 3.2-3.35% in FY 2025-26 compared to around 3.45% in FY 2024-25.

Liquidity conditions tightened materially in FY 2025-26, with the system-wide credit-deposit (CD) ratio climbing to a historic high of 83% as of March 15, 2026. Credit expanded at 13.8% YoY, consistently outpacing deposit accretion at 10.8% YoY. The resulting gap intensified funding pressures across the banking system.

Banks responded by realigning their liability strategies, placing greater emphasis on strengthening Current Account Savings Account (CASA) ratios, which had softened to around 36.4%. This decline signals a deeper structural shift in depositor preferences. In a rising interest rate environment, customers increasingly redirected surplus funds toward higher-yielding term deposits and market-linked investment avenues, prioritising returns over liquidity.

The implementation of revised Liquidity Coverage Ratio (LCR) norms, effective April 1, 2026, marks a significant evolution in liquidity risk management. The revised norms

impose an incremental 2.5% run-off factor on digitally accessible retail deposits, acknowledging that fund movements in a digital banking environment are faster and less predictable than traditional stress models assumed. The effect is more realistic stress assumptions and stronger systemic liquidity buffers.

Capital Adequacy

Public sector banks in India have continued to strengthen their financial position through FY 2025-26, with capital adequacy holding stable at 16.1% as of January 2026, while private sector banks maintained even higher levels around 18-19% driven by robust internal accruals. At this level, PSB capital adequacy stands comfortably above the RBI's minimum requirement of 11.5%, reflecting improved balance sheets and sustained internal capital generation.

PSBs have delivered record profitability, with aggregate profits expected to cross ₹2 lakh crore in FY 2025-26, a rise of over 25% from ₹1.78 lakh crore in FY 2024-25, as private sector banks target ₹ 2.5-3 lakh crore, supported by retail lending expansion. Stronger earnings, operational efficiencies, and continued capital support have underpinned this PSB performance.

With credit growth expected to remain steady at around 11-12%, PSBs are better placed to compete effectively and sustain their improved financial performance. Private sector banks, with their agility in digital lending and customer acquisition, are poised to capture higher-margin retail segments amid this growth. Meanwhile, their superior cost-to-income ratios and diversified funding sources will enable them to maintain market share leadership in high-growth areas like MSME and unsecured loans.

GOVERNMENT INITIATIVES AND REGULATORY REFORMS

India's banking sector is undergoing a structural shift towards a more resilient, inclusive, and technology-driven system. Digital innovations such as AI, open banking, and Banking-as-a-Service (BaaS) are improving efficiency and customer experience. Cybersecurity has grown in importance alongside this digital expansion.

The Banking Laws (Amendment) Act, 2025 strengthens the banking sector's governance, transparency, and depositor protection framework. The Act standardised reporting practices under the RBI, enhanced audit quality in public sector banks, and improved customer convenience through a revised nomination framework, facilitating smoother asset transfer and reducing unclaimed deposits. Key changes also included revision of the substantial interest threshold, transfer of unclaimed funds to the Investor Education and Protection Fund, and alignment of reporting timelines with monthly and fortnightly cycles, supporting greater operational efficiency and system automation.

Government initiatives aimed at expanding credit access to MSMEs have complemented these reforms, supporting entrepreneurship and employment generation. Collectively, these measures have transitioned Indian banking from a system constrained by structural inefficiencies and limited reach to one that is more resilient, inclusive, and responsive to the needs of a broad-based economy.

Pradhan Mantri Jan Dhan Yojana (PMJDY)

The Pradhan Mantri Jan Dhan Yojana (PMJDY) significantly expanded banking access, with over 54 crore accounts opened by CY 2025, reducing reliance on informal credit systems and enabling direct benefit transfers. Account dormancy, driven by low financial literacy and connectivity gaps, remains a challenge. The UPI has complemented this foundation, transforming digital payments and boosting economic activity, particularly in informal sectors.

EASE Reforms in Banking

The Enhanced Access and Service Excellence (EASE) reforms were launched in 2018 by the Government of India in collaboration with public sector banks (PSBs) and coordinated by the Indian Banks' Association. The reforms target governance, risk management, asset quality, customer service, digital capabilities, and financial inclusion across public sector banks. Private sector banks have similarly advanced these areas through RBI-mandated frameworks and self-initiated transformations, often leading in digital innovation and customer-centric metrics.

Evolving from EASE 1.0 to EASE 7.0, the reforms have provided a structured roadmap for continuous improvement. Each phase has built on the last, enabling the sector to adapt to emerging challenges while driving transformation across digital customer experience, data and analytics, technology-enabled capacity building, and human resource practices.

BUSINESS OVERVIEW

CSB Bank Limited (referred to as 'CSB Bank' or 'the Bank') is one of India's well-established private sector banks with its headquarters in Thrissur, Kerala. With a legacy that began in 1920, the Bank has evolved while adapting to the changing dynamics of the financial sector. It operates as a full-service commercial bank serving retail customers, MSMEs, corporate clients, and NRIs.

In recent years, the Bank has undertaken several strategic initiatives to strengthen its business focus and enhance overall efficiency. These include reorganising operations into focussed business segments, upgrading internal processes and technological infrastructure, and investing in human resources through training and recognition programmes.

The Bank has also introduced new products and services, expanded its sales and marketing efforts, and reinforced its monitoring, governance, and risk management frameworks to support sustainable growth.

Retail Banking

CSB Bank offers a comprehensive suite of retail banking services catering to both domestic and non-resident Indian customers. The Bank's retail product portfolio encompasses Current and Savings Accounts (CASA), a range of deposit schemes, retail loan products, foreign exchange and remittance services, as well as cobranded credit cards, enabling it to meet the diverse financial needs of its customers.

On the lending side, CSB Bank offers a diversified portfolio of retail and institutional credit products, including gold loans, housing loans, loans against property, and vehicle loans. In addition, the Bank provides overdraft facilities, MSME financing, agricultural loans, and microfinance, thereby offering comprehensive credit solutions across multiple customer segments and supporting a wide range of economic activities.

CSB Bank's Retail Banking segment is entering a new phase as the Bank transitions from 'Build' phase to the 'Scale' phase under its SBS 2030 vision. The new technology platform removed the constraints associated with legacy systems that had previously limited flexibility and speed of deployment. This transformation enables the Bank to design and deliver customised products through digital journeys. These enhanced capabilities are expected to support the development of new focus areas such as trust, government, institutional, and other non-individual banking segments, while further strengthening the Bank's current account franchise across a wide spectrum of organised entities.

A core focus of the retail strategy is deeper customer segmentation and the delivery of a differentiated stronger customer experience. Products and services will be aligned to the specific needs of each segment/customer, allowing the Bank to deliver relevant and personalised offerings. In an environment where product offerings across banks are increasingly comparable, customer experience emerges as a key differentiator. Accordingly, the Bank is strengthening the entire customer lifecycle, spanning acquisition, seamless onboarding, and sustained relationship management, to enhance engagement and long-term customer value.

A strong liability franchise underpins the retail growth strategy. Customer acquisition remains a key priority, with the Bank building long-term relationships by first strengthening deposit relationships and then expanding asset offerings within the same customer base. To support this, the Bank continues to focus on developing and introducing liability products tailored to specific customer segments such as women, senior citizens, NRIs, and different tiers within the customer pyramid.

On the asset side, the Bank maintains a disciplined approach to growth with a strong emphasis on portfolio quality. Rising stress in unsecured lending across the broader financial sector prompted the Bank to moderate growth in unsecured lending to safeguard asset quality. New loan origination and management systems now provide stronger technological capabilities to support calibrated, data-driven lending decisions.

Gold loans continue to constitute a significant component of the Bank's retail portfolio and are expected to remain an important business segment. At the same time, the Bank is focussed on diversifying its asset mix to achieve a more balanced portfolio. SME-linked gold loans represent one such opportunity, where small business units leverage gold as collateral to meet short-term credit requirements. This product typically enables faster disbursement and simplified documentation compared to conventional business loans, making it an attractive financing option for small enterprises.

Beyond gold loans, the Bank is strengthening and deepening its presence across a diversified set of asset segments, including healthcare finance, vehicle finance, commercial equipment financing, mortgage loans, and loans against securities. Agricultural lending is also being revitalised as part of the Bank's broader strategy to expand its footprint in rural and semi-urban markets. Personal loans and education loans continue to form part of the portfolio, though growth in these segments will be measured until the Bank builds a larger and more diversified asset base.

Rural markets are expected to play an increasingly important role in the Bank's retail growth strategy. The Bank plans to adopt a geo-focussed approach by strengthening selected rural branches and enabling them to manage opportunities within their catchment areas more effectively. These branches will be supported by improved operational processes, stronger infrastructure, and enhanced collection capabilities, aimed at enhancing execution effectiveness and service delivery.

MSME Banking

MSMEs are central to India's economic fabric, supporting supply chains, promoting entrepreneurship, and contributing meaningfully to output and exports. The Bank continues to deepen its focus on this segment, recognising the opportunity it represents for sustainable, inclusive growth.

Across product offerings and service delivery, several initiatives are underway to ensure MSME customers receive efficient and tailored financial solutions. The Bank also continues to deepen engagement with MSME clients

through a robust relationship management framework prioritising portfolio quality and long-term customer relationships.

Wholesale Banking

To better support its strategic growth priorities, the Bank restructured its Wholesale Banking Segment. The reorganisation strengthens the Bank's ability to serve a diverse range of corporate clients, spanning small and mid-sized enterprises to large corporates and conglomerates. The approach is anchored around three key business verticals, enabling greater focus, improved risk management, and more effective client coverage.

- **Corporate banking:** Catering to large corporates and conglomerates across a broad spectrum of industries, with a comprehensive suite of solutions encompassing structured lending, working capital finance, transaction banking, cash management, and trade finance.
- **Commercial banking:** Focussed on small and mid-sized corporates, a segment that represents a significant and growing driver of private sector credit demand, supported through tailored credit structures and relationship-led coverage.
- **Financial Institutions and Public Sector (FIPS):** Aimed at building wallet share through targeted cross-selling, liability mobilisation initiatives, and expansion of government-related business, including engagements with financial institutions and public sector entities.

Integrated Treasury

The Bank's Treasury plays an important role in supporting the SBS 2030 growth strategy. Operating both as a profit centre and as the steward of regulatory and liquidity ratios, the treasury underpins the Bank's operations through effective liquidity management, adherence to regulatory requirements, and the delivery of market-linked financial solutions across business segments.

Strategic Role across Business Segments

The treasury works closely with various business verticals to support their operational and funding requirements.

- **Wholesale and MSME banking:** Provides structured funding solutions, liquidity support, and foreign exchange hedging products, helping clients manage financial risks and optimise funding structures.
- **Retail banking:** Supports deposit mobilisation and product innovation by ensuring appropriate funding and balancesheet support, enabling the Bank to offer competitive liability and asset products to retail customers.

Liquidity and Liability Management

Strong liquidity and a balanced liability profile are core treasury responsibilities, particularly as credit growth continues to outpace deposit mobilisation. The Bank adopts a diversified funding approach to manage liquidity across different time horizons:

- **Short-term liquidity requirements** are managed through repo transactions and interbank borrowings to address temporary mismatches.
- **Medium-term funding needs** are supported through the issuance of Certificates of Deposit (CDs), Foreign Currency borrowing and refinance. Outstanding CDs of ₹1,475 and foreign currency borrowing of ₹4,173 crore formed a part of the strategic liquidity management.
- **Long-term funding** is secured through borrowings from international financial institutions and foreign banks. Partnerships with organisations such as the International Finance Corporation (IFC) provide longer tenor funding to strengthen liquidity stability.

Investment and Regulatory Portfolio Management

The treasury manages the Bank's investment portfolio and maintains compliance with regulatory requirements such as the Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR) prescribed by the RBI. To meet these obligations, the Bank maintains a diversified investment portfolio comprising:

- Government of India dated securities
- Treasury Bills
- State Development Loans (SDLs)
- Other RBI-permitted instruments

The portfolio is actively managed to optimise returns, maintain adequate liquidity buffers, and meet regulatory norms. Beyond sovereign instruments, the treasury participates in commercial papers, bonds, debentures, mutual funds, Alternative Investment Funds (AIFs), pass-through certificates, certificates of deposit, and equities, supporting short-term liquidity management and generating trading income.

Foreign Exchange and Hedging Services

The treasury manages the Bank's foreign exchange operations in accordance with regulatory guidelines issued by the RBI, the Foreign Exchange Dealers' Association of India (FEDAI), and other relevant authorities. These activities support both compliance and revenue generation by providing:

- Foreign exchange transactions for clients
- Risk management and hedging solutions
- Fee-based forex services for businesses engaged in international trade

Support to Trade Finance and Non-Fund-Based Businesses

In line with the Bank's expanding focus on MSME and wholesale banking, the treasury also supports non-fund-based and trade finance activities such as:

- Managing foreign exchange risk for import-export clients
- Facilitating buyer's credit and letter of credit (LC) confirmation services
- Supporting foreign currency borrowings and cross-border transactions

These services deepen the Bank's value proposition for corporate and institutional clients while contributing to fee-based income.

Liquidity Coverage Ratio (LCR) Management

The treasury maintains a strong Liquidity Coverage Ratio (LCR) through proactive asset-liability management. Potential funding gaps are monitored continuously, with cost-efficient instruments deployed to maintain liquidity buffers. Measures include:

- Optimising the funding mix through wholesale deposits and market borrowings
- Utilising currency swaps and certificate of deposit issuances
- Regularly reviewing the liability structure to maintain efficiency and sustainability

OUTLOOK AND BUSINESS STRATEGY

CSB Bank's outlook is anchored in its long-term SBS 2030 vision, marking a clear transition from the Build phase to the Scale phase beginning FY 2026-27. With core banking modernisation and a strengthened digital stack now in place, the Bank is structurally positioned to scale meaningfully with higher operating leverage. The Scale phase will be driven by customer-centric growth, product expansion and deeper ecosystem partnerships, and diverse geographic distribution, among others, with a sharpened focus on building a profitable customer franchise.

Growth prospects remain strong, underpinned by steady branch expansion with the addition of 40-60 new branches annually. Retail banking is expected to emerge as a key growth driver from FY 2026-27 onwards, supported by advanced technology platforms such as LOS and LMS. The Bank also aims to achieve a balanced advance portfolio by reducing reliance on gold loans to 25-30% over the remaining tenor of four years under SBS 2030, while scaling wholesale banking to around 30%, SME lending to 18-20%, and strengthening granular retail lending. Together, these initiatives are expected to deliver a more diversified and resilient balance sheet.

Financially, the Bank has articulated clear long-term benchmarks, targeting return on assets in the range of 1.2-1.5% and return on equity of around 15%, with NIMs expected to stabilise between 3.75% and 3.9%. Near-term profitability will remain measured as investments continue, with the cost-to-income ratio expected at 60-65% through FY 2026-27. Operating leverage is expected to drive improvement in CIR towards 50% by FY 2029-30. Asset quality remains a key priority, reinforced by prudent underwriting and robust risk management practices. The Bank is targeting gross NPAs below 2% while maintaining credit costs within 40-50 basis points.

As foundational investments translate into performance, the Bank is well placed to deliver sustainable growth above average industry trends and establish itself as a scaled mid-sized franchise over the medium term.

SWOT ANALYSIS

Strengths

- **Long-standing legacy and strong brand trust:** Established in 1920, CSB Bank is one of the oldest private sector banks in Kerala. Over a century of operations, it has built enduring customer relationships and a strong reputation for reliability.
- **Well-established distribution network:** The Bank operates a network of 862 branches and 833 ATMs/CRMs across 18 states and 4 union territories, providing strong geographic reach.
- **Strong capital adequacy and balance sheet strength:** CSB Bank maintains a robust CRAR of 20.66% in FY 2025-26, much in excess of the industry average. The Bank also maintains a relatively low RWA-to-total exposure ratio, enabling efficient capital utilisation and supporting future growth.
- **Established and profitable gold loan franchise:** Gold loans continue to be a core strength of the Bank, offering relatively higher yields, strong collateral coverage, lower credit risk and optimal capital consumption.
- **Stable and loyal deposit base:** The Bank benefits from a stable retail deposit franchise, with deposit renewal rates exceeding 80%. This reflects strong customer confidence and provides a reliable funding base for growth.
- **Healthy asset quality and prudent risk management:** CSB Bank maintains healthy asset quality metrics, with Gross NPA at 1.66% and Net NPA at 0.40%. A Provision Coverage Ratio of 76.38% (excluding write-offs), along with proactive/accelerated provisioning practices above regulatory requirements, reflects a conservative approach to risk

management. Credit costs in FY 2025-26 were well contained, remaining below 50 basis points in line with the Bank's guidance.

- **Strengthened leadership and governance framework:** The Bank has strengthened its leadership team by bringing in seasoned professionals across key verticals. This strategic move reinforces the Bank's commitment to organisational development, aligned with our vision, and is built on a solid foundation of compliance and governance frameworks.
- **Technology-driven transformation initiatives:** The Bank has made significant investments to modernise the core banking infrastructure and associated technology systems. These upgrades are expected to improve operational efficiency, support product innovation and enhance overall customer experience.
- **Broader product offerings through strategic partnerships:** Collaborations with leading insurance/ credit card companies and financial service providers have expanded the Bank's product suite. These partnerships enable greater cross-selling opportunities and allow the Bank to offer a more comprehensive range of financial solutions to its customers.

Weaknesses

- **Evolving presence in certain retail segments:** The Bank's participation in certain retail product segments, including credit cards and select consumer lending products, has developed more recently compared with peers. The retail product suite continues to evolve, with initiatives underway to strengthen and expand these offerings.
- **Limited brand visibility:** CSB Bank's brand recall at the national level remains moderate, reflecting historically lower investments in large-scale marketing and branding.
- **Relatively smaller customer franchise and concentrated asset mix:** Despite its long-standing legacy, the Bank operates with a comparatively smaller customer base and a somewhat concentrated asset portfolio. Expanding the retail franchise and diversifying the asset mix remain priorities.
- **Product mix largely centred on traditional banking offerings:** While the Bank has made significant investments in technology and digital capabilities, a substantial portion of its product portfolio continues to be anchored in traditional banking services. Ongoing digital initiatives and product enhancements are expected to broaden offerings and strengthen the Bank's competitive positioning over time.

Opportunities

- **Growth potential in core business segments:** CSB Bank is well positioned to capitalise on the growth opportunities in gold loans, MSME banking and wholesale banking. The Bank's revitalised retail business plans provide scope to scale and build a more diversified lending portfolio over the long term.
- **Expansion of fee-based financial services:** Growth momentum in trade finance, supply chain finance, and transaction banking within the wholesale and MSME segments provides opportunities to strengthen non-interest income streams. These services also deepen client relationships and enhance overall customer engagement.
- **Technology-driven business enablement:** Significant investments in technology infrastructure under the SBS 2030 strategy are now bearing fruit. Planned initiatives such as end-to-end digital onboarding, API-enabled decision systems, and scorecard-based lending models are expected to drive improvements in processing efficiency, elevate customer experience, and strengthen productivity across business units.
- **Product diversification and business vertical expansion:** The development and introduction of new products, particularly in wholesale and transaction banking, is expected to enhance the Bank's value proposition for corporate and institutional clients. This will also support deeper customer engagement and broaden revenue streams.
- **Strategic branch expansion and wider market reach:** The Bank has been steadily expanding its network, adding 467 branches since FY 2020-21 across metro, urban semi-urban, and rural locations. Apart from becoming a pan-India bank, this supports customer acquisition, strengthens local market presence, and aligns with broader financial inclusion initiatives.
- **Strengthening of customer franchise and distribution capabilities:** Through a disciplined expansion strategy, the Bank continues to strengthen its distribution network and customer base. This enables the Bank to improve market penetration while maintaining operational efficiency.
- **Cross-selling opportunities through strategic partnerships:** Alliances with strategic partners such as insurance, and credit cards, among others, enable the Bank to offer a wider range of financial solutions to customers. These collaborations support customer acquisition, fee-based income and enhance customer retention through more comprehensive financial offerings.
- **Long-term portfolio diversification strategy:** The Bank's roadmap envisions a balanced portfolio mix by 2030. This mix supports sustainable growth while reducing concentration risks.

Management Discussion and Analysis (Contd.)

Threats

- **Macroeconomic uncertainty and credit risk:** Changes in macroeconomic conditions, particularly those affecting the MSME and retail segments, could increase stress in borrower repayment capacity. This may result in higher delinquencies and pressure on asset quality.
- **Margin pressures from funding costs:** Elevated deposit costs and competitive pricing in the banking sector may continue to exert pressure on net interest margins in the near term. While the Bank is strengthening its CASA and retail deposit base, intense competition for deposits remains a structural challenge.
- **Intensifying competition across business segments:** The Bank operates in a highly competitive environment. It faces strong competition from peer banks in deposit mobilisation, NBFCs in the gold loan segment, and larger financial institutions across MSME and retail lending. This may impact growth opportunities, pricing, and market share.
- **Increasing cybersecurity and technology risks:** With the expansion of digital banking channels, the risk of cyber threats, fraud, and data breaches has heightened across the financial sector.
- **Talent acquisition and retention challenges:** The financial services sector faces intense competition for skilled professionals. Attracting and retaining talent remains an ongoing priority, as employee attrition could affect operational continuity and strategic execution.
- **Disruption from fintech and digital-first players:** The rapid growth of fintech companies and digital-first banking platforms has intensified competition within the financial services industry.
- **Liquidity management and deposit mobilisation:** Maintaining a stable funding base while supporting balance-sheet growth requires careful liquidity management. Industry-wide competition for deposits and evolving liquidity conditions may create challenges in sustaining funding stability.
- **Evolving regulatory landscape:** Changes in regulatory requirements and compliance standards may increase operational complexity and require ongoing investments in governance, systems and processes.

REVIEW OF PERFORMANCE

Total Business

Total business of the Bank stood at ₹84,605 crore as of March 31, 2026, compared to the previous year's level of ₹68,703 crore, registering a growth of 23% on a YoY basis.

Total Assets

Total assets of the Bank stood at ₹57,727 crore as of March 31, 2026, compared to the previous year's level of ₹47,836 crore, registering a growth of 21% on a YoY basis.

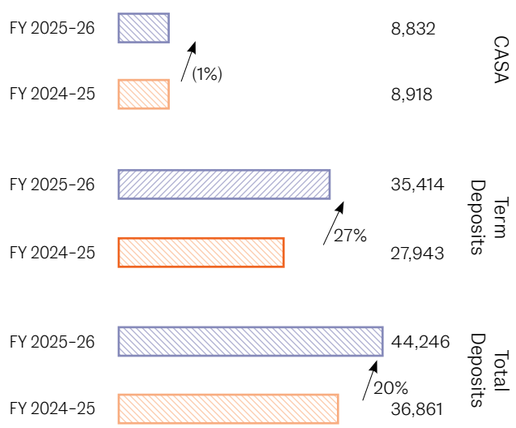
Total Deposits

Total deposits of the Bank stood at ₹44,246 crore as March 31, 2026, compared to the previous year's level of ₹36,861 crore, registering a growth of 20% on a YoY basis.

Term Deposits

Term deposits of the Bank stood at ₹35,414 crore as of March 31, 2026, compared to the previous year's level of ₹27,943 crore, registering a growth of 27% on a YoY basis.

Classification of deposits portfolio (₹ in crore)



CASA

- As of March 31, 2026, the CASA portfolio stood at ₹8,832 crore, compared to ₹8,918 crore as of March 31, 2025, reflecting a moderation of 1% on a YoY basis, amid evolving liability mobilisation dynamics.
- CASA ratio stood at 19.96% at the end of FY 2025-26.

CASA Strategy

The retail banking landscape is evolving rapidly as customers increasingly diversify their financial portfolios. With greater access to digital platforms and rising financial awareness, individuals are allocating a larger share of their savings to investment instruments such as mutual funds, direct equity and fixed deposits. This shift in savings behaviour has moderated the pace of growth of traditional deposit balances across the banking sector.

The Bank has responded with a focussed and calibrated strategy to strengthen its CASA franchise and build deeper, more profitable customer relationships. The approach is anchored in expanding the customer base, delivering

segment-specific propositions and enhancing customer engagement with the objective of increasing wallet share and relationship depth.

1. **Expanding the Customer Base**

   Customer acquisition forms the central pillar of the Bank's CASA strategy. The Bank strengthens its distribution footprint through its existing branch network as well as newly opened/to be opened branches in new and underserved locations, enabling deeper access to both retail and business customers. In parallel, a Direct Sales Channel has been established to accelerate CASA acquisition and improve market reach.

   Digital onboarding capabilities simplify account opening and improve customer convenience. Tools such as Video KYC, call centre-led acquisition and digital onboarding journeys are extending the Bank's reach to customers more efficiently while ensuring adherence to regulatory compliance.

2. **Segmentation-Led Product Strategy**

   The Bank is adopting a segmentation-driven approach to product design, using its upgraded technology platform to develop tailored products for distinct customer groups.

   Targeted offerings have been introduced for segments such as women, senior citizens, HNIs, salaried individuals, exporter-importers, seafarers and high-value business customers. The Bank is also deepening its focus on non-individual customers by strengthening its current account franchise and providing services that support business banking needs.

   The Bank is also expanding value-added services such as cash management solutions and payment acceptance infrastructure, including Point-of-Sale (POS) terminals and QR code-based payment solutions. These offerings improve product relevance for businesses and help deepen transactional relationships. Ongoing product innovation and regular launches tailored to targeted segments will remain central to CASA mobilisation efforts.

3. **Strengthening Customer Engagement and Wallet Share**

   Beyond acquisition, the Bank's strategy focuses on building deeper relationships with existing customers and increasing wallet share. Structured onboarding processes through contact centres and branches ensure that new customers are effectively integrated into the Bank's network from the outset.

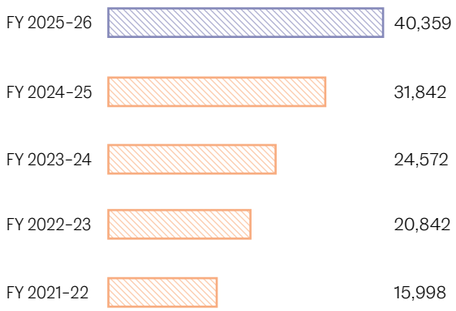
   Relationship Managers and Virtual Relationship Managers support customers with personalised service and financial solutions, enabling ongoing engagement and stronger service delivery. In parallel, the Bank continues to enhance its digital banking platforms to offer a wider range of functionalities and seamless customer journeys.

   For business customers, 24/7 cash deposit machines have been introduced at many places to support transactional banking needs of business customers. The Bank is also facilitating access to investment products such as mutual funds and online broking accounts through its platforms. By integrating these offerings, the Bank aims to position the CASA account as the primary financial hub for customers, supporting both banking and investment requirements.

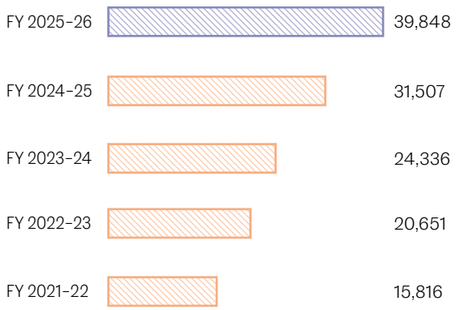
Advances

Total advances (gross) of the Bank stood at ₹40,359 crore as of March 31, 2026, compared to the previous year's level of ₹31,842 crore, registering a growth of 27% on a YoY basis. The Gross CD ratio of the Bank stood at 91.22% in FY 2025-26 compared to 86.38% in FY 2024-25.

Gross Advances (₹ in crore)



Net Advances (₹ in crore)



Management Discussion and Analysis (Contd.)

Retail Assets

The Bank maintains a diversified retail assets portfolio comprising products such as gold loans, personal loans, auto loans and credit cards.

Gold Loans

As of March 31, 2026, the Bank's gross gold loan portfolio stood at ₹21,567 crore, compared to ₹14,094 crore as of March 31, 2025, reflecting a year-on-year growth of 53%. While the Bank has seen a notable increase in corporate and wholesale advances, gold loans remain a strong pillar of the Bank's advances portfolio. The Bank has further strengthened this franchise by deepening its presence in rural and semi-urban markets, historically dominated by unorganised players. The expansion of its branch network in these regions has enabled greater market penetration and supported the growth of the gold loan portfolio.

Other Retail Loans

As of March 31, 2026, the Bank's gross retail assets portfolio (excluding gold loans) stood at ₹3,707 crore, compared to ₹5,047 crore as of March 31, 2025. The portfolio includes certain accounts that were reclassified from gold loans to loans against securities. Agriculture and MFI portfolios are excluded from these figures. The retail assets portfolio comprises personal loans, mortgage loans, two-wheeler loans, vehicle loans, education loans and healthcare finance. The Bank's strategy in retail assets focuses on strengthening existing product offerings by leveraging its branch network, identifying appropriate customer segments, and ensuring prudent risk management while expanding the portfolio.

Credit Cards

During the year, the Bank continued to issue its co-branded 'CSB Edge Credit Card', enabling customers to make Credit Card payments via UPI rails. The Bank also plans to expand the CSB Edge programme with the launch of a Mastercard variant, further strengthening product reach and acceptance. Servicing of existing 'CSB One Credit Card' customers, targeted at the mass-affluent segment continued; however, no new cards were issued under this program during the year.

The credit card portfolio exhibited strong engagement, with an early activation rate of 97% post-onboarding, among the highest in the industry, and average spends per active card of ₹16,000, reflecting healthy customer usage.

Portfolio growth has been undertaken with a measured focus on asset quality, supported by continuous portfolio analytics, transaction monitoring for fraud prevention, and periodic recalibration of lending policies based on segment-level risk performance.

Additionally, tools such as Equated Monthly Instalments (EMI), Credit Line Increase (CLI), and Credit Line Decrease (CLD) have been leveraged to align growth with appropriate risk controls.

Looking ahead, the Bank plans to introduce a Secured Credit Card aimed at customers with limited or no credit history, as well as higher-risk segments. This initiative is expected to support financial inclusion while enabling controlled and prudent portfolio expansion.

Priority Sector Lending

Supporting inclusive economic growth remains a key priority for the Bank. Through its PSL initiatives, the Bank actively facilitates credit flow to segments such as agriculture, MSMEs, education, housing and social infrastructure, thereby supporting broad-based economic development and financial inclusion.

During the year, the Bank deepened its focus on extending credit to small and marginal farmers, micro-enterprises, and economically weaker sections of society. Dedicated business verticals have been established to serve these segments, supported by specialised teams with relevant expertise.

For FY 2025-26, the Bank's quarterly average priority sector advances stood at 56.14% of Adjusted Net Bank Credit (ANBC), after accounting for PSLC transactions, exceeding the RBI's mandated target of 40%.

Financial Inclusion

Expanding access to formal financial services remains essential for ensuring inclusive and sustainable economic growth. By integrating underserved and previously unbanked populations into the formal banking system, these initiatives enable individuals and small businesses to participate more actively in economic life.

The Bank continues to implement several initiatives to expand financial access and strengthen financial awareness. These initiatives include ongoing engagement through Financial Literacy and Credit Counselling Centres (FLCCs) and the business correspondent network, enabling wider outreach and engagement. Collectively, these efforts support the extension of banking services in underserved regions and encourage responsible financial behaviour.

The Bank currently operates 65 rural branches and 7 FLCCs, which actively conduct financial literacy programmes and awareness initiatives at the grassroots level. During the year, the Bank reached out to approximately one lakh families through the provision of small-value microfinance loans, supporting livelihoods and the economic empowerment of underserved communities.

Pradhan Mantri Jan Dhan Yojana (PMJDY)

As of March 31, 2026, the Bank maintained 5,995 Basic Savings Bank Deposit Accounts (BSBDAs) and 3,210 outstanding Kisan Credit Card (KCC) accounts. Of the total BSBDAs, 62,207 accounts were opened under the Pradhan Mantri Jan Dhan Yojana, reflecting the Bank's continued efforts to expand access to basic banking services and strengthen financial inclusion.

PMJJBY, PMSBY, and APY

As of March 31, 2026, the Bank maintained 5,995 Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) accounts, 72,954 Pradhan Mantri Suraksha Bima Yojana (PMSBY) accounts, and 14,025 Atal Pension Yojana (APY) accounts, reflecting the Bank's continued involvement in supporting social security and financial protection initiatives.

Business through Business Correspondent (BC) Model

Strengthening access to finance in rural and semi-urban regions remains an important component of the Bank's inclusive banking approach. The Bank develops sustainable and scalable models that expand financial services to bottom-of-the-pyramid (BOP) customers while supporting local economic development.

The Bank uses the business correspondent (BC) model to deliver financial and non-financial services to underserved communities. These initiatives are complemented by community-based structures such as self-help groups (SHGs) and Joint Liability Groups (JLGs). These help improve credit access, promote financial discipline and support livelihood generation at the grassroots level.

During FY 2025-26, the Bank extended credit to 17,961 women borrowers through micro-lending programmes under the BC model. Through these initiatives, the Bank reached over 17,961 families, supported by 10 business correspondents operating across various regions. As of March 31, 2026, the total outstanding microfinance portfolio under the BC model stood at ₹206.41 crore, reflecting the Bank's continued efforts to expand responsible lending and financial inclusion.

Corporate Lending

As of March 31, 2026, the Bank's wholesale portfolio stood at ₹10,184.38 crore, compared to ₹7,486.74 crore as of March 31, 2025, reflecting a YoY growth of 36% and outpacing industry growth trends.

A key objective of the Bank's wholesale strategy is to build a diversified and granular portfolio while maintaining high credit quality. The Bank avoids concentration across sectors, corporates or products and maintains a strong credit profile, with over 77% of exposures rated A and above. The long-term objective is a balanced mix across the three verticals to sustain diversified growth.

Alongside portfolio expansion, the Bank has strengthened its non-fund-based business, particularly in trade finance and transaction banking. Historically, the non-fund to fund ratio had lagged industry benchmarks; however, during the year, the Bank expanded its non-fund book, improving the ratio to around 30%. This shift has contributed to higher fee-based income and deeper engagement with corporate clients.

Technology is central to the Bank's wholesale banking strategy. The business has embraced digitalisation across the entire customer lifecycle, including onboarding, service delivery and risk management.

- **Onboarding:** The Bank has implemented a digital Loan Origination System (LOS) to streamline credit processing and improve turnaround times. The platform will continue to evolve to support business scale and operational efficiency.
- **Delivery mechanism:** The Bank is developing a comprehensive digital stack alongside the upgraded core banking system, enabling digital servicing of corporate clients across fund-based and non-fund-based transactions.
- **Risk management:** Digital risk monitoring tools such as the Early Warning System (EWS) are in use to identify early signs of stress in borrower accounts. Underwriting and monitoring is strengthened through an advanced Loan Management System (LMS).

Geographic diversification has supported the growth of the wholesale franchise. During the year, the Bank entered new markets such as Kolkata and Gujarat, which are active centres for corporate relationships and business growth. In parallel, the Bank has strengthened correspondent banking relationships to support trade finance and cross-border transactions, enhancing its ability to serve clients engaged in import-export activities and global trade.

Environmental, Social, and Governance (ESG) considerations are increasingly embedded within the Bank's credit evaluation framework. The Bank recorded strong growth in lending to the renewable energy sector, reflecting its commitment to supporting sustainable and environmentally responsible businesses.

The wholesale banking franchise is being strengthened through the Bank's 4P transformation framework, which provides a structured approach to capability building and client engagement.

- **People:** Strengthening teams with experienced professionals possessing strong sector expertise.
- **Products:** Expanding offerings in trade finance, foreign exchange and transaction banking to deepen client relationships.

- **Policy:** Refining credit underwriting standards to remain aligned with regulatory guidelines and maintain a high-quality portfolio.
- **Process:** Using upgraded core banking systems and digital platforms to deliver efficient customer service.

Transaction Banking Group

The transaction banking landscape in India is witnessing rapid transformation, driven by increasing digital adoption, changing customer expectations, and heightened competitive intensity. The Bank's Transaction Banking Group focuses on delivering technology-enabled and customised solutions to clients across the retail, MSME, and wholesale banking segments.

The group provides supply chain finance, trade services, foreign exchange solutions, and cash management services, enabling the Bank to offer integrated financial solutions to its clients.

A key priority for the Transaction Banking Group is to strengthen the Bank's product offerings across trade and forex, working capital solutions, and supply chain finance. The group also aims to strengthen the Bank's liability franchise by capturing client collections and payables, supporting growth in the liability book while delivering value to customers.

Key initiatives undertaken include:

- Developing new products to address the evolving requirements of corporate clients.
- Streamlining internal processes and policies to improve operational efficiency and service delivery.
- Benchmarking product offerings against industry standards to introduce competitive solutions across trade finance, cash management services (CMS), and supply chain finance.
- Enhanced collection solutions spanning virtual account services, NACH-based collection services, escrow and RERA account propositions, and Bharat Bill Payment services.
- Enhanced features on the Corporate Net Banking platform to support efficient payment processing for clients.

Through stronger digital capabilities, specialised expertise, and improved service delivery, the Bank aims to expand its share of India's growing transaction banking market.

Trade Services and Forex Business

The Bank's trade services and foreign exchange (forex) business offers a broad range of solutions. This includes letters of credit, bank guarantees, export and import finance, INR invoice and bill discounting, factoring and receivable purchase, outward and inward remittances, as well as forward contracts and other treasury products. These offerings support clients' domestic and international trade requirements while managing currency and liquidity risks.

During the year, the Bank focussed on accelerating portfolio growth, enhancing revenue generation, and strengthening its product suite through new product introductions and process re-engineering to improve operational efficiency and service delivery.

Cash Management Services

The Bank's Transaction Banking Cash Management Services addresses the liquidity and cash management needs of businesses across sectors. Clients span retail, MSME, and wholesale banking segments, with solutions built on advanced digital banking capabilities.

The Bank's cash management solutions include:

- Efficient management of client receivables and payables across multiple business segments.
- Solutions such as eNACH, virtual account solutions, payment-based APIs, and escrow account services.
- Digital solutions tailored for MSMEs, NBFCs, mid-sized corporates, and large corporates, including customised virtual account structures, enhanced corporate net banking features for payments and direct debits, as well as UPI-based collection solutions.
- Fiduciary services, including escrow account management and RERA-compliant account solutions.

The Bank co-creates products with fintech and technology partners, banks, and exchange houses. These partnerships bring advanced technology capabilities that strengthen the Bank's transaction banking offering.

Supply Chain Finance

Supply chain finance plays a critical role in supporting MSMEs and SMEs that operate within the value chains of mid-sized and large corporates. The Bank's Supply Chain Finance team partners with these corporates to provide cash flow-based lending solutions to their network of suppliers, distributors, and dealers.

The Bank has invested in digital capabilities that enable paperless, convenient lending solutions for MSME customers. These platforms improve operational efficiency and broaden access to financing for businesses across the supply chain.

The Bank plans to deepen its presence by focusing on mid-sized and large corporates with credit ratings of A and above, financing their suppliers, distributors, and dealers to grow the supply chain finance business sustainably.

MSME Lending

The Bank's MSME Banking business, managed under the Business Lending Group (BLG), plays an important role in diversifying the Bank's asset portfolio while supporting the growth of small and medium enterprises across the country. As part of its long-term strategy under SBS 2030, the Bank aims to increase the MSME portfolio to around 20% of the overall asset book by 2030.

During FY 2025-26, the Bank recorded strong growth in this segment. Gross SME advances (including MSME) stood at ₹4383 crore as of March 31, 2026. The Bank is committed to a focussed strategy of expanding MSME lending while maintaining prudent risk management and disciplined underwriting standards.

Strategic Focus Areas

The Bank's MSME strategy focusses on a high-quality and profitable portfolio while ensuring sustainable growth. Key priorities include:

- **Portfolio diversification:** Expanding MSME lending as a significant component of the Bank's asset mix, with a long-term target of around 20% contribution to the overall portfolio.
- **Prudent growth approach:** Strong growth notwithstanding, the Bank maintains a cautious approach given global economic uncertainties and sector-specific risks.
- **Lifecycle-based profitability:** Lending decisions consider the complete customer lifecycle, including opportunities for liabilities, foreign exchange services and other cross-sell products to enhance overall profitability.
- **Risk-based pricing discipline:** Maintains pricing discipline with credit terms aligned to risk profile of the borrower, ensuring portfolio sustainability.

Product and Technology Initiatives

- **Parametrised Products**
  - **Turbo product:** An algorithm-based and scorecard-driven offering providing loans up to ₹5 crore with quicker decisioning.
  - **GST/Smart OD products:** GST and banking-based surrogate programme with limit up to ₹3 crore, less documentation and speedy approval.
- **Loan Against Property (LAP) and working capital solutions:** Structured lending supported by strong collateral coverage.
- **Electronic Bank Guarantees (eBG):** Digital issuance of bank guarantees for improved efficiency and faster processing.
- **Supply chain finance:** Strengthening ecosystem-based lending by supporting supplier and distributor networks.
- **Other range of products:** All types of working capital, term loans and trade products

These offerings are supported by enhanced digital infrastructure, including:

- Loan Origination Systems (LOS) for streamlined credit processing.
- API-based integrations for GST validation, bank statement analysis and financial verification.
- Early Warning Systems (EWS) for proactive monitoring of borrower performance.

Distribution and Market Approach

The Bank follows a focussed distribution strategy to serve MSME customers, while maintaining operational scalability. The focus is on metro, Tier 1 and 2 cities, along with industrial clusters in surrounding suburban regions. MSME manufacturing businesses concentrated in these clusters offer a large accessible customer base within an efficient credit and monitoring radius.

Risk Management Framework

Risk management remains a central pillar of the MSME strategy. The Bank has established several guardrails to ensure prudent lending:

- Multi-layered credit checks, including review by relationship managers, credit managers and independent verification teams.
- Dedicated verification units to validate documentation and borrower credentials.
- Integration with digital tools for GST validation, bank statement analysis and financial data verification.
- Strong emphasis on high-quality collateral coverage and end-use monitoring.

Alongside quantitative assessment, the Bank's underwriting framework incorporates qualitative factors including promoter experience, business sustainability, management commitment and sector outlook. The Bank remains mindful of macroeconomic risks that may affect the MSME sector and closely monitors borrower cash and working capital cycles, with a cautious approach to sector selection.

INTEGRATED TREASURY OPERATIONS

During the year, the Bank enabled a full derivatives product suite within its treasury systems, providing a comprehensive range of treasury solutions to corporate and institutional clients. This enhancement enables the Bank to support clients with risk management and hedging products.

The Bank has maintained an average LCR of 118%, with occasional variations due to the nature of wholesale funding instruments such as large CD issuances or foreign currency borrowings. As these instruments mature or are rolled over, short-term fluctuations in liquidity metrics may occur.

During the transformation phase, the Bank saw a moderation in NIM. This was primarily due to two structural factors:

- **Asset-side shift:** Expansion in wholesale banking, which generally carries lower yields compared with retail or gold loans.
- **Liability-side dependence:** Greater reliance on higher-cost wholesale deposits as the retail franchise scales, influenced by shifts in current investment and savings behaviour.

These factors resulted in a decline in margins. However, the Bank has begun stabilising margins and expects them to remain stable in the near term.

Investment Portfolio Performance

The treasury manages the Bank's investment portfolio, which contributes to both interest income and trading gains. As of March 31, 2026, the Bank's total investment portfolio stood at ₹ 11,955 crore, compared to ₹11,389 crore as of March 31, 2025.

The performance of investment operations during FY 2025-26 included:

- **Interest income from investments:** ₹762.87 crore, compared to ₹621.74 crore in the previous financial year.
- **Non-interest income from investment operations:** ₹68.13 crore, compared to ₹100.29 crore in the previous year.

Interest Rate and Market Outlook

Funding costs showed volatility through the year. Certificate of Deposit rates in FY 2025-26 remained elevated owing to higher issuances by banks to meet funding requirements in the face of higher credit offtake.

However, the RBI has been maintaining liquidity in the banking system through open market operations. The 10-year bond yield is expected to remain broadly in the range of 6.50% to 7.50% in FY 2026-27, owing to the geopolitical and macroeconomic shocks.

Asset-Liability Management

During the Build phase, the Bank's asset-liability duration gap has been higher than the industry average due to the reliance on shorter-tenor wholesale funding. As the Bank strengthens its retail deposit base, the liability profile is expected to become more stable and longer-tenor, gradually reducing the asset-liability mismatch and strengthening balance sheet stability.

Trading and Market Operations

Integrated Treasury undertakes trading operations in government security, bonds, equities and currencies. Over the years Treasury has improved upon its capabilities to capitalise upon trading opportunities. The FY 2025-26 was a difficult year due to tariff and Iran-related uncertainties however the treasury was able to capitalise on opportunities.

Treasury has also been successfully helping its clients to hedge and cover their FX and rate risks through a bouquet of products.

Product Expansion and Revenue Opportunities

The treasury is expanding into new product areas, particularly in derivatives and client hedging solutions. These offerings are expected to enhance fee-based income streams over time.

Long-Term Vision for Treasury

Over the longer term, the treasury is expected to evolve significantly as the Bank's client base expands. The transformation will be driven by:

- Building specialised treasury teams across major financial markets in India.
- Expanding capabilities in derivatives, foreign exchange and structured products.
- Deploying advanced systems for real-time cash flow monitoring and risk management.
- Increasing client-facing treasury services.
- Developing internal risk-taking capabilities to enhance profitability.
- Scaling client base and transaction volumes.

The Bank continues to maintain strong regulatory buffers, including SLR levels of approximately 23-24% against the required 18%, along with adequate CRR balances, reflecting a prudent liquidity management approach.

Foreign Exchange Transactions

The Bank's Integrated Treasury executes foreign exchange transactions across multiple currencies through advanced trading platforms. The treasury provides clients with competitive pricing across spot, forward and cross-currency transactions, supporting businesses in managing their foreign exchange requirements.

Beyond forex, the treasury offers a range of solutions including trade finance support, forex deposit facilities and structured funding solutions. This is enabling corporate and business clients to manage their liquidity and currency exposures.

The Merchant Desk, operating within the Integrated Treasury, provides centralised cover operations for foreign exchange transactions originating from the Bank's branch network. The desk offers specialised services to corporates, SMEs and MSMEs, managing forex exposures and hedging risks arising from international trade.

The treasury operates a Proprietary Trading Desk, which trades major global currencies. The desk identifies arbitrage opportunities between domestic and international markets, contributing to treasury income within a prudent risk management framework.

The Bank's foreign exchange business continued to grow during FY 2025-26, with forex turnover increasing by 2.02% YoY. The Bank generated ₹27.92 crore in income from forex operations during the year. This income comprised ₹20.47 crore from foreign exchange profit and ₹7.45 crore from commissions earned on forex transactions.

BANCASSURANCE

The Bank continues to strengthen its wealth and protection offerings by providing investment and insurance solutions tailored to the needs of its customers. These offerings are delivered through technology-enabled platforms and multiple customer engagement channels, ensuring convenience, accessibility and a consistent service experience.

An open architecture distribution model enables the Bank to partner with multiple product providers and offer customers a broader suite of financial solutions. This broadens choice enables the Bank to deliver offerings aligned with financial goals and risk profiles.

During the year, the Bancassurance business emerged as an important contributor to the Bank's fee-based income. Growth was supported by strong partnerships with insurance providers, targeted product propositions, the Bank's expanding distribution reach, and the integration of digital capabilities across sales and servicing channels.

Life Insurance

Life insurance plays an important role in financial planning by providing protection to families while supporting long-term financial goals. The Bank offers life insurance solutions spanning protection, long-term savings, goal-based planning, and tax-efficient investment options.

The Bank partners with leading insurance providers such as Edelweiss Life Insurance Co. Limited, HDFC Life Insurance Co. Limited, ICICI Prudential Life Insurance Co. Limited, Axis Max Life Insurance Co. Limited and Ageas Federal Life Insurance Co. Limited. Through these partnerships, the Bank continues to provide customers with access to reliable insurance solutions aligned with their financial planning requirements.

Non-Life Insurance

The Bank partners with IndusInd General Insurance Co. Limited and Go Digit General Insurance Co. Limited to offer customers a diverse range of protection solutions. Products cover health, motor, home, personal accident, fire and critical illness, enabling customers to safeguard their assets and manage unforeseen risks. These offerings are provided on a non-risk participation basis, allowing the Bank to distribute insurance products while maintaining service quality.

Health Insurance

The Bank offers health insurance solutions through its partnership with Aditya Birla Health Insurance Co. Limited, helping customers manage medical expenses and protect their financial well-being.

Products are tailored to provide financial protection against unforeseen medical contingencies while supporting long-term financial security.

Performance Highlights

The Bancassurance business delivered a strong performance during the year, with income from life, health and general insurance segments recording robust growth. Revenue from bancassurance operations increased by 31%, reflecting the Bank's expanding distribution reach, strong partner ecosystem and growing customer adoption of insurance solutions.

FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

Financial Performance

During FY 2025-26, the Bank reported strong growth in business volumes, which was reflected in the increase in both interest income and operating revenue.

Interest income increased by 25.24% to ₹4,505 crore in FY 2025-26, compared to ₹3,597 crore in FY 2024-25. Interest expenses rose by 31.30% to ₹2,785 crore, as against ₹2,121 crore in the previous year, reflecting higher funding costs and business expansion during the period.

The net interest income (NII) increased to ₹1,720 crore in FY 2025-26 from ₹1,476 crore in FY 2024-25 YoY growth of 16.54%. Non-interest income witnessed a strong increase of 21.04%, rising from ₹972 crore in the previous year to ₹1,177 crore for the year ended March 31, 2026.

The Bank's NIM declined by 37 basis points, from 4.13% in FY 2024-25 to 3.76% in FY 2025-26, primarily due to the increase in the cost of funds during the year. This was driven by a higher reliance on wholesale deposits, which carry relatively higher costs. Additionally, a shift in the asset mix towards wholesale banking, which yields lower returns compared to retail and gold loans, further impacted margins. Despite stable yields in core portfolios such as gold loans, overall margin compression was witnessed.

The Bank reported an operating profit of ₹1,085 crore, compared to ₹910 crore in the previous financial year, reflecting a growth of 19.24%. Operating revenue grew by 24.35% YoY to ₹5,682 crore, compared to ₹4,569 crore in FY 2024-25, driven by higher interest and non-interest income.

Operating expenses increased by 17.79%, rising to ₹1,812 crore from ₹1,538 crore in the previous year. The increase was mainly due to higher staff costs and other operating expenses associated with business expansion, technology cost and branch growth.

The Bank recorded a net profit of ₹633 crore in FY 2025-26, compared to ₹594 crore in FY 2024-25, representing a growth of 6.63%.

The cost-to-income ratio stood at 62.53% for the year ended March 31, 2026, compared to 62.82% in FY 2024-25. Return on Assets (ROA) was 1.29%, compared to 1.53% in the previous financial year.

As of March 31, 2026, the Bank's Earnings per Share (EPS) stood at ₹36.50, compared to ₹34.23 in the previous year. The book value per share increased to ₹272.27, from ₹249.24 as of March 31, 2025. The Bank's Return on Equity (ROE) stood at 14.14%, compared to 15.44% in FY 2024-25.

Income

The Bank's total income increased by ₹1,112.59 crore to ₹5,682 crore as of March 31, 2026. Net interest income increased by ₹244 crore to ₹1,720 crore in FY 2025-26, compared to ₹1,476 crore in FY 2024-25. Non-interest income grew from ₹972 crore to ₹1,177 crore during FY 2025-26, primarily driven by growth in fee-based income and profit on sale of investments worth ₹53 crore in Q1 FY 2025-26.

Expenditure

Interest expenditure increased from ₹2,121 crore in FY 2024-25 to ₹2,785 crore in FY 2025-26, reflecting the rise in deposit and borrowing costs during the year. Operating expenses also increased from ₹1,538 crore to ₹1,812 crore, mainly due to higher staff costs and other operating expenses associated with business expansion, technology cost and branch growth. The cost of deposits rose to 6.37% in FY 2025-26 from 6.15% in FY 2024-25 in line with the overall upward trend in interest rates.

Key Financial Ratios

(a) Details of significant changes (i.e., change of 25% or more as compared to the previous financial year) in key financial ratios, along with detailed explanations thereof or sector-specific equivalent ratios, as applicable are given below:

Particulars	March 31, 2026	March 31, 2025	Change (%)
CRAR (%) – Basel III	20.66	22.46	(8.01)
Earnings per Share (in ₹)	36.50	34.23	6.63
Book Value per Share (in ₹)	272.27	249.24	9.24
Net Interest Margin (%)	3.76	4.13	(8.98)
Cost Income Ratio (%)	62.53	62.82	(0.46)
Return on Assets (ROA) (%)	1.29	1.53	(160.4)
Return on Equity (ROE) (%)	14.14	15.44	(8.45)
Gross NPA (%)	1.66	1.57	6.04
Net NPA (%)	0.40	0.52	(22.93)
Interest Income as a % of Working Funds	8.94	9.00	(0.68)
Operating Income as a % of Working Funds	2.15	2.28	(5.44)

As of March 31, 2026, the capital adequacy ratio stood at 20.66%, compared to 22.46% as of March 31, 2025. The decline was primarily due to business growth leading to an increase in total risk-weighted assets, partially offset by an increase in the capital fund from ₹4,588 crore to ₹5,027 crore.

(b) Details of any change in return on net worth as compared to the immediately previous financial year along with a detailed explanation thereof.

Return on net worth decreased to 14.14% from 15.44% in the previous financial year. The decline was mainly due to an increase in the Bank's average net worth compared with the growth in net profit during the year.

Disclosure of Accounting Policy

The Bank's primary accounting policies are detailed in Schedule 17 of the financial statements. In preparing these financial results, the Bank has followed the same accounting policies as those applied in the annual financial statements for the financial year ended March 31, 2026.

NPA MANAGEMENT

During FY 2025–26, the Bank continued to place strong emphasis on asset quality management, supported by disciplined underwriting standards, proactive monitoring frameworks and well-defined recovery mechanisms. These measures ensured that the overall loan book remained largely secured and resilient, despite operating in a challenging credit environment.

As of March 31, 2026, the Bank's gross NPA stood at ₹669.78 crore. The gross and net NPA ratios were 1.66% and 0.40%, respectively, compared to 1.57% and 0.52% in the previous year. The Bank aims to maintain strong asset quality through disciplined credit practices and proactive recovery actions, and further aims to keep gross and net NPA well under control/below its acceptable level.

Asset Quality and Monitoring

The Bank prioritised asset quality through continuous monitoring of loan accounts and close follow-up with borrowers. Early identification of stress and timely intervention helped to prevent fresh delinquencies and contain slippages to a large extent. Focussed monitoring of SMA and early-warning signals enabled corrective actions well before accounts could deteriorate into NPAs.

Recovery and Collection Initiatives

A multi-pronged and structured recovery strategy was implemented during the year to strengthen recovery performance:

- Close follow-up and borrower engagement to avoid slippage of stressed accounts into NPAs.
- Upgradation of recently slipped NPAs through intensive borrower interaction, resolution plans and recovery actions.
- Immediate initiation of legal recovery actions for secured accounts, including invocation of SARFAESI Act provisions, filing of suits and enforcement proceedings to accelerate recoveries.
- Leveraging the Revenue Recovery (RR) mechanism, particularly in the state of Kerala, as an effective tool for recovery of dues.
- Recovery and settlement drives (recovery melas) organised across geographies to encourage negotiated settlements and expedite recovery.
- Digital repayment facilities offered across retail, gold and agriculture portfolios, enabling customers to conveniently clear overdue amounts and regularise accounts.

These initiatives helped to improve collection efficiency and curb incremental stress during the year. The Bank recovered ₹16.40 crore from prudentially written-off (PWO) accounts, including interest recoveries of ₹41.66 crore, supporting overall asset quality.

Corporate and Large Borrower Accounts

For corporate accounts, the Bank actively participated in the resolution process through the Insolvency and Bankruptcy Code (IBC) framework. In addition, recoveries were pursued through sale of secured assets under the SARFAESI Act and proceedings before Debt Recovery Tribunals (DRTs), ensuring timely enforcement of security interests.

Portfolio Composition and Stability

The Bank's loan portfolio continued to remain largely secured and well collateralised, particularly in the SME and gold loan segments. The gold loan portfolio, characterised by minimal slippages and low credit costs, remained a long-standing anchor product and significantly reinforced overall asset quality.

Provisioning and Risk Resilience

The Bank follows conservative provisioning practices, supported by contingency buffers and accelerated provisioning policies. The Provision Coverage Ratio (PCR) stood at 86.33% (Including PWO) for the FY 2025–26. Considering the risk appetite of the credit card portfolio, the Bank adopts an accelerated provisioning approach by recognising 50% provision immediately upon an account being classified as NPA and progressing to 100% provisioning within 90 days from the date of NPA classification.

Conservative provisioning practices supported by contingency buffers and accelerated provisioning policies provide resilience and facilitate a smooth transition to the Expected Credit Loss (ECL) framework in the future.

Way Forward

The Bank remains committed to:

- Preventing fresh delinquencies through robust monitoring and earlywarning systems.
- Strengthening recoveries across secured and unsecured portfolios.
- Actively pursuing recoveries from prudentially written-off accounts.
- Sustaining disciplined credit and provisioning practices.

The Bank aims to maintain strong asset quality through disciplined credit practices and proactive recovery actions. Internal benchmarks guiding this approach include keeping Gross NPA below 2%, Net NPA below 1%, and credit costs below 0.50%, consistent with the Bank's long-term aspirations under its SBS 2030 vision.

Through these focussed measures, the Bank aims to maintain a stable, high-quality loan portfolio and support sustainable growth in the years ahead.

RISK MANAGEMENT

Effective and proactive management of risks is essential for sustainable business growth since banking is exposed to a wide range of risks. The Bank's Risk Management framework is founded on a clear understanding of various risks, robust risk assessment and measurement procedures and practices and continuous monitoring.

The Bank has an integrated Risk Management Department, independent of business functions, covering Credit Risk, Market Risk, Asset-Liability Management (ALM) and Operational Risk Management. The Bank's Risk Management practices have been aligned with the best industry practices and are adaptable to a dynamic environment. An effective risk management system ensures long-term financial security and stability.

Through effective and efficient use of processes, information, and technology, the Bank has developed a multifaceted risk management strategy that identifies, assesses, monitors, and manages risks (credit risk, market risk, liquidity risk, interest rate risk, and operational risk). The overall responsibility of setting risk appetite and effective risk management vests with the Board of Directors and it oversees all the risks assumed by the Bank. The Board articulates Risk management policies, procedures, aggregate risk limits, review mechanism, reporting and auditing systems. In line with the guidelines of RBI, the Board has constituted a Risk Management Committee (RMC). The Risk Management Committee has three Executive-level committees which provide support and inputs in discharging its functions viz. Credit Risk Management Committee (CRMC), Operational Risk Management Committee (ORMC) and Asset-Liability Management Committee (ALCO).

The Integrated Risk Management Department is headed by Chief Risk Officer who provides overall leadership for risk management framework, independent risk management function and risk governance processes, including risk measurement, risk monitoring, risk control or mitigation and risk reporting. The Bank has a well-experienced risk management team with specialised knowledge in various areas to handle the risk management functions.

The objective of risk management is to have an optimum balance between risk and return. The Risk Management functions of the Bank focus on taking risk by choice rather than by chance. The Bank has aligned its business strategies to a Risk Appetite Framework to maximise return on capital. A risk-related pricing structure has thus been made operative to handle loan pricing and to evaluate returns vis-à-vis the risks assumed. The Bank also has in place a framework for computing the Risk Adjusted Return on Capital (RAROC) which helps credit sanctioning authorities to assess the risk adjusted returns on proposals.

The Bank has put in place a robust Risk Appetite Framework and has various business tolerance levels in sync with Business plans. The framework ensures business heads operate within the guardrails of risk management. The major risks are credit and market risks, including the interest rate and liquidity, information and cybersecurity, and other operational risks. The Bank has established robust policies, procedures, methodologies, and frameworks to manage material risks systematically. The Bank has also established dedicated ESG resources as part of the Integrated Risk Management Department.

The Bank's risk philosophy focusses on developing and maintaining a healthy portfolio within its risk appetite and regulatory framework. The Bank has policies and procedures to measure, assess, monitor, and manage risks systematically across all its portfolios. The Bank is committed to creating an environment of increased risk awareness at all levels. It also aims at constantly upgrading risk controls and security measures, including cybersecurity measures, climate-related financial risks to ensure avoidance or mitigation of various risks.

Credit Risk

Credit risk is the possibility of losses associated with diminution in the credit quality of borrowers or counterparties and the possibility that a borrower or counterparty will fail to meet its obligations in accordance with agreed terms and losses resulting from reduction in portfolio value arising from actual or perceived deterioration in credit quality. Credit risk is not confined to the risk that borrowers are unable to pay; it also includes the risk of payments being delayed, which can also cause problems for the Bank. Credit Risk is managed through a Board-approved framework that sets out policies, procedures and reporting in line with best practices.

Mitigation

The Credit Risk Management Committee (CRMC) oversees the credit risk function in the Bank. In line with its asset quality management objective, the Bank strives to maintain a strong asset quality through disciplined credit risk management.

The Bank has a comprehensive credit risk architecture, well-defined credit appraisal mechanism and risk assessment practices for identification, measurement and monitoring of credit risk. The Bank has various instruments for credit risk management, including Board approved loan policy & credit risk management policies, prudential exposure limits, risk rating system, risk-based pricing, RAROC and portfolio

management. The Bank manages credit risk in its retail, SME and wholesale businesses. Wholesale and SME lending are managed on an individual as well as portfolio basis. In contrast, given the granularity of individual exposures, retail lending is managed largely on a portfolio basis across various products and customer segments.

The Bank has in place well-defined internal rating/ scoring models for Credit Risk Assessment. A major part of the internal rating is carried out by internal rating models developed by CRISIL and hosted on CRISIL's RAM platform. Apart from the CRISIL models, the Bank also has models which have been internally developed which are also hosted on the RAM platform. All the internal rating models have been externally validated by an independent consultant and concluded to be robust and performing well. Apart from this, the Bank also conducts validation of the internal rating models on an annual basis internally.

Segment-wise and borrower category-wise exposure limits are fixed and monitored by the Bank to address concentration risk. The Bank has a standardized and well-defined approval process for all advances and primarily adopts a committee approach for credit sanctions and has credit approval committees at various levels.

The Bank has various credit risk mitigation measures such as exposure limits for single and group borrowers, exposure limits for sensitive sectors and for total unsecured exposure, industry exposure limits, benchmark financial ratios, and hurdle rates. The Bank also has in place internal rating wise thresholds to control the quality of the portfolio.

As part of its risk management strategy, the Bank continuously monitors and evaluates the impact of various economic developments in general. This financial year was turbulent for the major part due to various geopolitical tensions, first arising out of tariffs imposed by the US on exports to the US, and later on account of the West Asian crisis. Taking cognizance of volatile economic outlook, the Bank has specifically assessed the impact on its portfolio w.r.t. imposition of reciprocal tariffs by USA as well as of the West Asian crisis. Based on the assessments, various risk mitigation strategies have been rolled out to minimise the impact.

Market Risk

Market risk arises primarily from the Bank's activities related to statutory reserve management and trading operations in interest rate instruments, equity markets and foreign exchange markets. To manage these exposures, the Bank has established a well-defined market risk management framework supported by Board-approved policies and structured operational practices.

The Bank employs analytical tools and risk measurement techniques to monitor and control market risk. These include stress testing, duration and modified duration analysis, PV01 (Price Value of a Basis Point), Value-at-Risk (VaR), and various exposure limits. Specific limits including position limits, stop-loss limits, Net Overnight Open Position (NOOP) limits, Aggregate Gap Limits (AGL), and Individual Gap Limits (IGL) are in place to ensure that market exposures remain within approved risk thresholds.

The Bank has established an independent Mid-Office within the Integrated Treasury, functioning under the Market Risk Management Division. The Mid-Office reports directly to the Head of Market Risk and serves as the primary risk control unit for treasury operations, ensuring continuous monitoring of market positions and adherence to approved risk limits.

Mitigation

The Bank mitigates market risk through policies, monitoring systems and independent oversight. The Mid-Office within the Integrated Treasury scrutinises treasury deals and transactions from a market risk perspective and ensures compliance with approved limits and policies.

The Bank has implemented policies and procedures to ensure the smooth conduct of business activities exposed to market risk. These policies provide clear guidelines for identifying, measuring, controlling and monitoring market risk exposures arising from the banking book, trading book and off-balance sheet positions.

The Market Risk Management Policy ensures that all market risk exposures remain within the risk tolerance limits approved by the Risk Management Committee (RMC) and the Board of Directors.

To measure and monitor market risk, the Bank follows established risk measurement methodologies and regulatory approaches. Key practices include:

- Computation of capital charge for market risk under the standardised duration approach.
- Use of Value-at-Risk (VaR) to monitor risk in the Bank's trading portfolio.
- Daily calculation of VaR for trading positions to track potential market-related losses.
- Quarterly back-testing of VaR models to validate their accuracy and effectiveness.

These practices support continuous assessment of market exposures, keeping treasury activities within defined risk limits and supporting efficient balance sheet management.

Liquidity and Interest Rate Risk

Liquidity represents the Bank's ability to fund asset growth and meet both expected and unexpected financial obligations as they arise, without incurring excessive costs or losses. It arises when the Bank faces difficulty raising funds to support asset expansion, reduce liabilities or meet commitments on time.

Management Discussion and Analysis (Contd.)

The Bank monitors liquidity through quantitative tools and internal limits. Metrics include the Liquidity Coverage Ratio (LCR), structural liquidity statements, short-term dynamic liquidity monitoring, liquidity ratio analysis and prudential limits for negative mismatches across different maturity buckets. Together, these maintain adequate liquidity buffers and support financial resilience under varying market conditions.

Interest rate risk refers to the potential adverse impact of changes in market interest rates on the Bank's earnings and economic value. Changes in rates affect NII and the market value of equity by altering the economic value of interest-sensitive assets, liabilities and off-balance sheet exposures.

Interest rate risk in trading portfolios is monitored daily using risk measurement tools such as VaR and PV01. For the banking book, the Bank manages Interest Rate Risk in the Banking Book (IRRBB) through an Asset-Liability Management (ALM) framework. This includes techniques such as gap analysis, duration-based assessment, and economic value sensitivity analysis.

The Bank conducts stress testing and scenario analysis to evaluate the potential impact of adverse interest rate movements. Earnings-at-Risk (EaR) and Economic Value of Equity (EVE) help assess the potential impact of interest rate changes on profitability and balance sheet value.

The RBI issued revised IRRBB guidelines on governance, measurement and management through its circular dated February 17, 2023, aligned with the Basel Committee on Banking Supervision (BCBS) framework. Pending the effective implementation date, banks are required to prepare for enhanced measurement and disclosure standards.

The Bank has taken proactive steps to align with the guidelines and currently reports the impact of changes in Economic Value of Equity (Delta EVE) and Delta NII for the banking book to the RBI on a quarterly basis.

Mitigation

The Bank mitigates liquidity and interest rate risks through structured policies, governance mechanisms and continuous monitoring.

- **Comprehensive Asset-Liability Management (ALM) Policy:** The Bank follows a well-defined Asset-Liability Management framework that governs the management of liquidity and interest rate risks. A robust monitoring system evaluates cash flow mismatches and key risk indicators, including Basel III regulatory metrics, under both normal and stressed conditions. Risk appetite thresholds and tolerance limits ensure disciplined risk control. An intraday liquidity monitoring framework enables the Bank to track and manage cash flows throughout the day.
- **Governance and oversight:** The Asset-Liability Management Committee (ALCO) oversees liquidity and interest rate risk, regularly reviewing maturity gap profiles, monitoring stock ratio limits and evaluating the potential impact of interest rate changes on NII and EVE. A structured stress testing programme assesses vulnerabilities under various stress scenarios.
- **Behavioural analysis and scenario assessment:** The Bank conducts behavioural studies to analyse the patterns of non-contractual assets and liabilities as well as embedded options available to customers. These analyses support more accurate assessment of maturity profiles and better manage potential mismatches.
- **Liquidity coverage and regulatory compliance:** The liquidity coverage ratio assesses the Bank's ability to meet short-term liquidity obligations. This measure ensures that the Bank maintains an adequate stock of unencumbered High-Quality Liquid Assets (HQLA) that can be readily converted into cash to meet liquidity requirements under a 30-day stress scenario. The RBI mandates a minimum LCR of 100%, and the Bank maintains its LCR above the regulatory threshold.
- **Contingency Funding Plan (CFP):** The Bank maintains a Contingency Funding Plan to ensure adequate financial resources are available to meet liabilities under stressed conditions. The CFP is periodically reviewed and updated to strengthen preparedness and enable timely responses to potential liquidity disruptions.
- **Net Stable Funding Ratio (NSFR):** The Bank monitors the Net Stable Funding Ratio, which indicates the stability of funding sources relative to the composition of assets and off-balance sheet exposures. The RBI mandates a minimum NSFR of 100% from October 01, 2021. The Bank maintains this ratio above the prescribed regulatory minimum, ensuring a stable and sustainable funding profile.

Advanced Stress Testing Framework

The Bank has established a comprehensive Stress Testing Policy aligned with industry best practices. The framework incorporates both sensitivity analysis and scenario-based assessments to evaluate the potential impact of adverse conditions on key financial parameters such as NII and the CRAR.

The stress testing methodology has been strengthened through refined models covering multiple risk dimensions, including credit concentration risk, operational risk, strategic risk, compliance risk, reputational risk, conduct risk and fraud risk. The framework also incorporates stress scenarios related to emerging risks such as natural disasters, cyber fraud incidents and extreme 'Black Swan' events.

The Bank conducts annual back-testing of its stress testing models to validate assumptions and methodologies, supporting continuous improvement in anticipating and managing potential risk events.

Operational Risk

The Bank has a well-defined Operational Risk Management framework for effective management of Operational Risk in the organisation, whose implementation is supervised by the Operational Risk Management Committee (ORMC) and reviewed by the Risk Management Committee (RMC) of the Board. The policies have been aligned with industry best practices by engaging external consultants.

Mitigation

In conformity with RBI guidelines, the Bank has implemented a robust Operational Risk Management Policy. This policy provides the framework to identify, assess, monitor, control, and report operational risks arising from the failure of internal processes, people, systems and external events.

Key elements of the Bank's Operational Risk Management Policy, among others, include timely incident reporting, ongoing review of systems and controls, enhancing risk awareness through Risk and Control Self-Assessment (RCSA), and monitoring of Key Risk Indicators (KRIs) and aligning risk management activities with business strategy. The Bank created a repository of Internal Loss Data as part of Operational Risk Management and carried out Root Cause Analysis. In addition to this, risk analysis of various frauds, thefts, robbery and burglary are also being carried out.

As part of the Change Management framework, all new/modified products/processes are screened through the Product/Process Evaluation Committee (PEC), from compliance, legal, information technology/security, accounts, inspection and audit and risk point of view.

Climate Risk

Climate change risk has become a crucial challenge to the financial industry. The Bank is committed to reducing the impact of climate change risk. It is consciously working towards sustainable development of its banking operations to achieve economic growth while maintaining the quality of environmental and social ecosystems.

Further, the Bank has laid down a policy on Environmental, Social and Governance (ESG), which broadly covers the growing demands for sustainable solutions from businesses due to the rapid depletion of natural resources, following the 'The National Guidelines on Responsible Business Conduct, 2018 (NGRBC)'.

The Bank has undertaken a materiality assessment on ESG awareness among all stakeholders with the assistance of CareEdge. Further, awareness sessions on ESG are conducted for various stakeholders.

Mitigation

As a policy matter, to reduce the greenhouse effect, the Bank does not finance borrowers for setting up new units producing/consuming ozone-depleting substances (ODS) and small/medium scale units engaged in the manufacturing of aerosol units using chlorofluorocarbons (CFC) which enables a reduction in the greenhouse effect.

The Bank commits to ensuring that funds will not be used to finance a set of activities and/or end use for all project and corporate loans under the scope of the ESG Policy through an exclusion list which is part of the policy document. In order to assess the ESG impact, assessment templates and checklists have been introduced to carry out a due diligence process as per ESG Policy of the Bank from time to time.

Cyber Risk

Cyber risk is a critical concern for financial institutions, with the potential to cause significant financial, operational, and reputational damage. It encompasses risks arising from failures or breaches of information technology systems, including malicious cyber incidents such as ransomware attacks, hacking, and unauthorised access to sensitive data.

The Bank's growing reliance on digital channels such as internet banking, mobile banking, electronic platforms, and networked data storage, amplifies this exposure. Common forms of cyber threats include hacking attempts, data breaches, malware infections, and cyber extortion. Financial gain remains a primary motivator behind these sophisticated attacks, with cybercriminals continuously enhancing their capabilities by reinvesting illicit proceeds.

The implications extend beyond costs and revenues to the Bank's ability to innovate, maintain customer trust, and sustain long-term growth. Cyber incidents can disrupt operations, trigger legal liabilities, compromise contractual obligations, and result in significant reputational damage. Data breaches, in particular, can erode customer confidence and damage the Bank's brand value, underscoring the importance of safeguarding critical information assets.

Third-party and supply chain risks have become significant contributors to the cyber risk landscape. External vendors and service providers, who often have access to sensitive systems and data, may not maintain security standards equivalent to those of the Bank. This creates potential vulnerabilities that cybercriminals can exploit as entry points into the organisation. A significant proportion of security breaches originate from such third-party weaknesses.

Given the evolving nature of cyber threats, effective management requires a continuous, proactive approach encompassing robust assessment frameworks, ongoing monitoring, and stringent vendor risk management throughout the lifecycle of third-party relationships.

Mitigation

The Bank has established a cybersecurity framework built on a multi-layered defence architecture spanning endpoint protection, network security, and perimeter controls.

The Bank maintains a dedicated incident response team that promptly detects, assesses, and responds to cyber incidents. Continuous efforts to enhance cybersecurity awareness among employees and customers complement these technological controls, fostering a culture of vigilance.

Regular risk assessments of IT infrastructure and third-party engagements are conducted to identify potential vulnerabilities. Identified gaps are addressed promptly. Cybersecurity governance is reinforced through quarterly reviews by senior management and the Board, focussing on security posture and corrective measures.

Drawing on guidance from the Bank for International Settlements (BIS), the Bank has incorporated capital planning measures for cybersecurity-related financial risks. It estimates Pillar II capital requirements at approximately 1% of its operating income under minor stress scenarios.

Compliance Risk

Compliance risk is a critical area of focus for the Bank. It refers to the potential for legal or regulatory penalties, financial losses, or reputational damage arising from the Bank's failure to adhere to applicable laws, regulations, standards, and codes of conduct.

Compliance obligations are broad and evolving, spanning primary legislation, regulatory authorities, supervisory guidelines, industry standards, and internal policies. These include statutory mandates, market conventions and codes of practice established by industry bodies, and the Bank's own internal code of conduct.

The Bank's Compliance Function is dedicated to ensuring strict adherence to all relevant legal and regulatory frameworks. This includes key legislations such as the Banking Regulation Act, the Reserve Bank of India Act, the Foreign Exchange Management Act, and the Prevention of Money Laundering Act. The Bank also adheres to guidelines from the RBI, IRDAI, Pension Fund Regulatory and Development Authority (PFRDA), and the Securities and Exchange Board of India (SEBI).

The Bank also aligns its practices with standards and codes prescribed by industry bodies such as the Indian Banks' Association (IBA), Foreign Exchange Dealers' Association of India (FEDAI), and Fixed Income Money Market and Derivatives Association of India (FIMMDA), alongside its internal policies and Fair Practices Code.

Mitigation

The Bank has implemented a proactive compliance control framework that ensures adherence to regulatory requirements while fostering a culture of accountability and ethical conduct.

Measures include strong internal control systems, proactive compliance testing, technology and automation investment, continuous employee training, and active senior management oversight.

The Bank has deployed Comply360, a technology-driven compliance monitoring solution aligned with RBI expectations. This platform has enhanced the dissemination of regulatory updates and tracking of their implementation.

Comply360 has enabled a shift from reactive to proactive compliance management, reinforcing the Bank's commitment to regulatory discipline and corporate governance.

COMPLIANCE WITH BASEL III FRAMEWORK

Maintaining strong capital adequacy and alignment with global regulatory standards remains a key priority for the Bank. The Bank has computed capital ratios quarterly under Basel frameworks, in line with Pillar I requirements.

For credit risk, the Bank follows the standardised approach to determine capital charge, while market risk is assessed using the Standardised Duration Method. Prudent valuation adjustments for trading portfolio illiquidity are applied by deducting the impact of less liquid positions from Common Equity Tier-1 (CET-1) capital in the computation of the CRAR. Operational risk capital charge is calculated using the Basic Indicator Approach.

The Bank's Internal Capital Adequacy Assessment Process (ICAAP) incorporates a broader spectrum of risks under Pillar II beyond minimum regulatory requirements. These include liquidity risk, credit concentration risk, cybersecurity risk, climate risk, and fraud risk, among others, ensuring a comprehensive evaluation of its capital adequacy.

The Bank has also established a robust stress testing framework that includes both sensitivity analysis and scenario-based assessments. These tests cover key risk areas such as credit default risk, concentration risk, interest rate risk in the banking book, and market risk. The framework has also been extended to incorporate climate-related financial risks, covering both physical and transition risk scenarios.

BUSINESS CONTINUITY MANAGEMENT

The Bank has a detailed Business Continuity Management (BCM) policy along with BCM framework and BCP document which ensure continuity of operations at the branches and offices during disruptions. Business Impact Analysis (BIA) is conducted to assess critical applications in the Bank. BCP enables the Bank to minimise business disruption during natural disasters, pandemics and technical disruptions.

Operational Risk Management framework has strengthened the Bank's ability to withstand, respond to, and recover from operational disruptions, ensuring continuity of critical operations within defined tolerance levels and supporting overall operational resilience.

The Bank maintains a robust BCM to ensure the uninterrupted functioning of critical business operations during times of disruption, identified through comprehensive Business Impact Analysis (BIA).

To execute the BCM effectively, the Bank has established a dedicated Crisis Management Committee comprising heads of major departments. They are responsible for exercising, maintaining, and invoking the BCM as per need. This Committee shall be activated in the event of a disruption, and will be responsible for decision-making and oversight of recovery efforts and ensures that business functions resume normalcy with minimal delay.

The Bank's operational resilience strategy focusses on its ability to prevent, adapt to, respond to, recover, and learn from operational disruptions, including those arising from technology failures, cyber incidents, third-party dependencies, pandemics, natural disasters, or geopolitical events. The Bank has actively engaged in the structured mechanisms for Business Continuity Management, such as Business Impact Analysis (BIA), recovery strategies, disaster recovery (DR), crisis management, and regular testing, to support operational resilience objectives.

Regular DR drills are conducted for the core banking system (CBS) and other critical systems to ensure their readiness during emergencies. Furthermore, periodic testing of recovery speed for critical applications from alternate locations is undertaken to ensure optimum operational resilience.

INTERNAL AUDIT FRAMEWORK

The Bank's Internal Audit function is a key element of its governance and risk management framework. The Internal Audit Department (IAD), operating as the third line of defence, provides independent and objective assurance on the adequacy and effectiveness of internal controls, risk management practices, and governance processes. To ensure integrity and independence of the audit function, the Head of Internal Audit reports directly to the Audit Committee of the Board (ACB).

The Bank adopts a Risk-Based Internal Audit (RBIA) approach in alignment with regulatory requirements and best practices. Audit plans are developed based on comprehensive risk assessments and approved by the ACB, covering business units, support and control functions, branches, and specialised areas. Offsite audits, supported by data analytics, are conducted to enhance control evaluation and early risk identification.

Audit engagements focus on assessing risk management practices, internal controls, and transaction-level testing. Audit observations are supported by actionable recommendations to mitigate risks and strengthen the overall control environment.

Audit reports provide valuable insights to Senior Management, supporting risk mitigation, fraud prevention, regulatory compliance, and asset protection.

Audit findings and remediation progress are regularly reviewed by the Audit Committee of Executives (ACE) and the Audit Committee of the Board (ACB), which provides necessary guidance for improvements in the control environment, and monitoring of timely implementation of corrective actions. The Committee also reviews the sustained remediation of identified weaknesses in critical processes and systems.

Concurrent audits conducted by external Chartered Accountant firms supplement the internal audit coverage in high-risk areas such as treasury, credit sanction and post-sanction monitoring, loan documentation, asset recovery, trade operations, compliance, internal accounts and CPC liabilities, among others. In addition, thematic audits, regulatory return validations, validation/certification prior to submissions made to the regulator apart from the branch banking audits, gold loan audits, in-house Video-based Customer Identification Process (V-CIP) Concurrent audits, are carried out to address risk areas, process gaps and drive corrective measures.

The Offsite Audit team within the IAD further enhances risk identification through the use of data analytics by accessing multiple data from sources, enabling proactive monitoring of emerging risks and revenue leakages. It also provides actionable recommendations for system and process enhancements.

Audits also extend to outsourced vendors (IT and Non-IT), currency chests, asset recovery branches and service branch to ensure comprehensive coverage.

Information Systems Audits are performed to evaluate the effectiveness of controls protecting the confidentiality, integrity, and availability of the Bank's information systems. These audits review technology components including hardware, operating systems, applications, databases, middleware, networks, and data management practices. Governance frameworks, policies, and operating procedures are also assessed to ensure alignment with regulatory, industry, and internal standards. The audits aim to identify control gaps, vulnerabilities, and weaknesses that could expose systems to security, compliance, and operational risk, among others Based on the findings, recommendations are provided to strengthen IT/IS governance, enhance security controls, and improve overall control environment in the Bank.

Management Discussion and Analysis (Contd.)

The Bank's Audit Policy provides for subjecting the Internal Audit function/framework to periodic external quality assurance review to assess the adequacy, effectiveness, and quality of the Internal Audit function, including its governance framework, methodologies, independence, and alignment with the regulatory expectations.

VIGILANCE FUNCTION

The Vigilance Department of the Bank serves as a crucial entity in mitigating incidents of fraud within the organisation. It encompasses both preventive vigilance measures and the investigation of vigilance-related matters.

Information on malpractices, frauds, or suspected frauds is sourced through internal and external channels. Internal sources include staff complaints, preventive vigilance audits, internally reported incidents, whistleblower channel, and reports from senior officials' visits to branches. External sources include media reports, information from law enforcement agencies, other banks, and regulatory authorities.

The Vigilance Department conducts thorough investigations into reported incidents. Investigation reports are reviewed at the HO (Vigilance) and then submitted to the Chief Vigilance Officer for final approval and further course of action, with a consolidated monthly report also presented to the MD & CEO. Post-investigation, due process as stipulated by RBI, is followed to classify an incident as fraud. Consequently, files are transferred to ORMD to report fraud to the RBI. Additionally, the Bank initiates action against the perpetrators and initiates measures to recover losses, including filing of complaints with law enforcement agencies. The Vigilance Department analyses the root causes of fraud incidents and recommends corrective measures by publishing caution notes, memos and direction to departments/stakeholders, wherever necessary to enhance systems and controls, thereby preventing similar occurrences in the future.

In cases where lapses are attributed to the Bank's staff, explanations are sought from the employees, and disciplinary proceedings initiated, wherever necessary. Similarly, if the involvement of third-party vendors such as gold appraisers, chartered accountants, valuers, and legal advisors, among others, is observed during the investigation, requisite explanations are called from the respective vendors. If explanations submitted by vendors are not justifiable or reasonable then appropriate directions are issued to stakeholders to initiate action as recommended against the said vendors, including removal of name from the Bank's empanelled list and onward reporting to IBA.

The Chief Vigilance Officer oversees all vigilance activities. The Vigilance Department actively promotes awareness of fraud prevention measures, contributing to the overall integrity and security of the Bank's operations. The Vigilance Department has implemented an effective fraud prevention mechanism through regular preventive vigilance audits. Identified deficiencies are promptly communicated to the respective branches and zonal offices to address and rectify them, thereby preventing the recurrence of similar irregularities. Additionally, the Vigilance Department issues caution advisories on a regular basis, outlining the modus operandi of various frauds prevalent in the banking industry, including those observed within the Bank. These advisories serve to educate branches and offices, empowering them to identify and prevent similar fraudulent attempts in the future.

Branch and ATM Network Expansion

In line with its SBS 2030 strategy, the Bank continues to strengthen its pan-India presence through a calibrated branch expansion approach that balances growth with long-term sustainability and profitability. The Bank's branch expansion programme, initiated in FY 2021-22, has followed a measured and disciplined trajectory. During the earlier phase of expansion, between FY 2020-21 and FY 2022-24, the Bank opened around 420 branches in total, including 300 branches in the first three financial years, supporting rapid nationwide network growth. Following a detailed assessment of branch productivity, break-even timelines, and overall network efficiency, the pace of expansion was moderated to 76 branches in FY 2023-24, and further to 56 branches in FY 2024-25. In FY 2025-26, the Bank opened 35 branches, reflecting a clear shift from volume-led expansion to a return-oriented and efficiency-driven strategy.

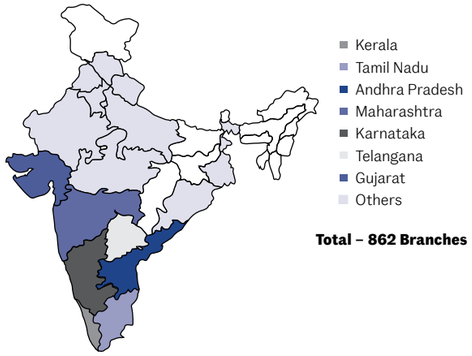
As against the earlier expansion plan that was concentrated largely in Kerala and neighbouring southern markets, the Bank is now strengthening its presence across northern and western regions to build a more balanced national footprint. Expansion efforts focus on entry and growth in key states such as Madhya Pradesh, Rajasthan, Gujarat, Uttar Pradesh and Delhi, alongside a broader presence across northern, western, and southern India beyond the Bank's traditional strongholds. Location selection is guided by each market's potential to strengthen the deposit franchise, ensuring that network expansion supports long-term strategic and profitability objectives.

Through this calibrated approach, the Bank has doubled its branch network over the past five years, with a strong focus on strategic location selection, while ensuring that the expansion programme remains aligned with productivity, profitability, and longterm priorities under SBS 2030.

As of March 31, 2026, the Bank's distribution network comprises:

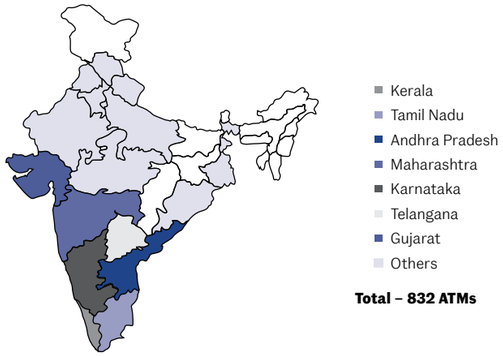
- 862 branches, excluding service and asset recovery branches (35 branches added during the year).
- 832 ATMs and CRMs across 18 states and 4 union territories, including 37 offsite ATMs (50 ATMs and CRMs added during the year).

BRANCHES



Total – 862 Branches

ATMs



Total – 832 ATMs

CURRENCY CHEST OPERATIONS

The Bank operates two currency chests, located one at Market Road, Ernakulam in Kerala and second one at Singanellur, Coimbatore in Tamil Nadu. These chests support the RBI's Clean Note Policy by ensuring the continuous supply of quality currency notes to branches and ATMs.

In coordination with linked branches, the currency chests also facilitate the distribution of coins and the exchange of soiled and mutilated notes for customers and the general public. Through these operations, the Bank contributes to maintaining the integrity and efficiency of the currency circulation system.

TECHNOLOGY OVERVIEW

In its journey towards SBS 2030, FY 2025–26 marked a landmark year for the Bank's technology transformation. The Bank made considerable progress in implementing its technology strategy, with a strong focus on business alignment, customer-centricity, and regulatory expectations. The year culminated in the successful completion of the Bank's technology core build-out, alongside comprehensive digitisation of critical customer-facing and internal services.

Core Systems Transformation

- The implementation of the Oracle Flexcube Core Banking System has significantly enhanced scalability, configurability, and operational efficiency. The platform supports high transaction volumes and provides a robust, parameter-driven framework, enabling faster product innovation and ensuring alignment with regulatory requirements.
- In parallel, the Bank strengthened its digital banking capabilities through the deployment of advanced omnichannel platforms. The retail platform (OBDX Retail) offers a unified and intuitive banking experience across mobile and internet channels, with enhanced digital journeys and personalisation features.
- For corporate and SME customers, the Bank implemented an enterprise-grade digital platform (OBDX Corporate) enabling efficient management of payments, cash flows, trade transactions, and approvals, supported by secure, role-based access and workflow-driven processes.
- The transformation also involved the seamless integration of multiple applications and interfaces across the Bank's technology landscape, enabling streamlined operations and improved system interoperability. Legacy systems were decommissioned following appropriate validation, facilitating the transition to a modern, resilient, and future-ready technology environment.
- This strategic transformation has materially strengthened the Bank's technological capabilities, providing a scalable foundation to support business growth, enhance customer experience, and drive innovation in alignment with its SBS 2030 vision.

Modernising the Technology Infrastructure

- Technology infrastructure continues to serve as the foundational backbone of the Bank. During the year, legacy infrastructure was comprehensively modernised with state-of-the-art server virtualisation, advanced storage solutions, and a robust enterprise backup ecosystem to enhance scalability, reliability, and resilience.
- A key milestone was the implementation of Oracle Private Cloud Appliance along with the Oracle Exadata enterprise database platform, enabling superior performance, high availability, and resilience for mission-critical workloads. The Core Banking System is now hosted on this next-generation infrastructure.
- Network resilience and business continuity were strengthened through dual connectivity across all branches and progressive migration to software-defined wide area network (SDWAN), providing secure, centralised, application-aware, and cost-effective connectivity with high availability and flexibility. During the year, 400 branches were migrated to SDWAN, with further rollout planned.
- The development of a state-of-the-art 'Technology Command Centre' (TCC) has enabled real-time monitoring of the Bank's infrastructure and application landscape. The TCC supports proactive incident detection, faster resolution, and streamlined communication, thereby enhancing service availability, strengthening IT service management, and driving overall operational efficiency.

Technology Enablement for Business Growth

During the year, the Bank undertook several technology-driven initiatives to support business growth, enhance customer acquisition, and strengthen product capabilities across both asset and liability segments. These initiatives were aligned with the Bank's strategic objectives and focussed on improving operational efficiency, regulatory compliance, and customer experience.

Lending Systems

The Bank enhanced its lending ecosystem through integration of loan origination and loan management systems with the core banking platform, resulting in streamlined processing, improved turnaround times, and strengthened controls. Enhancements across retail, corporate, gold, and microfinance segments have enabled support for a wider range of lending products. Advanced loan management capabilities have further strengthened end-to-end lifecycle management, including disbursement, repayment, and closure, with improved automation and accuracy. Additionally, the Bank operationalised a supply chain finance platform, enabling reverse factoring, supplier financing, and dealer financing with automated, rule-based processing integrated with core systems, thereby enhancing efficiency and scalability.

Liability Systems

The Bank strengthened its liability systems through the integration of lead management and customer onboarding platforms with the core banking system, enabling improved customer acquisition and faster account opening. A mobile-enabled onboarding solution was also introduced to support field operations and enhance customer convenience.

Treasury Platform Modernisation

The Bank modernised its treasury platform through an upgrade to the Oracle Exadata infrastructure, enhancing performance and scalability. A comprehensive dashboard was implemented to provide real-time visibility of key parameters, including foreign exchange positions, cash balances, borrowings, lending, interbank transactions, and foreign exchange contracts, thereby strengthening monitoring, decision-making, and operational efficiency.

Customer Onboarding

The onboarding process has been further enhanced through the incorporation of AML checks, de-duplication controls, and digital KYC capabilities, resulting in improved compliance and efficiency. A mobile-enabled onboarding solution has also been introduced to support field operations and enhance customer convenience. Collectively, these initiatives have significantly improved operational efficiency and customer service delivery, while ensuring adherence to regulatory and statutory requirements.

UPI Integration

- During the year, the Bank upgraded its UPI ecosystem and integrated it with the core banking platform, resulting in a significant reduction in technical and business declines and a corresponding improvement in customer experience.
- In line with a modular architecture approach, and following a 'hollow the core' principle, several functionalities previously embedded within legacy systems were re-engineered as independent systems and integrated with the core banking platform. This has enhanced system flexibility, scalability, and ease of future upgrades.
- Key implementations/upgrades included systems supporting capital market participation through ASBA and government-backed investment products such as Sovereign Gold Bonds (SGB). Further, Aadhaar Vault has been implemented to ensure secure customer data storage, regulatory compliance, and enhanced data protection.

Regulatory and Risk Technology (RegTech) Transformation

- Regulatory compliance and governance remain a key focus area for the Bank. As part of its RegTech transformation, the Bank implemented advanced platforms for compliance management and regulatory monitoring.
- The compliance management framework has been strengthened through a structured system of policies, processes, and controls, enabling enhanced oversight and auditability. In addition, a robust Anti-Money Laundering (AML) system has been deployed to monitor, detect, and prevent suspicious transactions in line with regulatory requirements.
- These systems are integrated across core banking, digital channels, and payment platforms, enabling real-time risk monitoring, improved governance, enhanced operational efficiency, and strengthened regulatory and statutory reporting.

Automation, Workflow and API Ecosystem

- The Bank enhanced operational efficiency through significant progress in workflow automation using enterprise platforms (ServiceNow), resulting in reduced turnaround times and strengthened governance across key processes, including infrastructure management and customer onboarding.
- The Bank also established a robust Application Programming Interface (API) and Enterprise Service Bus (ESB) ecosystem to enable seamless integration across systems and stakeholders. This centralised middleware architecture supports efficient data exchange, improved interoperability, and scalable system integration.
- A centralised API Hub has been built to facilitate standardised API management and enable faster onboarding of partners. This API-driven framework accelerates integration with fintech ecosystems, reduces time-to-market for new offerings, and strengthens the Bank's digital capabilities.

Cybersecurity Framework

Cybersecurity remains a critical focus area, supported by a comprehensive, multi-layered security framework and continuous investments. Key measures include:

- Robust cybersecurity policy and cyber crisis management framework with Board-level oversight.
- Deployment of advanced security solutions, including SIEM, EDR, DLP, IDPS, DAM, and web application firewalls.
- Implementation of DDoS mitigation, API security, database monitoring, and encryption controls.
- Regular vulnerability assessments, penetration testing, and source code audits.
- Red team exercises and cyber drills conducted with external agencies.
- Dedicated Security Operations Centre (SOC) for real-time monitoring and incident response.
- Continuous cybersecurity awareness and training programmes for employees and customers.
- External security ratings from agencies such as Bitsight and STORMs, reflecting strong security posture.
- Alignment with global standards such as CIS controls and participation in industry initiatives.
- The Bank has launched a dedicated offensive security team responsible for conducting red team activities.
- The Bank is certified under PCI DSS 4.0.1 and ISO 27001:2022.
- The Bank has deployed a GRC solution to enable centralised tracking and monitoring of security risks, regulatory circulars, and advisories.

DIGITAL PENETRATION AND CUSTOMER ENGAGEMENT

The Bank continues to adopt a digital-led approach, embedding innovation and customer-centric design across its operations in response to evolving technology and customer expectations.

During FY 2025-26, the Bank strengthened its suite of always-on digital services, focussing on security, ease of use, and efficiency. This is reflected in a 21% YoY growth in digital transactions as of March 2026, indicating increased customer adoption and improved operational efficiency.

Key advancements include:

- Integration with Bharat BillPay (Bharat Connect), simplifying and unifying bill payment services.
- Introduction of biometric authentication and deployment of advanced cybersecurity solutions, enhancing transaction security and resilience.

- Expansion of Oracle-based systems across core operations, including Flexcube, OFSAA, database management, and general ledger.
- Significant progress in implementing Loan Origination System (LOS) and Loan Management System (LMS), supporting retail and other lending segments.

To support long-term scalability and resilience, the Bank is progressing towards a flexible, cloud-enabled architecture leveraging SaaS capabilities. Systems are being designed to operate seamlessly across on-premises, hybrid, and private cloud environments, ensuring both regulatory compliance and operational agility.

Further, the implementation of an Enterprise Service Bus (ESB) is enabling the development of a more integrated and scalable technology ecosystem, enhancing the Bank's ability to deliver responsive and seamless digital experiences.

ONLINE BROKING SERVICES

The Bank extends investment solutions to its customers through a 3-in-1 partnership model with IIFL Capital Services Limited and Yes Securities (India) Limited (YSL). This collaboration enables customers to seamlessly link their savings or current accounts with demat and trading services offered by these brokerage partners, ensuring a unified and convenient financial experience.

Through secure API integration, customers can transfer funds from their Bank accounts to their trading accounts via the Bank's net banking platform. In the reverse flow, funds from trading accounts are credited back to the Bank account by the respective brokerage firms based on customer instructions, ensuring smooth and timely settlements.

The Bank's branch network identifies and refers potential customers to its brokerage partners, facilitating streamlined onboarding and strengthening the Bank's role as a comprehensive financial services provider.

COMPLIANCE FUNCTION

The compliance function of the Bank set-up in consonance with the RBI and Basel Committee on Banking Supervision, ensures adherence to statutory provisions, regulatory guidelines, and internal policies.

Recognising the critical importance of compliance risk, the Bank has designed a comprehensive bank-wide compliance programme to identify, evaluate, and address the relevant risks involved.

Compliance Department leading the compliance programme of the Bank, is dedicated to upholding statutory provisions such as the Banking Regulation Act, Reserve Bank of India Act, Foreign Exchange Management Act, and others. It ensures adherence to regulatory guidelines by regulatory authorities like RBI, SEBI, IRDAI, besides guidelines issued by other bodies like IBA, NPCI, and FEDAI, among others. It also handles the queries raised by Law Enforcement Agencies handling Anti-Money Laundering-related compliance.

A strong compliance culture is fostered throughout the organisation making sure to uphold the Bank's reputation and build trust with stakeholders. Being the second line of defence, compliance function ensures that the first line is suitably equipped to handle the compliance requirements and obligations. CSB Bank's Board of Directors holds ultimate responsibility for overseeing the effective management of the Bank's compliance function and compliance risk.

The Compliance Department is an independent function that identifies, assesses, advises, monitors and reports on the Bank's compliance risk. The Department is suitably headed by a Chief Compliance Officer (CCO) and supported by adequate staff. The Bank has further appointed compliance officers across departments to ensure effective compliance and report to the Chief Compliance Officer. These officers serve as the primary liaison between the Bank and regulators, assisting the top management in navigating the compliance risks.

Compliance risk is assessed during annual compliance risk assessment and using other testing inputs with appropriate systems in place for effective monitoring and reporting. After successfully implementing an appropriate IT system in FY 2024-25 to disseminate, track and close the regulatory guidelines the digital repository is duly being maintained of the applicable regulations. Focussed approach is taken on aligning with the changing regulatory requirements. This holds specific importance in view of new products and processes being rolled out by the Bank as it enters the 'Scale' phase of growth. The AML team which forms part of Compliance Department plays important role in managing money laundering and Fraud risk-related aspects.

The Department also conducts regular training sessions on areas of specific importance.

CUSTOMER SERVICE

Delivering a consistent and reliable customer experience is fundamental to sustainable growth. CSB Bank recognises that customer satisfaction is central to building loyalty, advocacy, and enduring relationships. The Bank remains committed to addressing customer concerns promptly across all touchpoints, with a strong focus on dependability, responsiveness, and consistency in service delivery.

The Bank has strengthened its offerings across its operations while simultaneously enhancing digital onboarding and mobile banking experiences. A more robust cybersecurity framework, coupled with increasing digital adoption, continues to reinforce customer trust, convenience, and service excellence across all channels.

Strengthening Service Capabilities

The Bank has established a dedicated function to drive process optimisation and service governance. At the same time, a specialised sales team works closely with branch networks to support customer acquisition, which remains a key strategic priority.

Technology-Driven Service Delivery

Digital initiatives have enabled faster product launches, 24x7 availability, and seamless engagement across multiple channels. The Customer Grievance Redressal System provides several resolution avenues, including branches, a round-the-clock call centre, and an online complaint management platform, ensuring efficient and timely handling of customer issues.

Governance and Oversight

In alignment with regulatory requirements, the Bank has formed a Customer Service Committee of the Board to oversee service enhancements. An Executive-Level Customer Service Committee, comprising representatives from key customer segments, ensures structured capture and resolution of feedback. The Board periodically reviews these frameworks to maintain a strong focus on service quality and customer-centric excellence.

Feedback, Measurement, and Employee Enablement

Structured satisfaction surveys are leveraged to identify service gaps and drive targeted improvements in service delivery, infrastructure, and customer awareness. The Bank also uses the Net Promoter Score (NPS) framework to evaluate customer loyalty and perceptions of service quality. Frontline staff receive ongoing customer service training, while Branch Heads and Cluster Heads supervise complaint resolution, supported by Zonal Nodal Officers across regions. Escalated complaints are handled by the Branch Service Department at the Head Office under the designated Nodal Officer, ensuring effective and timely resolution.

Customer Experience and Accessibility Initiatives

As the Bank continues to expand its branch network in line with its strategic priorities, it continues to focus on enhancing customer experience and accessibility to deliver best-in-class service across its growing footprint. To support this, the Bank has continued a series of initiatives to upgrade digital touchpoints, including enhanced ATM capabilities, accessibility-enabled infrastructure, and modernised kiosk designs. These initiatives aim to provide seamless, secure, and convenient banking experiences across locations.

Key initiatives include:

1. **Enhanced ATM/CRM Capabilities**
   - Cardless cash withdrawal at ATM/CRMs
   - Upgraded ATM/CRM functions and user-friendly interfaces
   - Modernised kiosk designs with improved interiors and layout
2. **Accessibility-Enabled Infrastructure**
   - Voice-assisted navigation at ATMs
   - Braille keypads
   - Ramps to support differently-abled customers
3. **Security Enhancements**
   - One-time combination locks across ATM network
   - Strengthened kiosk security features
4. **Digital Touchpoint Improvements**
   - Enhanced digital interfaces for improved convenience
   - Seamless experiences across mobile, internet banking, and self-service channels

Internal Ombudsman Mechanism

The Internal Ombudsman framework adds an independent layer of review for customer complaints. All complaints that are partially or fully declined are reviewed by the Internal Ombudsman before closure, ensuring fairness, transparency, and impartiality in the final response. These governance practices, along with continuous improvements in grievance-handling processes, further strengthen the Bank's customer service framework and reaffirm its commitment to delivering a dependable and trusted banking experience.

Statistics of Customer Complaints (Excluding ATM-related Issues) for FY 2025-26

Particulars	March 31, 2026	March 31, 2025
Number of complaints pending at the beginning of the year	49	41
Number of complaints received during the year	31,225	19,233
Number of complaints redressed during the year	31,144	19,225
Number of complaints pending at the end of the year	130	49

The resolution rate of customer complaints stood at 99.58% in FY 2025-26.

Management Discussion and Analysis (Contd.)

HUMAN RESOURCES

The Human Resources function is central to CSB Bank's transformation, combining a century-long legacy with a strong push towards innovation and digitalisation. The HR philosophy focusses on building an empowered, engaged, and future-ready organisation. The underlying belief is that employee experience drives customer experience, making HR central to sustainable growth.

As the Bank moves from the Build phase to Scale phase, HR is evolving from a support function into a strategic partner. This means aligning HR closely with business strategy, ensuring readiness for both current and future workforce needs.

Hiring Strategy

The Bank's hiring strategy is closely aligned with its growth objectives. In FY 2025-26, a total of 3,765 employees were recruited across roles. This includes 1,687 officers and 2,078 employees in other operational and relationship-based roles such as BDEs, RMEs, and CROs. Hiring is driven through a differentiated approach that clearly distinguishes between mass recruitment and specialist hiring. The total hiring for FY 2025-26 includes:

Financial Year	Employees Recruited		No. of Branches (incl. Service and Recovery)
	Operations	Sales	
FY 2025-26	896	2,869	864

Sr No.	Cadre	No. of New Recruits
1	Officers (including RSM/ASM/RE)	1,687
2	Others (BDE/BSEs, RMEs, CREs/CROs - Customer Relationship Officer, GLOs)	2,078
	Total	**3,765**

While large-scale hiring supports business expansion, specialised roles are filled through targeted sourcing channels such as job boards and internal referral mechanisms.

Human Resource Policies

Human Resource policies at the Bank serve as a structured framework for managing workplace practices, ensuring compliance with employment laws, and promoting a positive and consistent work environment. These policies provide clear guidance on HR processes, defining employee rights, responsibilities, and expected standards of conduct across the organisation.

The Bank has instituted several other key policies covering areas such as data privacy, information security, and ethical conduct, while continuing to strengthen and evolve its policy framework in line with emerging business and regulatory requirements. The Social Media Code of Conduct policy guides employees on the responsible use of digital platforms. It highlights the need to maintain professionalism, safeguard confidential information, and uphold the Bank's reputation in all online interactions.

Employee Well-being, Social Security, and Safety Initiatives

Staff Loans

The Bank offers a range of benefits to its IBA staff, including access to loans at preferential interest rates. This includes housing loans and motor vehicle loans, with assured security and structured repayment mechanisms. The Bank also offers concessional interest rates on educational loans to support employees in financing their children's higher education.

Home Loan

As part of its employee welfare initiatives and in line with industry best practices, the Bank provides home loans to its employees at subsidised interest rates.

POSH for Women

The Bank ensures a safe and respectful workplace for its female employees by providing protection against sexual harassment. This initiative is aligned with the provisions of the POSH Act enacted by the Government of India in 2013.

Health Insurance and Term Policies

The Bank offers comprehensive healthcare and insurance benefits to all employees, including medical reimbursement and cashless hospitalisation facilities. This is done through tie-ups with multiple insurance providers and third-party administrators (TPAs), with the insurance premium fully borne by the Bank.

For employees covered under the IBA framework, the Bank provides a health insurance scheme implemented in collaboration with National Insurance Company Limited. It offers coverage of ₹4 lakh for officers across all grades and ₹3 lakh for award staff, including clerical and subordinate employees.

The Bank also provides a group insurance scheme for IBA employees, offering death benefits of ₹2 lakh in case of accidental death and ₹1 lakh for death due to other causes. Certain group schemes provide only death cover, while the GSLI scheme includes a survival benefit, allowing employees to receive a payout upon separation from the Bank.

Officers in IBA Grade IV and above are covered under a Group Personal Accident Policy with a sum insured of ₹7.50 lakh, with the premium paid by the Bank. For other employees, the policy provides coverage equal to twice the annual CTC, subject to a maximum of ₹20 lakh, in the event of accidental death.

For CTC employees, the Group Medical Insurance scheme administered by Reliance General Insurance offers a graded sum insured ranging from ₹3 lakh to ₹4 lakh. This coverage extends to the employee, spouse, and up to four dependent children.

A voluntary parental medical insurance scheme is also available for CTC employees at competitive premium rates, borne by the employees. IBA and CTC employees may enhance their coverage through top-up plans at their own cost. Coverage under all schemes extends to employees and their dependants.

All CTC employees are also entitled to an annual comprehensive health check-up at no additional cost. This service is provided by EkinCare Health, which also acts as the TPA for the Group Medical Insurance in collaboration with Reliance General Insurance.

Furthermore, all employees are covered under a term insurance policy offered by Bajaj Allianz Life Insurance Co. Limited. Under this, they are provided life coverage of either twice the annual CTC or ₹10 lakh, whichever is higher, subject to a maximum limit of ten times the annual CTC.

Bereavement Leave

The Bank provides bereavement leave to employees in the event of the demise of their close relatives.

Health Checkup Leave

The Bank offers annual health checkup leave to all its employees as part of its commitment to employee well-being.

Menstrual Leave

The Bank introduced menstrual leave to support women employees. This special leave can be availed once a month by all women employees, in addition to their regular leave entitlements.

Late Sitting Policy

In situations where employees are required to work late due to circumstances beyond their control, the Bank provides transport facilities. This initiative helps reduce the impact of extended working hours and ensures employee safety.

Education Scholarship

The Bank awards scholarships to employees' children who demonstrate academic excellence. In addition, employees are reimbursed for course fees and provided incentives for successfully completing examinations or courses conducted by the Indian Institute of Banking and Finance (IIBF), as determined by the respective business units.

National Pension Scheme

The Bank actively promotes the National Pension Scheme, a social security initiative of the Central Government, encouraging employees to contribute regularly towards their pension during their service period. Employees are also provided with an online platform to easily open their Permanent Retirement Account Number accounts under the scheme.

Management Discussion and Analysis (Contd.)

Employee Identity Cards

To streamline processes and ensure timely issuance of identification, the Bank has introduced new employee identity cards for all new joiners, replacing the earlier ID-cum-debit cards.

Talent Management and Career Development

Talent development remains at the core of CSB Bank's HR strategy. The Bank has institutionalised career development programmes to ensure that employees have clear growth pathways and opportunities for progression.

A key initiative in this area is the Emerging Talent Programme, introduced to identify high-potential employees at early and mid-management levels. Employees selected under this programme are provided with accelerated career paths, priority access to internal opportunities, and differentiated training interventions. They are also exposed to specialised learning programmes, including international training opportunities, which broaden their strategic perspective.

The impact of this programme has been significant. In FY 2025-26, 622 employees were identified as emerging talent, with attrition within this group remaining below 6%. Additionally, around 11% of these employees were promoted to higher roles, demonstrating the effectiveness of the initiative in building leadership pipelines.

Employee Engagement and HR Business Partnering

A significant development has been the shift towards a structured HR Business Partnering model. Employee engagement is no longer limited to occasional interactions but driven through regular, scheduled touchpoints. These include one-on-one meetings, career discussions, and policy awareness sessions, designed to understand employee aspirations and concerns in a systematic manner.

These interactions are supported by a structured feedback mechanism, where insights are converted into dashboards and shared with managers for action. This has enabled early identification of attrition risks, better recognition of high performers, and quicker resolution of local issues within branches or business units.

The impact of this approach is evident in improved outcomes. Overall attrition has declined by approximately 7.6%, while early attrition, particularly within the first six months, has reduced significantly from around 64.5% to 59.4%.

The Bank introduced a quarterly newsletter, 'CSB Times' to strengthen internal communication and cultural alignment. This serves as a medium for leadership communication, employee contributions, knowledge sharing, and interactive content. By combining information with engagement elements such as quizzes and employee stories, the initiative has been well received and has contributed to a stronger organisational culture.

Digital Transformation in HR

The implementation of Oracle Fusion HRMS has transformed HR operations. The system has enhanced efficiency across recruitment, payroll, confirmations, and leave management, while introducing automation into several previously manual processes.

Employee self-service capabilities have been among the most impactful changes. Employees can now independently access information related to attendance, documentation, and HR policies, reducing reliance on HR personnel for routine queries. This has improved employee experience and enabled the HR team to manage higher volumes of work without increasing headcount. The function has become more scalable as a result.

HR Segmentation

The HR function, in collaboration with senior management, is restructuring business operations into vertical structures. This is in alignment with industry practices and greater use of technology, with the aim of enhancing customer experience and operational efficiency.

The restructuring targets reduced operational and credit risks alongside stronger customer service and responsiveness. As part of this initiative, Performance Score Cards have been introduced to evaluate individuals, units, and business functions. Clear job descriptions have been defined for 100% of unique roles, and 95.5% of employees are now covered under scorecard-based performance assessments.

Employees, units and functions receive regular and objective feedback to ensure clarity of expectations and support timely improvements. PMS workshops have been conducted for supervisors to enable fair and objective performance evaluations. Performance Improvement Programmes and quarterly or mid-year reviews have been implemented to further strengthen the performance management framework.

Industrial Relations

As of March 31, 2026, the Bank's total employee strength stood at 8,187. Of these, 832 employees, comprising officers and award staff, were governed by the IBA pay structure, while 7,352 employees were employed under the CTC framework.

To strengthen capabilities and bring in specialised expertise, the Bank engages retired officers from nationalised banks in select functional areas. Additionally, 3 employees are currently engaged on a contractual basis.

Management Discussion and Analysis (Contd.)

The average age of the Bank's workforce is 35 years.

Financial Year	Employees				Average Age (in Years)
	IBA	CTC	Contract Basis	Total	
FY 2023-24	996	6,864	3	7,863	33.4
FY 2024-25	906	6,708	2	7,616	34
FY 2025-26	832	7,352	3	8,187	35

The Bank has 513 officers in Scale I to III under the IBA pay structure, all of whom are members of Officers' Associations. Two officers' associations and three trade unions represent the award staff, including clerks, sub staff, and part-time sweepers. The Bank places strong emphasis on fostering cordial and harmonious industrial relations through regular engagement with these unions and associations, ensuring open communication, mutual trust, and constructive dialogue on employee-related matters.

By Order of the Board

Sd/-
Biswamohan Mahapatra
Chairperson
(DIN: 06990345)

Place: Thrissur
Date: June 25, 2026

Board's Report

Dear Shareholders,

Your Board of Directors (the "**Board**") have pleasure in presenting you the 105th Annual Report of CSB Bank Limited ("**CSB Bank/ the Bank**") together with the Audited Financial Statements, Independent Auditors' Report and the Report on the business and operations of the Bank for the financial year ended March 31, 2026.

FINANCIAL PERFORMANCE AND STATE OF THE BANK'S AFFAIRS

The financial highlights of the Bank for the financial year under review, are presented below:

(₹ in crore)

Particulars	March 31, 2026	March 31, 2025
Deposits	44,245.92	36,861.49
Net Advances	39,847.84	31,507.05
Total Assets/Liabilities	57,726.52	47,836.27
Interest Income	4,505.19	3,597.14
Net Interest Income (NII)	1,720.33	1,476.17
Non-Interest Income	1,176.59	972.05
Operating Profit/ (Loss)	1,085.39	910.24
Provisions and Contingencies (Other than tax)	234.23	110.71
Profit /(Loss) before Tax	851.16	799.53
Provision for taxes	217.98	205.73
Net Profit /(Loss)	633.18	593.80
Add: Surplus/(Deficit) brought forward from last year	956.29	622.57
Profit & Loss Account balance before appropriations	1,589.47	1,216.37
Appropriations		
Statutory Reserve u/s 17 of the Banking Regulation Act, 1949.	158.29	148.45
Capital Reserve	Nil	Nil
Revenue & Other Reserves	5.07	4.40
Investment Reserve Account	Nil	Nil
Investment Fluctuation Reserve	Nil	107.23
Balance carried over to Balance Sheet	1,426.11	956.29

(₹ in crore)

Particulars	March 31, 2026	March 31, 2025
Key Performance Indicators		
Capital Adequacy Ratio (CRAR)% Basel - III	20.66	22.46
Earnings per share (in ₹)	36.50	34.23
Book value per share (in ₹)	272.27	249.24
Net Interest Margin%	3.76	4.13
Cost-Income Ratio%	62.53	62.82
Return On Assets (ROA)%	1.26	1.49
Return On Equity (ROE)%	14.14	15.44
Gross NPA %	1.66	1.57
Net NPA %	0.40	0.52

PERFORMANCE OVERVIEW

During the period under review, your Bank continued to deliver sound performance across most key parameters, notwithstanding a challenging external environment characterised by tight systemic liquidity, elevated cost of funds, global market volatility, and sector specific stress in certain portfolios. The Bank's growth trajectory remained steady and clearly discernible, with several key business, operational and financial metrics reflecting robust growth. The Bank achieved a total business of ₹ 84,605 crore, supported by strong growth in advances and overall deposits, notwithstanding moderation in CASA deposits. The Bank also demonstrated consistent performance across its core operating segments and successfully achieved its topline growth targets. However, the bottom-line performance was marginally below expectations, primarily on account of prevailing liquidity constraints in the system, sectoral stress, and higher slippages.

In the Financial year 2025-26, the total income grew by ₹ 1,113 crore to ₹ 5,682 crore from ₹ 4,569 crore in the corresponding previous financial year. During the same period, Interest Income increased by ₹ 908 crore to ₹ 4,505 crore from ₹ 3,597 crore and Non-Treasury Other Income increased by ₹ 246 crore to ₹ 1,100 crore from ₹ 853 crore in the corresponding previous financial year. During the same period, Net Treasury Income decreased by ₹ 35 crore to ₹ 86 crore from ₹ 121 crore in the corresponding previous financial year.

In the same period, the total Operating Profit of the Bank increased by ₹ 175 crore to ₹ 1,085 crore from ₹ 910 crore and Net Profit increased by ₹ 39 crore to ₹ 633 crore from ₹ 594 crore in the corresponding previous financial year. The growth in profitability was supported by robust non-interest income, comprising processing fees, commissions from distribution of third-party products, charges on deposit accounts, and income from sale of Priority Sector Lending Certificates (PSLCs).

In the same period, the Bank's gross advances grew by ₹ 8,517 crore to ₹ 40,359 crore led by 53% growth in gold loans to ₹ 21,567 crore from ₹ 14,094 crore, 37% growth in corporate loans to ₹ 9,979 crore from ₹ 7,274 crore and 3% growth in SME/MSME to ₹ 4,350 crore from ₹ 4,241 crore. In the same period, the Deposits grew by ₹ 7,384 crore to ₹ 44,246 crore from ₹ 36,862 crore in the corresponding previous financial year.

Gross non-performing assets (GNPAs) increased by ₹ 172 crore to ₹ 670 crore as on March 31, 2026 from ₹ 498 crore as on March 31, 2025. Net non-performing assets (Net NPAs) decreased by ₹ 6 crore to ₹ 158 crore as on March 31, 2026 from ₹ 164 crore as on March 31, 2025. The gross NPA as percentage of advances increased by 9 basis points to 1.66% as on March 31, 2026 as against 1.57% as on March 31, 2025. Net NPAs decreased by 12 basis points to 0.40% as of March 31, 2026 from 0.52% as on March 31, 2025. Provision Coverage Ratio (including write off) stood at 86.33% at the end of the financial year as against 83.71% in the corresponding previous financial year.

Total Assets have increased by ₹ 9,890 crore and stood at ₹ 57,727 crore as on March 31, 2026 as against ₹ 47,836 crore as on March 31, 2025. Net Advances have increased by ₹ 8,341 crore and stood at ₹ 39,848 crore as on March 31, 2026 as against ₹ 31,507 crore as on March 31, 2025.

FINANCIAL PERFORMANCE

Net Interest Income (NII) increased by ₹ 244 crore to ₹ 1,720 crore in FY 2025-26 from ₹ 1,476 crore in FY 2024-25. Non–Treasury Other Income increased by ₹ 247 crore to ₹ 1,100 crore in FY 2025-26 from ₹ 853 crore in FY 2024-25. Net Treasury Income decreased by ₹ 35 crore to ₹ 86 crore in FY 2025-26 from ₹ 121 crore in FY 2024-25.

The operating profit increased by ₹ 175 crore to ₹ 1,085 crore in FY 2025–26 from ₹ 910 crore in FY 2024–25, supported by higher other income. Provisions other than taxes increased by ₹ 124 crore from ₹ 111 crore to ₹ 234 crore.

The Net Profit for the financial year 2025-26 was ₹ 633 crore as compared to Net Profit of ₹ 594 crore in the financial year 2024-25.

DIVIDEND

The Bank has formulated the Dividend Distribution Policy as per the requirements of Regulation 43A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("**SEBI Listing Regulations**") and guidelines issued by Reserve Bank of India (the "**RBI**").

The objective of the Policy is to lay down the criteria to be considered by the Board, before recommending dividend to its shareholders, whether it be Interim/Special Dividend or Final Dividend. The Bank believes in optimizing the shareholder's wealth by offering them various corporate benefits from time to time after considering the Capital to Risk (Weighted) Assets Ratio (CRAR) and reserve requirements subject to regulatory stipulations.

The Board, with the object of conserving profits to strengthen its balance sheet further, does not propose to recommend any dividend for the financial year ended March 31, 2026, notwithstanding the Bank has posted a commendable net profit during the period under review.

The Dividend Distribution Policy is available on the Bank's website at https://www.csb.bank.in/sites/default/files/annexure-IX_17_dividend_distribution_policy.pdf

CHANGE IN THE NATURE OF BUSINESS

During the financial year under review, there has been no change in the nature of business of the Bank.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE BANK

There are no material changes and commitments affecting the financial position of the Bank which has occurred between the end of the financial year of the Bank i.e., March 31, 2026 and the date of the Board's Report.

CAPITAL STRUCTURE

The Authorised share capital of the Bank stood at ₹ 220 crore divided into 22 crore equity shares with a face value of ₹ 10/- each as on March 31, 2026. During the financial year under review, there has been no change in the Authorised share capital of the Bank.

The Paid–up Equity Capital of the Bank stood at ₹ 173.49 crore comprising 17,34,85,827 fully paid–up Equity Shares of ₹ 10/- each as on March 31, 2026. The Bank has not allotted any shares during the financial year 2025-26, and as a result, the paid-up capital of the Bank remains unchanged, i.e., ₹ 173.49 crore, in the said period.

NET OWNED FUNDS

The Bank's Networth grew to ₹ 4,649 crore from ₹ 4,257 crore as of the previous financial year, and market capitalisation stood at ₹ 5,907 crore as on March 31, 2026 as against ₹ 5,244 crore as on March 31, 2025.

CAPITAL ADEQUACY RATIO

The Bank's overall Capital Adequacy Ratio (CRAR) under Basel III stood at 20.66% at the end of fiscal 2026, well above the benchmark requirement of 11.50% stipulated by Reserve Bank of India. Of this, the Common Equity Tier I (CET I) CRAR was 18.93% (against minimum regulatory requirement of 8%) and Tier I CRAR was 18.93% (against minimum regulatory requirement of 7%). As on March 31, 2026, the Bank's Tier II CRAR under Basel III stood at 1.73% as against 1.87% as on March 31, 2025.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134 (3) (c) read with Section 134 (5) of the Companies Act, 2013, the Board of Directors, to the best of its knowledge and ability, confirm that;

a. In the preparation of the annual accounts for the financial year ended March 31, 2026, the applicable accounting standards had been followed along with proper explanation relating to material departures.

b. The directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Bank at the end of the financial year 2025-26 and of the profit and loss of the Bank for that period.

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

d. The directors had prepared the annual accounts for the financial year ended on March 31, 2026, on a going concern basis.

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

f. The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

PROMOTER HOLDING – FIH MAURITIUS INVESTMENTS LTD

FIH Mauritius Investments Ltd (FIHM), the promoter of the Bank holds 40% of the paid-up capital of the Bank in line with Reserve Bank of India (Commercial Banks – Acquisition and Holding of shares or Voting Rights) Direction, 2025 dated November 28, 2025. FIHM holding in the Bank is subject to the dilution schedule as mandated by Reserve Bank of India and the RBI guidelines/directions as applicable, from time to time.

Pursuant to Section 12(2) of the Banking Regulation Act, 1949, and the RBI Gazette Notification No. DBR.PSBD. No.1084/16.13.100/2016-17 dated July 21, 2016, read with the Reserve Bank of India (Commercial Banks – Acquisition and Holding of Shares or Voting Rights) Directions, 2025 dated November 28, 2025, the voting rights of FIHM in the Bank is presently capped at 26% of the total voting rights of the Bank.

DISCLOSURE OF CERTAIN TYPE OF AGREEMENTS BINDING THE BANK

The Bank has entered into an Investment Agreement ("**Agreement**") dated February 20, 2018, with FIH Mauritius Investments Ltd (FIHM), the promoter of the Bank, which was superseded and replaced by Amended and Restated Investment Agreement dated October 15, 2018, read with Addendum No. 1 dated October 19, 2020 ("**Addendum**") to the Amended and Restated Investment Agreement dated October 15, 2018.

The salient features of the agreement in terms of Regulation 30A of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 read with clause 5A of paragraph A of Part A of Schedule III of the SEBI Listing Regulations was disclosed in the Annual Report of the Bank for the financial year 2023-24. The shareholders may refer page no. 93 of the said Annual Report for further information.

Except as stated above there are no other agreements which mandates a disclosure under of Regulation 30A of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 read with clause 5A of paragraph A of Part A of Schedule III of the SEBI Listing Regulations.

LEARNING INITIATIVES

During FY 2025–26, CSB Institute of Learning & Development ("**CSBILD**") played a strategic role in enabling organisational priorities by shifting decisively from activity-based training to outcomes driven capability building. The year marked maturation of the L&D agenda, with focus on building future ready skills, strengthening leadership capacity, and embedding mechanisms to measure and track the return on investment (ROI) of learning interventions. This approach enhanced accountability, reinforced the link between learning and business performance, and ensured that training initiatives delivered measurable and sustainable impact.

During the year, CSBILD achieved a significant milestone by ensuring 100% employee participation across a wide spectrum of learning platforms, including online, classroom-based, self-paced, and external programmes. Total training hours during the year stood at 461,845 hours, translating to an average of 56.9 learning hours per employee. This commitment to continuous development was evident across the workforce, with male employees averaging 54.86 hours and female employees averaging 59.87 hours of training, underscoring CSBILD's focus on inclusive and impactful learning.

In the same financial year, CSBILD rolled out two key learning initiatives aimed at strengthening employee capabilities and overall development. The first Saksham- A, CRO functional training programme designed to enhance sales effectiveness and service delivery. The second Skill Development Programmes, focussed on building behavioural competencies and strengthening workplace skills for employees across retail and non-retail functions.

Building on this momentum, CSBILD enhanced its onboarding framework by revising the flagship programme 'Neev' to 'Neev 2.0', a comprehensive four-day module. The programme integrates self-paced learning, Virtual Instructor-Led Training (VILT), and hands-on exposure to the Bank's core software systems, enabling new hires to transition smoothly into their roles.

Additionally, a self-paced /VILT programme titled 'Neev NXT' was introduced to support new joiners and users with role-specific learning needs, particularly for Branch Managers, Branch Operations Managers, Business Lending Group (BLG) and Trade & Business Group (TBG) and SWIFT and SFMS users.

CSBILD successfully retained its ISO 9001:2015 certification during the year, reaffirming its commitment to quality management standards, process excellence, and continuous improvement in learning and development practices.

HUMAN RESOURCES

For a detailed update on Human resources activities, please refer to the chapter on Human Resources / Industrial Relations in the Management Discussion and Analysis section for detailed analysis.

DIVERGENCE IN ASSET CLASSIFICATION AND PROVISIONING FOR NPAs

In terms of Reserve Bank of India (the "RBI") guidelines, banks are required to disclose the divergences in asset classification and provisioning consequent to the RBI's annual supervisory process in their notes to accounts to the financial statements. The disclosure is required if either or both of the following conditions are satisfied: (a) the additional provisioning for NPAs assessed by the RBI exceeds 5% of the reported profit before provisions and contingencies for the reference period; and (b) the additional gross NPAs identified by the RBI exceed 5% of the published incremental gross NPAs for the reference period.

Based on the above, no disclosure on divergence in asset classification and provisioning for NPAs is required with respect to RBI's annual supervisory process for fiscal 2026.

CREDIT RATINGS OF DEBT INSTRUMENTS

CRISIL, vide letter dated May 20, 2026, reaffirmed the rating 'CRISIL A1+' to the ₹ 2,500 crore Certificate of Deposits Programme and ₹ 2,000 crore Short Term Fixed Deposits Programme of the Bank. Further, CRISIL, vide letter dated May 20, 2026, reaffirmed 'CRISIL A /Stable' rating to the ₹ 500 crore Tier II, Basel III compliant bonds issue Programme of the Bank.

India Ratings and Research, vide letter dated August 14, 2025, revised its rating of 'IND A' with Outlook 'Stable' to 'Positive', to the ₹ 500 crore Tier II, Basel III compliant bonds issue Programme of the Bank. The Bank has not yet issued any bonds as part of the programme.

The detailed report on credit ratings obtained by the Bank for all the debt instruments outstanding as on March 31, 2026, are provided in the Report on Corporate Governance, forming part of this annual report.

DEPOSITS ISSUANCE PROGRAMME

During the period under review, your Bank raised ₹ 3,550 crore under the Certificate of Deposits (CD) programme, sourced from various mutual funds and banks. As of March 31, 2026, the outstanding amount under this programme stood at ₹ 1,475 crore compared to ₹ 1,750 crore as on March 31, 2025. The Bank has not raised deposits under the Short-Term Fixed Deposits Programme during the period under review.

ISSUE OF EQUITY SHARES WITH DIFFERENTIAL VOTING RIGHTS

As on the date of this Report, the Bank has not issued any equity shares with differential voting rights.

ISSUE OF SWEAT EQUITY SHARES

As on the date of this Report, the Bank has not issued any sweat equity shares.

EMPLOYEE BENEFITS SCHEME/PLAN

(A) SHARE BASED/LINKED SCHEME

(1) Equity-settled:

CSB Employees Stock Option Scheme 2019

The Bank, with the approval of shareholders obtained through a postal ballot on May 04, 2019, adopted the "CSB Employees Stock Option Scheme 2019" ("**ESOS 2019**" or "**Scheme**"). The Scheme is in compliance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021. The Scheme is administered through an employee stock option trust ("**ESOS Trust**") in the nature of an irrevocable employee welfare trust in due compliance with the applicable laws.

Under the Scheme, 6,53,176 stock options were granted in the financial year 2025-26. All the options were granted at market price as per the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, to be vested subject to the vesting conditions/ malus and claw back arrangements and be exercised within the period as per the terms of the grant and the Scheme.

As on March 31, 2026, out of total number of 20,18,734 options vested and in force since the date of first grant made under the scheme, 6,32,803 options vested during FY 2025-26 in accordance with the vesting schedule. 10,22,970 vested options were exercised by the grantees, while 1,16,419 vested options lapsed due to resignation or non-exercise by grantees within the stipulated timelines. Further, 4,98,254 unvested options lapsed prior to vesting on account of the resignation or separation of grantees. Consequently, the total number of options in force as on March 31, 2026 stood at 33,35,215 of which 8,79,345 were vested options.

Pursuant to the approval received from Reserve Bank of India on November 27, 2025, the Nomination & Remuneration Committee of the Board on December 12, 2025, granted 1,03,958 stock options to Mr. Pralay Mondal, Managing Director & CEO and 29,873 stock options to Mr. B K Divakara, Executive Director, at an exercise price of ₹ 388.70 per option, as part of variable pay for the performance period from April 01, 2024 to March 31, 2025.

Amendment proposed in the CSB Employees Stock Option Scheme 2019

No amendment is proposed to the CSB Employees Stock Option Scheme 2019 in the ensuing Annual General Meeting of the Bank.

CSB Employees Stock Option Scheme – Statutory Compliance

A Certificate of Secretarial Auditors of the Bank pursuant to Regulation 13 of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, that the CSB Employees Stock Option Scheme 2019 has been implemented in the Bank in accordance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, and the resolution passed by the Shareholders for the Scheme, will be placed to the Annual General Meeting for the scrutiny of Shareholders.

The disclosures as required as per rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014 and Regulation 14 of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, are given on the website of the Bank at https://www.csb.bank.in/general-meetings →Annual General Meeting - 2026. which forms part of this report as **Annexure - I**.

(2) Cash-settled:

CSB Cash Settled – Stock Appreciation Rights Scheme 2025

The Bank introduced the 'CSB Cash Settled – Stock Appreciation Rights Scheme 2025' ("CSAR 2025") on August 13, 2025, with the objective of attracting, retaining and motivating eligible employees, fostering longterm performance, value creation and a co-ownership mindset. Under the Scheme, employees are granted CashSettled Stock Appreciation Rights (SARs), which are equitylinked but settled in cash and do not involve dealing in the Bank's equity shares. The value (Appreciation) is calculated as the excess of the market price of the Bank's shares on the date of exercise over the predefined Base Price per CSAR. As per the Scheme, Vesting of CSARs granted shall not be earlier than minimum Vesting Period of 1 (One) year and not later than maximum Vesting Period of 2 (Two) years from the Grant Date. Subject to this overall band of Vesting Period, the Nomination & Remuneration Committee prescribes Vesting Period for a particular Grant or different Vesting Period for different Grants made at same time. Under the Scheme, payouts shall be settled entirely in cash and are based solely on the appreciation value determined at the time of exercise.

Under the Scheme, 5,24,741 SARs were granted during the financial year 2025–26. All SARs were granted at market price and vest equally over a period of two years from the grant date, subject to the vesting conditions as per the terms of the grant and the Scheme.

CASH BASED PLAN/SCHEME

(1) Long Term Cash Reward Plan (LTCRP)

The Bank introduced the Long Term Cash Reward Plan on August 13, 2025, for senior level employees, specifically those in Grade 6B of the Bank's organisational hierarchy. The plan provides a cash reward once in every two years, with a two year deferral from the date of award. Payouts are made in two equal instalments of which 50% on completion of 12 months and the remaining 50% on completion of 24 months from the award date, subject to continuous service and the prescribed performance rating. The Plan is grade based and linked to a percentage of fixed pay, subject to fulfilment of performance and other prescribed conditions.

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

CSB Bank's centurylong legacy is built on the principles of trust, ethics, and transparency. Since its inception, the Bank has remained committed to responsibly serving the needsbased segments of society and contributing positively to the communities it serves. While strengthening its core business, the Bank continues to prioritise environmental, social, and governance (ESG) considerations, which remain embedded in its policies and practices. By upholding high standards of corporate governance, the Bank ensures that transparency, accountability, and robust disclosure form the foundation of its operating philosophy.

The Bank, in compliance with Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with the SEBI Master Circular No. HO/49/14/14(7)2025-CFD-POD2/I/3762/2026 dated January 30, 2026, presents the Business Responsibility and Sustainability Report (BRSR) of the Bank for the FY 2025- 26, being the fourth report of its kind, in the format as specified by SEBI, describing the initiatives taken by the Bank from an environmental, social and governance perspective.

The Report indicates the Bank's performance against the nine principles of the 'National Guidelines on Responsible Business Conduct'. Reporting under each principle is divided into essential and leadership indicators. The report has been hosted on the website of the Bank and can be accessed at https://www.csb.bank.in/general-meetings → Annual General Meeting - 2026.

BUY-BACK OF SHARES OR PROVISION OF FINANCIAL ASSISTANCE FOR PURCHASE OF THE BANK'S SHARES

The Bank has not effected any buy–back of its shares or provided any financial assistance for purchase of its shares, to any persons including directors and employees of the Bank in terms of Section 67 of the Companies Act, 2013.

DISCLOSURE RELATED TO DETAILS OF DEPOSITS ACCEPTED

Being a banking company, the disclosures required as per Rule 8(5)(v)&(vi) of the Companies (Accounts) Rules, 2014, read with Sections 73 and 74 of the Companies Act, 2013 are not applicable to the Bank.

SUBSIDIARIES AND ASSOCIATES

The Bank does not have any subsidiaries, joint ventures or associate companies.

There are no companies which have become or ceased to be its subsidiaries, joint ventures or associate companies during the year under review.

The Bank has formulated a Policy for determining material subsidiaries pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the same is displayed on the website of the Bank at: https://www.csb.bank.in/pdf/Annexure-I_Policy_for_Determining_Material_Subsidiaries_15072024.pdf

RISK MANAGEMENT

The Bank has a comprehensive policy framework which contains separate policies for identification, measurement, monitoring & control and mitigation of all material risks including but not limited to credit, market, operational, liquidity, fraud risk, ESG and other Pillar– II risks. The Bank has put in place an integrated risk management policy which ensures independence of the risk governance structure. The Charter of the Integrated Risk Management Department (IRMD) is included in the Integrated Risk Management policy. The risk management policy details the principles, rules and guidelines to be adopted by the Bank for managing and controlling various kinds of risks through various sub– policies. The policies are implemented in an uninterrupted, reliable and comprehensive manner across the Bank.

The details of risk management practices are provided in the Management Discussion and Analysis Report annexed to the Director's Report.

WHISTLE BLOWER POLICY / VIGIL MECHANISM

A set of policies, that include Whistle Blower Policy, Anti Bribery & Anti-Corruption Policy and Policy to deal with Employee frauds are devised and formulated by the Vigilance Department as part of its ongoing preventive vigilance. These are scrupulously followed, for surveillance and control to prevent frauds and thereby manage the risk of eventual financial loss or Bank's reputation. These policies are aligned with the directions of the RBI, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Companies Act, 2013 and SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended.

One such policy, the Whistle Blower policy is an effective tool to report concerns regarding unethical behaviour, violation of systems & procedures, questions of law, wrong business practices or grave misconduct by the employees. As per this Policy, all stakeholders viz, Directors and employees of the Bank, customers, vendors, Non-Governmental Organisations (NGO) or any other person can lodge complaints. Link for the same is published on the Bank's Website. The Audit Committee of the Board (ACB) oversees the vigil mechanism through its committee processes. The Chairman of ACB directly hear grievances reported in the whistle blower complaints. Policy provides reassurance/protection to the whistle blower from victimisation, discrimination or reprisals for having blown the whistle, in good faith and in the interest of the Bank, identity of the whistle blower kept secret. The investigation under this policy shall be completed within 60 days from the date of receipt of the complaint and the report thereof should be placed before the ACB.

As part of the awareness programme, the said policies as well as the Ethics & Code of conduct for staff are included in sessions of the training programme conducted at the Bank's Human resource team, for enhancing awareness of fraud risk and for promoting a culture of compliance amongst the employees.

Bank is taking stringent action against those employees, vendors who fail to comply with the Bank's policy. Deficiencies/irregularities/Lacunae in the system and procedures, if any, observed during the investigation are plugged and wherever necessary systemic corrections are suggested and placed before the ACB for necessary directions. Further, with regard to the irregularities committed, the concerned officials, vendors are suitably cautioned so that incidents do not recur. Vigilance Department issues Caution Note on a regular basis that create awareness regarding the different modus operandi adopted by the fraudsters. This enables the Branches / Offices to prevent similar kind of fraudulent attempts in future. This policy is reviewed every year by the ACB and the Board and suitably amended, as required. A reference to the Whistle Blower Policy/Vigil Mechanism is also made in every caution note issued by the Vigilance Department.

Further the Anti-Bribery and Anti-Corruption Policy ensures that the stakeholders including employees (whether full-time or contractual, including trainees and interns), Directors, Agents, Associates, Vendors, Consultants, Advisors, Representatives, or Intermediaries do not indulge in any act of 'Bribery' or 'Corruption' while discharging their official duties, either in their own name or in the name of the Bank.

As part of the preventive mechanism, the department also undertakes Preventive Vigilance Audits, to ensure that all the checks and balances are in place. This promotes a culture of compliance amongst its employees. Moreover, the Bank is making all out efforts to prevent frauds by strengthening the existing control measures and by reiterating the systems and procedures, to update and alert its employees.

MANAGEMENT DISCUSSION AND ANALYSIS

Pursuant to the provisions of Regulation 34(2)(e) of the SEBI Listing Regulations, the Management Discussion and Analysis Report for the year under review is provided in a separate section forming part of this Report as **Annexure - III.**

INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Bank has laid down internal financial controls with reference to its financial statements. The integrity and reliability of the internal control systems are achieved through clear policies and procedures, process automation, training and development of employees, and an organisation structure that segregates responsibilities. These controls are reviewed and tested to ensure the accuracy and completeness of the accounting records and the preparation of reliable financial statements. The internal financial controls of the Bank with respect to the financial statements are adequate and are operating effectively.

The Bank is operating in a fully computerised environment with Core Banking System supported by diverse application platforms for handling special business such as treasury, trade finance, retail loans, etc. The process of recording transactions in each application platform is subject to various forms of control such as in–built system checks, maker–checker authorisations and independent post transaction reviews. The financial statements are prepared based on computer system outputs. Responsibility of preparations of financial statements is entrusted to a dedicated unit which is independent of business.

For mitigating risks and for KYC norms compliance, the Bank has put in place centralised processing for opening of CASA accounts and modifications in customer information. For login to CBS, in addition to login passwords, finger-scan authentication is implemented and as control measure, dual custody for cash and gold are in place in all branches.

The Bank has a process in place to continuously monitor the existing controls and identify gaps, if any, and implement new and/or improved controls wherever the effect of such gaps would have a material effect on the Bank's operation. During the year under review, there are no material or serious observations of inefficiency or inadequacy of such controls observed/reported.

CORPORATE GOVERNANCE

The Bank's corporate governance framework is designed to uphold the highest standards of accountability and transparency. In addition to complying with all mandatory requirements under the SEBI Listing Regulations, the Bank has voluntarily adopted several recommended practices to further strengthen its governance framework. These measures, together with the mandatory disclosures detailed in the Report on Corporate Governance, which forms part of the Board's Report, reflect the Bank's commitment to maintaining a robust, ethical, and well-supervised governance environment.

M/s BNP & Associates, Company Secretaries, Mumbai, the Secretarial Auditors of the Bank, have issued a certificate confirming the Bank's compliance with the provisions of corporate governance for the financial year 2025-26, as stipulated under Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2), and paragraphs C, D and E of Schedule V to the SEBI Listing Regulations. The certificate forms part of the Report on Corporate Governance.

UPDATE ON IND AS IMPLEMENTATION

Reserve Bank of India (RBI) vide press release RBI/2018-2019/146 DBR.BP.BC.No.29/21.07.001/ 2018-19, dated

March 22, 2019, advised all scheduled commercial Banks about deferment of implementation of Ind AS till further notice in the context of legislative amendments recommended by RBI on implementation of Ind AS were under consideration of the Government of India.

The implementation of Ind AS is expected to result in significant changes to the way the Bank prepares and presents its financial statements. The key impact areas during the implementation of Ind AS for the Bank include impairment requirements of Financial Instruments based on Expected Credit Loss, interest recognition using effective interest method and Fair valuation of financial assets.

As directed by Reserve Bank of India, the Bank has been submitting half-yearly Proforma Ind AS financial statements within the stipulated timelines.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS BY THE BANK

Pursuant to Section 186 (11) of the Companies Act, 2013, the provisions of Section 186 of Companies Act, 2013, except sub – section (1), do not apply to a loan made, guarantee given or security provided or any investment made by a banking company in the ordinary course of business, hence being excepted from disclosure requirements under Section 134(3)(g) of the said Act. However, the particulars of the investments made by the Bank are provided in Schedule 8 of the financial statements as required under the Banking Regulation Act, 1949.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The Bank obtained prior approvals of the Audit Committee, the Board, and the members of the Bank at the annual general meeting for all related party transactions/ material related party transactions. Your Bank obtained the omnibus approval of the Audit Committee for those transactions with related parties that are repetitive in nature. Further, the Audit Committee of the Board has reviewed all the transactions with the related parties on a quarterly basis.

No transactions were entered into with related parties, which were not in the ordinary course of the business of the Bank or which were not on an arm's length basis.

During the financial year 2025-26, the Bank has not entered into any materially significant transactions with its related parties, which could lead to potential conflict of interest between the Bank and these parties, other than transactions entered into with them in the ordinary course of its business.

The particulars of contracts or arrangements with related parties entered into during the period under review in terms of Section 188(1) of the Companies Act, 2013 are provided in e-Form AOC–2 as **Annexure -V** in terms of 134(3)(h) of the Companies Act, 2013.

The 'Policy on materiality of Related Party Transactions and on dealing with Related Party Transactions' has been reviewed by the ACB and the Board in the financial year 2025-26 and the same is made available on the website of the Bank at https://www.csb.bank.in/pdf/Annexure-II_Policy_on_dealing_with_Related_Party_Transaction_15072024.pdf, in terms of the SEBI Listing Regulations.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Bank recognise society as a primary stakeholder and consistently prioritise Corporate Social Responsibility (CSR) activities, embedding CSR into its core business strategies to address societal needs, foster a culture of responsibility and ethical conduct, and ensure sustainable development through well-structured and impactful initiatives. The Bank's CSR policy is meticulously designed with the primary objective of integrating CSR as a crucial business process for the sustainable development of the society. This policy functions as a guiding document, assisting in the identification, execution, and monitoring of CSR projects, ensuring they align with the spirit of the statutory requirements. The policy outlines clear objectives and methodologies for CSR initiatives, ensuring that each project is effectively managed and delivers tangible benefits to the community. Through this comprehensive approach, the Bank demonstrates its unwavering commitment to making a positive impact on society while maintaining transparency and accountability in all its endeavours.

During the financial year 2025-26, the Bank earmarked ₹15.30 crore for Corporate Social Responsibility (CSR) activities, compared to ₹13.90 crore in the previous financial year.

The Bank's Annual Action Plan continues to be focused on healthcare, education, gender equality, and environmental sustainability, and the financial year 2025–26 was no exception. During the financial year, the Bank spent a significant portion of CSR budget towards initiatives aligned with these focused areas. In addition to these core areas, the Bank also extended its CSR initiatives to other permissible sectors, including the promotion of sports through training initiatives, environmental conservation and ecological balance and women's empowerment. In identifying and implementing CSR projects, the Bank ensures that the benefits reach a wide base of deserving beneficiaries, without discrimination on the basis of caste, creed, or religion.

The Annual Report on Corporate Social Responsibility Activities of the Bank for the financial year 2025-26, has been provided in **Annexure - VI** to this report.

The Corporate Social Responsibility Policy as recommended by the CSR Committee and as approved by the Board is made available on the website of the Bank and can be accessed at https://www.csb.bank.in/sites/default/files/annexure-III_3_csr_policy.pdf.

AUDITORS

a) Statutory Auditors

The members of the Bank, at the 102nd Annual General Meeting (AGM) of the Bank held on August 08, 2023, approved the appointment of M/s. Walker Chandiok & Co LLP, Chartered Accountants, Mumbai as one of the Joint Statutory Auditors to hold office from the conclusion of the 102nd AGM until the conclusion of the 105th AGM. M/s. Sundaram & Srinivasan, Chartered Accountants, Chennai, were appointed as the other Joint Statutory Auditors at the 103rd AGM held on August 23, 2024, to hold office from the conclusion of the 103rd AGM until the conclusion of the 106th AGM.

The Bank obtained approval of Reserve Bank of India under Section 30(1A) of the Banking Regulation Act, 1949 for the appointment of both firms as Joint Statutory Auditors for FY 2025–26.

As per Reserve Bank of India Guidelines on Appointment of Statutory Auditors dated April 27, 2021, read with FAQs dated June 11, 2021, Walker Chandiok & Co LLP, Chartered Accountants, will complete their continuous tenure of three years at the conclusion of the 105th AGM and are not eligible for re appointment. Based on the recommendation of the Audit Committee, the Board recommends the appointment of M/s. M P Chitale & Co, Chartered Accountants, Mumbai (Firm Registration Number: 101851W), as one of the Joint Statutory Auditors, in place of Walker Chandiok & Co LLP, from the conclusion of the 105th AGM until the conclusion of the 108th AGM, subject to the specific approval of Reserve Bank of India for each financial year during their tenure, as required under Section 30(1A) of the Banking Regulation Act, 1949.

The Bank has obtained approval of Reserve Bank of India for the appointment of Sundaram & Srinivasan, Chartered Accountants, Chennai, together with M/s. M P Chitale & Co, Chartered Accountants, Mumbai as Joint Statutory Auditors for FY 2026–27, being their third and first year in office, respectively.

Pursuant to the Regulation 33(1) (d) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Joint Statutory Auditors have confirmed that they are subjected to the peer review process of the Institute of Chartered Accountants of India (ICAI) and that they hold a valid certificate issued by the Peer Review Board of ICAI.

The Board places on record its sincere appreciation and gratitude to M/s. Walker Chandiok & Co LLP, Chartered Accountants, Mumbai, for the valuable services rendered by them during their tenure as Joint Statutory Auditors of the Bank.

b) Independent Auditors' Report

The Joint Statutory Auditors of the Bank viz., M/s. Walker Chandiok & Co LLP, Chartered Accountants, Mumbai together with M/s. Sundaram & Srinivasan, Chartered Accountants, Chennai, have audited the accounts of the Bank for the FY 2025-26 and their Report is annexed.

Pursuant to Section 143(3)(i) of the Companies Act, 2013, the Statutory Auditors have also reported on the adequacy and operating effectiveness of the internal financial controls system over financial reporting, which has been enclosed as **"Annexure A"** to the Independent Auditor's Report.

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

(c) Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and Regulation 24A of the SEBI Listing Regulations, the Board, based on the recommendation of the Audit Committee of the Board, approved the appointment of M/s. BNP & Associates, Company Secretaries, Mumbai (Firm Registration No. P2014MH037400), a peerreviewed firm of Company Secretaries in Practice, as the Secretarial Auditors of the Bank for a period of five years from April 01, 2025 to March 31, 2030. The shareholders of the Bank approved this appointment at the 104th Annual General Meeting held on August 26, 2025.

(d) Secretarial Audit Report

The Secretarial Audit Report for the financial year 2025–26, issued by M/s BNP & Associates, Company Secretaries, is annexed to this Report as **Annexure VII**. The Bank provided all requisite records and information to the Secretarial Auditors to facilitate the smooth conduct of the audit.

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

(e) Secretarial Compliance Report

Pursuant to Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with circular No. CIR/CFD/ CMD1/27/2019 dated February 08, 2019 and Master Circular No. HO/49/14/14(7)2025-CFD-POD2/I/3762/2026 dated January 30, 2026, issued by SEBI, the Bank has obtained Secretarial Compliance Report for the financial year ended March 31, 2026, from M/s BNP & Associates, Company Secretaries, Mumbai, the Secretarial Auditors of the Bank on compliance of all applicable SEBI Regulations and circulars/ guidelines issued thereunder and the copy of the same was submitted with the Stock Exchanges within the prescribed timelines.

(f) Certificate in terms of Regulation 34(3) read with Schedule V of the SEBI Listing Regulations

In terms of Regulation 34(3) read with Schedule V of the SEBI Listing Regulations, the Bank has obtained a Certificate from M/s BNP & Associates, Company Secretaries, Mumbai, confirming that none of the Directors on the Board of the Bank have been debarred or disqualified from being appointed or continuing as Directors of the Bank either by the Securities and Exchange Board of India or the Ministry of Corporate Affairs or any other Statutory / Regulatory Authorities. The said certificate is Annexed to this Report.

(g) Reporting fraud by Auditors

During financial year ended March 31, 2026, pursuant to Section 143(12) of the Companies Act, 2013, neither the Statutory Auditors nor the Secretarial Auditor of the Bank have reported any instances of frauds committed in the Bank by its officers or its employees, except the cases as detailed below.

Statutory Auditors

M/s. Walker Chandiok & Co LLP, Chartered Accountants and M/s. Sundaram & Srinivasan, Chartered Accountants, Joint statutory auditors of the Bank, reported to the Audit Committee three frauds, viz (i) involving an amount of ₹ 2511.58 lakh, reported to the RBI as 3 frauds, (ii) ₹ 333.55 lakh, reported to the RBI as 3 frauds, and (iii) ₹ 180.67 lakh, reported to the RBI as 2 frauds, committed by employees of the Bank at Mumabi Fort, Davangere and Choondal branches respectively.

The disclosures as required under Section 143(12) of the Companies Act, 2013 read with Rule 13 of the Companies (Audit and Auditors) Rules, 2014 are given below:

1. Mumbai Fort Branch.

1.	Nature of Fraud with description;	Discounting of LCBD (Letter of Credit Bill Discounting) made by the staff without any mandatory documents viz. letter of credit, bill of exchange, invoice, LR /RR, insurance, SFMS confirmations etc. The funds so generated have been misappropriated by staff and diverted to third parties.
2.	Approximate Amount involved;	₹ 2,511.58 lakh [Out of the total amount involved, ₹ 2,484.51 lakh was siphoned off without genuine bills, invoices, and letters of credit, ₹ 18.41 lakh represents misappropriation of margin money, and ₹ 8.66 lakh was siphoned off against collection bills.]
3.	Parties involved, if remedial action not taken;	2 branch officials and 7 customers (one is the spouse of branch official).
4.	Remedial actions taken.	➢ One of the employees is under judicial custody and other one is dismissed from the service of the Bank. ➢ Various circulars are in vogue regarding the SOP/ guidelines. ➢ Stringent action was taken against the erring officials. ➢ Branch officials advised to be cautious/diligent. ➢ Conducted complete audit of LCBD portfolio instead of random/ sample cases. ➢ Steps taken to strengthen monitoring of LCBD Portfolio, based on the audit findings.

2. Davangere branch.

1.	Nature of Fraud with description;	Gold Loan Officer of the branch stealthily removed gold loan packets from the safe custody, and further permitted pledge of spurious ornaments in the name of friends and acquaintance of staff.
2.	Approximate Amount involved;	₹ 333.55 lakh [Out of the total amount involved, ₹ 184.46 lakh pertains to the removal of gold loan packets from safe custody, ₹ 9.99 lakh relates to the pledge of spurious ornaments, and ₹ 139.10 lakh involves pledging of spurious ornaments by the Gold Loan Officer in the names of his friends and acquaintances.]
3.	Parties involved, if remedial action not taken;	Gold Loan Officer and 9 customers.
4.	Remedial actions taken.	➢ Terminated concerned Gold Loan Officer ➢ Branch officials advised to be cautious. ➢ Stringent actions were taken against the employees for non-adherence to extant instructions of the Bank.

3. Choondal branch.

1.	Nature of Fraud with description;	Branch officials, in collusion with a third party (a customer-jeweller), disbursed gold loans in the names of multiple customers without their knowledge by manipulating the weight, description, and quantity of ornaments.
2.	Approximate Amount involved;	₹ 180.67 lakh [Out of the total amount involved, ₹ 170.46 lakh pertains to excess finance granted to a third-party customer by the GLO and BOM, and ₹ 10.21 lakh relates to irregularities including manipulation of weight, renewal and release of gold loans without customer presence, and pledge of spurious ornaments.]
3.	Parties involved, if remedial action not taken;	Gold Loan Officer, Branch Operations Manager, and a third party (i.e., a customer-jeweller)
4.	Remedial actions taken.	➢ Both the Gold Loan Officer and the Branch Operations Manager were dismissed from the services of the Bank. ➢ Strict action were taken against the staff involved for violating the extant guidelines of the Bank. ➢ Disciplinary action framework is circulated to all branches. ➢ Training is imparted on the internal process/policy on a regular basis.

Secretarial Auditors

During financial year 2025-26, pursuant to Section 143(12) of the Act, the Secretarial Auditors of the Bank have not reported any instances of frauds committed in the Bank by its officers or its employees.

COMPLIANCE TO SECRETARIAL STANDARDS

The Bank is in compliance with the Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI) related to the Board Meetings (SS-1) and the General Meeting (SS-2) during the FY 2025-26. Further, the Bank has devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India and that such systems are adequate and operating effectively.

TRANSFER OF UN-CLAIMED/UN-PAID DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

Dividend transferred to Unpaid Dividend account and remaining unpaid or unclaimed for a period of seven years from the date of such transfer, has to be transferred to Investor Education and Protection Fund as per Section 124 (5) of the Companies Act, 2013.

Since the Bank had not declared any dividends since the FY 2014-15, no amount were required to be transferred to the Investor Education and Protection Fund (the "**Fund**") by the Bank for the financial year ended March 31, 2026.

All the unclaimed dividends pertaining to the prior period/ financial years were transferred to the Fund in the corresponding previous financial years within the stipulated time and in the manner as prescribed in Section

124(6) of the Companies Act, 2013, read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended from time to time.

TRANSFER OF EQUITY SHARES TO INVESTOR EDUCATION AND PROTECTION FUND AUTHORITY

Pursuant to Section 124(6) of the Companies Act, 2013, read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended and other applicable rules, notifications and circulars, if any, every company is required to transfer to the Investor Education and Protection Fund (IEPF) the shares in respect of which dividends have remained unpaid or unclaimed for seven consecutive years.

Since the Bank has not declared any dividend since FY 2014–15, no shares were required to be transferred to the IEPF during the financial year ended March 31, 2026. However, the Bank had transferred to the IEPF the shares in respect of which dividends declared prior to FY 2014–15 had remained unclaimed for a period of seven consecutive years or more, in compliance with the aforesaid provisions.

UNCLAIMED SHARE APPLICATION MONEY

There is no unclaimed Share application money pending with the Bank or to be transferred to Investor Education and Protection Fund.

COMPENSATION/ REMUNERATION POLICY

Since the Bank has formulated and adopted a Compensation Policy in accordance with the Reserve Bank of India Circular No. DOR.Appt.BC.No.23/29.67.001/2019-20 dated November 04, 2019, which has since been repealed and superseded by the Reserve Bank of India (Commercial Banks – Governance) Directions, 2025 dated November 28, 2025. The Policy is also aligned with the relevant provisions of Section 178 of the Companies Act, 2013, the applicable Rules framed thereunder, and the SEBI Listing Regulations.

The Policy lays down clear criteria for determining remuneration and governs the compensation and other benefits applicable to the Non-Executive Chairperson, Non-Executive Directors, Managing Director & CEO, Whole-Time Directors, Material Risk Takers, Control Function Staff, and all other officials/employees of the Bank.

The details of the Policy are provided in the Report on Corporate Governance, as required, which forms part of this Board's Report. The Policy was last reviewed by the Nomination and Remuneration Committee and the Board at their respective meetings held on March 25, 2026.

The excerpts from the Compensation Policy are made available on the website of the Bank.

NOMINATION POLICY

The Bank has formulated and adopted Nomination policy for appointment and orderly succession of appointment of Part–time Chairperson, Managing Director & CEO, Whole time Directors, Non-executive Directors, Key Managerial Personnel and Senior Management team in the Bank. The Policy set out the criteria for determining qualifications, competencies, positive attributes and independence required for the appointment of directors. The details of the Policy are provided in the Report on Corporate Governance, as required, which forms part of this Board's Report.

The Nomination Policy was last reviewed by the Nomination and Remuneration Committee and the Board at their respective meetings held on November 05, 2025. The policy is made available on the website of the Bank at: https://www.csb.bank.in/sites/default/files/annexure-VI_9_nomination_policy.pdf

PARTICULARS OF EMPLOYEES

The information required pursuant to Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, in respect of Directors and Employees of the Bank, is provided in **Annexure – VIII** to this Report.

The statement containing the names of top ten employees in terms of remuneration drawn and the particulars of employees as required under Section 197(12) of the Companies Act, 2013, read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, forms part of **Annexure – VIII** to this Report. In terms of Section 136(1) of the Companies Act, 2013, the Annual Report and the Financial Statements are being sent to the members excluding aforesaid statement. However, the said statement shall be made available for inspection by the members at the registered office of the Bank, in the manner as prescribed in the notice of the Annual General Meeting. Alternatively, any member desirous of obtaining a copy of the said statement may write to the Company Secretary at secretarial@csb.bank.in

BOARD OF DIRECTORS

The Bank has a broadbased Board of Directors constituted in compliance with the requirements of the Banking Regulation Act, 1949, the circulars and guidelines/ Directions issued by Reserve Bank of India from time to time, the Companies Act, 2013, and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The composition reflects an appropriate balance of experience, expertise, and independence, consistent with the corporate governance principles adopted by the Bank.

The Board structure is designed to ensure strong oversight, effective decisionmaking, and adherence to the highest standards of transparency, accountability, and ethical conduct.

As on the date of this report, the Board comprises of eleven (11) Directors, out of which Seven (7) are Independent Directors, two (2) are Non-executive, Non-Independent Directors and Two (2) are Executive Directors. The Directors possess rich experience and specialised knowledge in various areas of relevance to the Bank viz. Agriculture, Rural Economy, Banking, Accountancy, Co-operation, Economics, Finance, MSME, Information Technology, Payment & Settlement Systems, Human Resources, Risk Management and Business Management, Law, SSI, etc.

The Board functions as the apex governing body of the Bank and discharges its responsibilities both directly and through various Committees constituted to oversee specific areas of operations and governance. Policy formulation, business strategy, setting up of goals, performance evaluation, and oversight of control functions vest with the Board. The Committees provide focused supervision over the operational, regulatory, and supervisory matters assigned to them by the Board from time to time, thereby strengthening the overall governance framework.

None of the Bank's directors are disqualified from being appointed as a director as specified in Section 164 of the Companies Act, 2013. All Directors have further confirmed that they are not debarred from holding the office of a director under any order from SEBI or any other such authority.

Appointment/changes in the Board Directors of the Bank since the last Board's Report dated June 24, 2025, and up to the date of the Report is as given under:

APPOINTMENT OF PART-TIME CHAIRPERSON

Pursuant to the receipt of approval from Reserve Bank of India, vide letter no. DoR.GOV.No.1059/08.36.001/2025-26 dated May 09, 2025, the members of the Bank at the 104th Annual General Meeting of the Bank held on August 26, 2025, approved the appointment of Mr. Biswamohan Mahapatra (DIN: 06990345) as the Part-time Chairperson of the Bank for a period of three years, starting from May 09, 2025 and up to May 08, 2028.

RE-APPOINTMENT OF MANAGING DIRECTOR & CEO

Pursuant to the receipt of approval from Reserve Bank of India, vide letter no. DoR.GOV.No.2031/08.36.001/2025- 26 dated June 12, 2025, the members of the Bank at the 104th Annual General Meeting of the Bank held on August 26, 2025, approved the re-appointment of Mr. Pralay Mondal as Managing Director & CEO of the Bank for a period of three years with effect from September 15, 2025 and upto September 14, 2028.

COMPLETION OF TENURE OF APPOINTMENT

Mr. Madhavan Menon (DIN: 00008542), Non-Executive, Non-Independent Director, who was liable to retire by rotation, was re-appointed at the Annual General Meeting held on August 26, 2025. He subsequently ceased to be a Director of the Bank with effect from October 20, 2025, upon completion of his eight-year tenure, in accordance with Section 10A(2A)(i) of the Banking Regulation Act, 1949.

The Board places on record its appreciation for the valuable contributions made by Mr. Madhavan Menon to the Bank and also for the support and cooperation extended during his tenure. The Board also expresses its gratitude for the professional, unbiased, and constructive approach consistently demonstrated by him at the meetings of the Board and its Committees. The Board specially noted that, during his tenure as Part-time Chairperson, the Bank successfully completed its initial public offering, followed by the listing of its shares on BSE and NSE on December 04, 2019.

APPOINTMENT OF DIRECTOR

Pursuant to the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Bank, at its meeting held on November 5, 2025, appointed Ms. Sheetal Rupesh Sancheti (DIN: 10119781) as an Additional Director (Non-Executive, Non-Independent) of the Bank, with effect from the same date, liable to retire by rotation. The said appointment was subject to the approval of the Shareholders of the Bank, and the requisite approval was obtained on January 21, 2026, through a resolution passed by way of postal ballot on that date.

Ms. Sheetal Rupesh Sancheti represents the sector- 'Accountancy, Banking, Finance & Economics' on the Board of the Bank.

WOMAN DIRECTOR

In terms of the provisions of Section 149(1) of the Companies Act, 2013 and Regulation 17 of the SEBI Listing Regulations, the Bank is required to have at least one independent woman director on the Board. Currently, there are two independent women directors and one Non-Executive, Non-Independent woman director on the Board of the Bank. Ms. Sharmila Abhay Karve (DIN: 05018751) since July 20, 2020, Ms. Renu Kohli (DIN: 07981627) since December 14, 2023, and Non-Executive, Non-Independent Director Ms. Sheetal Rupesh Sancheti (DIN: 10119781) since November 05, 2025, on the Board of the Bank.

DIRECTORS RETIRING BY ROTATION

In terms of Section 152 of the Companies Act, 2013 and as per the terms of the appointment, Executive Director, Mr. B.K.Divakara (DIN: 06439053) shall retire by rotation and being eligible, offers himself for re-appointment at the ensuing Annual General Meeting (AGM).

Approval of the members of the Bank is being requested for re-appointment of Mr. B.K.Divakara at the ensuing AGM.

The detailed profile of Mr. B.K. Divakara (DIN: 06439053) recommended for reappointment in the ensuing Annual General Meeting will be provided in the Notice of the Annual General Meeting for the benefit of shareholders as per the provisions of the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standard on General Meetings (SS-2).

INDEPENDENT DIRECTORS - COMPLIANCE STATUS

The Bank fully satisfies the requirements of Section 149 of the Companies Act, 2013 and Regulation 17 of the SEBI Listing Regulations in connection with the appointment/ re-appointment of Independent Directors and the following are the Independent Directors of the Bank as on the date of this report.

Sl. No.	Name of the Independent Director	Term	Term of appointment is up to
1	Ms. Sharmila Abhay Karve (DIN: 05018751)	Second	July 19, 2028
2	Mr. Sudhin Bhagwandas Choksey (DIN: 00036085)	Second	January 30, 2029
3	Mr. Sharad Kumar Saxena (DIN: 08238872)	Second	February 18, 2030
4	Ms. Renu Kohli (DIN:07981627)	First	December 13, 2028
5	Mr. Deepak Maheshwari, (DIN: 08163253)	First	June 11, 2027
6	Mr. Narasimha Raju Narasappa Doddahosahalli, (DIN: 01070476)	First	December 12, 2027
7	Mr. Biswamohan Mahapatra (DIN: 06990345)	Second	August 02, 2029

The performance of the Independent Directors is subject to evaluation as per Section 149(8) of the Companies Act, 2013 and read with Schedule IV to the said Act.

The Board is confident about their integrity, expertise and experience in the relevant functional areas.

DECLARATION BY INDEPENDENT DIRECTORS

All Independent Directors have confirmed of having complied with the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with 25(8) of the Regulations that they meet the criteria of independence laid down thereunder. Further, they have also confirmed of having complied with the Code for Independent Directors prescribed in Schedule IV to the Companies Act, 2013 and the Code of Conduct and Ethics for Board of Directors and Senior Management Personnel of the Bank.

Based on the declarations submitted by the Independent Directors, the Board is of the opinion that they fulfil the conditions specified in the Act and SEBI LODR and are independent of the Management. There has been no change in the circumstances affecting their status as independent directors of the Bank.

Further, pursuant to regulation 5 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, all Independent Directors have confirmed that while dealing with the Bank, they shall comply with responsibilities or obligations, if any, assigned to them under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Pursuant to rule 6(3) of the Companies (Appointment and Qualifications of Directors) Rules, 2014, the Independent Directors of the Bank have affirmed that, they had registered as an Independent Director in the Independent Directors Data Bank as required under rule 6(1) and 6(2) of the Companies (Appointment and Qualifications of Directors) Rules, 2014 and had also complied with the requirements of passing the online proficiency self-assessment test/ exempted from online proficiency self-assessment test in terms of Rule 6(4) of the Companies (Appointment and Qualifications of Directors) Rules, 2014, as amended.

The Bank has not appointed any Independent Director since the date of the last Board's Report and up to the date of this Report. Accordingly, the disclosure under Rule 8(5)(iiiA) of the Companies (Accounts) Rules, 2014, in respect of the Board's opinion on the integrity, expertise, and experience (including the proficiency) of Independent Directors appointed during the said period, is not applicable.

FAMILIARISATION PROGRAMMES OF INDEPENDENT DIRECTORS

All Directors, including Independent Directors, are familiarised with their roles, rights, and responsibilities at the time of their appointment and on an ongoing basis.

The Bank conducts structured familiarisation programmes and facilitates various learning initiatives, including certification programmes on IT and Cyber Security, along with other topics relevant to the Bank's operations, to ensure that Directors remain well-informed and effectively equipped to discharge their duties.

The details of various programmes undertaken/arranged for familiarizing the Independent Directors and other programmes arranged for the directors are disclosed in the Report on Corporate Governance, which forms part of this Report.

Details of familiarisation programmes attended by all Directors including Independent Directors are provided at https://www.csb.bank.in/pdf/Directors_Training_27052025.pdf, pursuant to regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

KEY MANAGERIAL PERSONNEL

During the Financial year, there was no change in the Key Managerial Personnel (**"KMP"**) of the Bank. As on the date of this report, the following are the KMP's as per Section 203(1) read with Section 2(51) of the Act and Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

NAME OF THE KMP	DESIGNATION
Mr. Pralay Mondal	Managing Director & CEO
Mr. B. K. Divakara	Executive Director
Mr. Satish Gundewar	Chief Financial Officer
Mr. Sijo Varghese	Company Secretary

BOARD AND ITS COMMITTEES

Board and Number of Meetings

Regular meetings of the Board are convened to deliberate on business policies, strategic matters, and other important aspects of the Bank's operations. In situations requiring urgent decisions, the Board also passes resolutions by circulation, in accordance with applicable provisions.

The annual schedule of Board and Committee Meetings is finalised in advance and circulated to all Directors for their planning and convenience.

The Board met ten (10) times during the financial year 2025–26, and the interval between any two consecutive meetings did not exceed the statutory limit of 120 days.

Detailed information on the meetings of the Board is provided in the report on Corporate Governance, which forms part of this Report.

Committees of the Board

The Bank has eleven sub-committees of the Board, constituted in accordance with applicable laws, regulatory requirements, and the Bank's commitment to bestinclass corporate governance practices. These Committees provide focused oversight in their respective domains and support the Board in discharging its supervisory and strategic responsibilities effectively.

The composition, powers, roles, and terms of reference of these Committees are provided in detail in the Report on Corporate Governance, which forms part of this Board's Report.

AUDIT COMMITTEE OF THE BOARD

The Bank has constituted the Audit Committee of the Board (**"ACB"**) in accordance with the extant guidelines of Reserve Bank of India, the provisions of the Companies Act, 2013, and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Committee discharges the functions prescribed under the Companies Act, 2013, as well as those mandated by the Reserve Bank of India and the SEBI Listing Regulations. In addition, the ACB discharges such responsibilities/ functions as may be delegated by the Board from time to time. The Audit Committee serves as an effective oversight layer for the Board in matters relating to inspection, audit, financial reporting, and the Bank's internal control framework.

The Board has accepted all the recommendations of the Audit Committee. The composition, role and functions of Committee, are provided in the Report on Corporate Governance, which forms part of this annual report.

ANNUAL EVALUATION OF PERFORMANCE

Pursuant to the provisions of the Companies Act, 2013, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and also in line with Board Evaluation Policy, the Bank has put in place criteria for annual evaluation of performance of Chairperson, Managing Director & CEO, Executive Directors, Non-executive Directors, Independent Directors, Board Level Committees and the Board as a whole.

The performance of the members of the Board other than Independent Directors and the Board as a whole has been evaluated separately at the meeting of the Independent Directors.

The performance of the Independent Directors has been reviewed by the Board as provided for under Section 149(8) read with Schedule IV of the Companies Act, 2013.

The Statement indicating the manner in which formal annual evaluation of the Directors, Committees of the Board and the Board are given in detail in the report on Corporate Governance, which forms part of the Annual Report.

The Nomination & Remuneration Committee of the Board annually reviews and approves the criteria and the mechanism for carrying out the said exercise effectively.

The Board Evaluation Policy is displayed on the website of the Bank at: https://www.csb.bank.in/pdf/Annexure-III_Board_Evaluation_PolicY_15072024.pdf

PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Considering the nature of activities of the Bank, with respect to the provisions of Section 134(3)(m) of the Companies Act, 2013 relating to conservation of energy and technology adoption, the Bank continues to make sustained efforts to enhance operational efficiency through the adoption of appropriate technologies. The Bank remains committed to pursuing improvements in systems, processes, and energy-efficient practices, consistent with the objectives of the Act and in support of longterm business requirements.

In accordance with Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014, the relevant disclosures are provided hereunder:

(a) Conservation of Energy

The Bank continues to take a structured and responsible approach towards reducing energy consumption across its operations. In line with its environmental commitments and sustainability objectives, the Bank has initiated multiple measures to improve energy efficiency at branches, ATMs, and administrative offices. These include the phased installation of LED lighting, energy-efficient air-conditioning systems, and other low-power electrical equipment to replace legacy fixtures. The Bank also promotes optimal utilisation of lighting and electrical appliances, adopts automated controls and timers where feasible, and encourages energy-conscious practices among employees. In addition, energy-efficient upgrades are being incorporated into all new branches and renovation projects to ensure long-term sustainability. Through these initiatives, the Bank aims to progressively lower its energy footprint and contribute to environmentally responsible operations.

(b) Technology Absorption

In line with the nature of operations and the longterm digital strategy, the continuous efforts are made to evaluate, adopt, and integrate suitable technologies across business and support functions. The Bank's technology adoption initiatives are focused on improving operational efficiency, strengthening risk management, enhancing customer experience, and ensuring regulatory compliance.

During the year, the Bank continued to invest in modernising its core systems and strengthening its digital capabilities. Upgrades were carried out in core transaction platforms, cybersecurity systems, and digital delivery channels to support scalability, resilience, and faster service delivery. The Bank has also been deploying advanced analytics tools, workflow automation solutions, and straight-through processing capabilities to streamline operations and reduce manual interventions.

In addition, the Bank has expanded the use of customer-facing technologies, including enhancements in mobile and internet banking platforms, digital onboarding modules, cardless ATM features, and accessibility-enabled interfaces. The Bank's emphasis on adopting industry-standard security frameworks, improved data-protection tools, and advanced monitoring systems further reflects its commitment to responsible technology implementation.

(c) Foreign Exchange Earnings and Outgo

Foreign exchange earnings and outgo form an integral part of the Bank's normal banking operations. As an Authorised Dealer (Category - I) in foreign exchange, the Bank undertakes various activities such as remittances, trade finance, export credit, and other treasury operations that contribute to its foreign exchange business. The Bank continues to take all necessary steps to support and promote export-related activities through timely sanction and disbursement of export credit, efficient handling of trade transactions, and customercentric forex services.

The particulars of foreign exchange earnings and outgo for the year, as required under the Companies Act, 2013, are provided in the financial statements forming part of this Annual Report.

ACCESSIBILITY FOR PERSONS WITH DISABILITIES

The Bank in line with the 'Rights of Persons with Disabilities Act, 2016' and regulatory guidelines issued by the RBI and SEBI in this regard, has ensured and implemented several accessibility measures across its branches, offices, ATMs and digital channels for an inclusive and accessible banking environment for customers with disabilities. Ramps have been provided at branches, offices and ATMs, wherever feasible, to facilitate ease of access for persons with disabilities and senior citizens. Branches are also equipped with inclusive features such as designated seating facilities and lower-height counters to support convenient access to banking services. ATMs are enabled with accessibility features including Braille keypads and voice assistance to assist visually impaired customers.

The Bank's digital channels, including its Internet Banking and Mobile Banking applications powered by Oracle Digital Banking Experience (DBX), are designed and evaluated in alignment with the Web Content Accessibility Guidelines (WCAG) issued by the World Wide Web Consortium (W3C), covering Versions 2.0, 2.1 and 2.2 at Levels A and AA. In addition, the Bank is undertaking a comprehensive revamp of its website to further enhance accessibility and align with evolving regulatory and industry standards.

To strengthen governance and customer support, the Bank has designated nodal officers at branch and Head Office levels to address issues relating to persons with disabilities and has established a dedicated grievance redressal mechanism for such customers. The Bank also conducts regular sensitisation programmes, workshops and induction training programmes to equip its employees with the knowledge and skills required to effectively assist customers with disabilities.

The Bank has also initiated a detailed assessment to identify additional measures for improving accessibility across its operations, the findings of which are planned to be implemented in the coming years. The Bank remains committed to continuously strengthening accessibility across its physical and digital touchpoints to ensure equitable access to banking services for all stakeholders.

A STATEMENT BY THE BANK WITH RESPECT TO THE COMPLIANCE OF THE PROVISIONS RELATING TO THE MATERNITY BENEFIT ACT, 1961

During FY 2025-26, the Bank has complied with all the applicable provisions relating to the Maternity Benefit Act, 1961.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS

During the FY 2025-26, no significant and material orders were passed by the regulators or courts or tribunals impacting the going concern status and the Bank's operations in future.

MAINTENANCE OF COST RECORDS

Being a banking company, the Bank is not required to make and maintain such accounts and cost records as specified by the Central Government under sub–section (1) of Section 148 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014.

CEO & CFO CERTIFICATION

Pursuant to Regulation 17(8) of the SEBI Listing Regulations, the Certificate issued by Mr. Pralay Mondal, Managing Director & CEO and Mr. Satish Gundewar, Chief Financial Officer of the Bank, for the financial year ended March 31, 2026, was placed before the Board at its meeting held on May 04, 2026.

INFORMATION UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Bank has formulated and adopted a Policy on Prevention of Sexual Harassment of Women at workplace.

The Bank has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The information relating to complaints received and redressed during the FY 2025-26 is disclosed in the Report on Corporate Governance, which forms part of the Board's report.

STRICTURES AND PENALTIES

There are no instances of non-compliance by the Bank and no penalties or strictures have been imposed on the Bank by the Stock Exchange(s) and/or SEBI and/or any other statutory authorities on matters relating to capital market activities, during the last three years.

DISCLOSURE UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016

Being a banking company, the disclosures required as per Rule 8(5)(xi)&(xii) of the Companies (Accounts) Rules, 2014, on the details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year along with their status as at the end of the financial year and the details of difference between amount of the valuation done at the time of one time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof, are not applicable to the Bank.

However, being a banking company, during the period under review, the Bank was part of the Corporate Insolvency Resolution Process (CIRP) initiated against nine corporate debtors before NCLT for a total book value of ₹ 182.07 crore.

ANNUAL RETURN

Pursuant to sub–section 3(a) of Section 134 and sub– section (3) of Section 92 of the Companies Act, 2013, read with Rule 11 of the Companies (Management and Administration) Rules, 2014, as amended, the Annual Return (MGT-7) as on March 31, 2026, will be displayed on the website of the Bank at: https://www.csb.bank.in/generalmeetings > Annual General Meeting – 2026.

ANNEXURES FORMING A PART OF THIS REPORT

The following Annexures as referred to in this Report form part of the Board's Report:

Annexure	Particulars
Annexure – I	Disclosures under SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and/or the Companies Act, 2013.
Annexure – II	Business Responsibility and Sustainability Report (BRSR) of the Bank for FY 2025-26.
Annexure – III	Management Discussion and Analysis.
Annexure – IV	Report on Corporate Governance.
Annexure – V	e-Form AOC–2 - The particulars of contracts or arrangements with related parties entered in terms of Section 188(1) of the Companies Act, 2013.
Annexure – VI	Annual Report on Corporate Social Responsibility activities of the Bank for the FY 2025-26.
Annexure – VII	Secretarial Audit Report.
Annexure – VIII	Disclosure under Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.
Annexure - IX	CEO/CFO Certification.
Annexure - X	Corporate Governance Certificate.
Annexure - XI	Certificate of Non- Disqualification of Directors.

ACKNOWLEDGEMENTS AND APPRECIATIONS

The Board expresses its deep gratitude to the Government of India, Reserve Bank of India, the Securities and Exchange Board of India, the Ministry of Corporate Affairs, the Stock Exchanges, the Insurance Regulatory and Development Authority of India, the domestic banking fraternity, the Depositories and the Rating Agencies, for their continued guidance, support and cooperation extended to the Bank throughout the year. The Board also expresses its deep gratitude to the Bank's valued customers for their unwavering trust and enduring patronage.

The Board extends its deep appreciation to every member of the CSB family for their dedication, integrity, professionalism, teamwork and sustained performance. Their collective efforts have played a pivotal role in strengthening the Bank's customercentric ethos and enabling the Bank to deliver commendable progress in an increasingly competitive environment. The Board looks forward to their continued commitment as the Bank advances towards its aspiration of becoming a midsized bank by 2030, guided by Vision 'SBS 2030'– 'Sustain, Build, Scale', which reflects the Bank's resolve to pursue excellence and purposeful growth.

The Board expresses its profound gratitude to all shareholders and the wider stakeholder community for their steadfast support, confidence, and continued engagement with the Bank. The Board remains committed to nurturing this strong and mutually beneficial relationship as the Bank progresses into the scale phase of its Vision, SBS 2030.

By Order of the Board

Sd/-

Biswamohan Mahapatra

Place: Thrissur — Chairperson

Date: June 25, 2026 — (DIN: 06990345)

Annexure - V

e-Form no. AOC-2

(Pursuant to clause (h) of sub-section (3)of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014

(Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto)

1. DETAILS OF CONTRACTS OR ARRANGEMENTS OR TRANSACTIONS NOT AT ARM'S LENGTH BASIS IN FISCAL 2026

Sl. No.	Corporate identity number (CIN) or foreign company registration number (FCRN) or Limited Liability Partnership number (LLPIN) or Foreign Limited Liability Partnership number (FLLPIN) or Permanent Account Number (PAN)/Passport for individuals or any other registration number	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions actual / expected contractual amount	Justification for entering into such contracts or arrangements or transaction	Date(s) of approval by the Board (latest approvals)	Amount paid as advances, if any:	Date on which the resolution was passed in general meeting as required under first proviso to section 188 (DD/MM/YYYY)	SRN of MGT-14
NIL										

Annexure - V (Contd.)

2. DETAILS OF MATERIAL CONTRACTS OR ARRANGEMENTS OR TRANSACTIONS AT ARM'S LENGTH BASIS IN FISCAL 2026

Sl. No.	Corporate identity number (CIN) or foreign company registration number (FCRN) or Limited Liability Partnership number (LLPIN) or Foreign Limited Liability Partnership number (FLLPIN) or Permanent Account Number (PAN)/Passport for individuals or any other registration number	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including actual / expected contractual amount	Date(s) of approval by the Board, if any	Amount paid as advances, if any
1.	126598 C1/GBL	FIH Mauritius Investments Ltd (Promoter)	Acceptance of deposits in current account or any other similar/other types of accounts permitted to be opened under applicable laws.	From the date of 104th Annual General Meeting (i.e August 26, 2025) upto the date of 105th Annual General Meeting (both dates inclusive) of the Bank.	The value of each transaction/ value of all transactions together/ the balance in any such account for which approval accorded, on any day, shall not exceed ₹ 5,000 crore. Currently, no interest is paid by the Bank on current account balance maintained by a customer. The Bank levies normal banking charges on the current account customers for various services. For any other similar accounts/other types of accounts, levy of charges, fees, and payment interest, as applicable, shall be made in accordance with the Bank's policies and RBI norms, and further the same is in line with or similar to all customers who are not related to/ part of any related parties of the Bank.	The Audit Committee in its meeting held on June 20, 2025 and the Board in its meetings held on June 24, 2025, and approval of the shareholders at the 104th Annual General Meeting of the Bank held on August 26, 2025.	No advance paid
2.	126599 C1/GBL	FIH Private Investments Ltd (Promoter Group)	Acceptance of deposits in current account or any other similar / other types of accounts permitted to be opened under applicable laws.	From the date of 104th Annual General Meeting (i.e August 26, 2025) upto the date of 105th Annual General Meeting (both dates inclusive) of the Bank.	The value of each transaction/ value of all transactions together/ the balance in any such account for which approval accorded, on any day, shall not exceed ₹ 5,000 crore. Currently, no interest is paid by the Bank on current account balance maintained by a customer. The Bank levies normal banking charges on the current account customers for various services. For any other similar accounts/other types of accounts, levy of charges, fees, and payment interest, as applicable, shall be made in accordance with the Bank's policies and RBI norms, and further the same is in line with or similar to all customers who are not related to/ part of any related parties of the Bank.	The Audit Committee in its meeting held on June 20, 2025 and the Board in its meetings held on June 24, 2025, and approval of the shareholders at the 104th Annual General Meeting of the Bank held on August 26, 2025.	No advance paid

Annexure - V (Contd.)

Sl. No.	Corporate identity number (CIN) or foreign company registration number (FCRN) or Limited Liability Partnership number (LLPIN) or Foreign Limited Liability Partnership number (FLLPIN) or Permanent Account Number (PAN)/Passport for individuals or any other registration number	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including actual / expected contractual amount	Date(s) of approval by the Board, if any	Amount paid as advances, if any
3.	126598 C1/GBL	FIH Mauritius Investments Ltd (Promoter)	Transactions pertaining to permitted foreign exchange transactions including international cross border transactions wherein the Bank act as an authorised dealer in foreign exchange	From the date of 104th Annual General Meeting (i.e August 26, 2025) upto the date of 105th Annual General Meeting (both dates inclusive) of the Bank.	The Bank offers or undertakes such transactions as an authorised dealer in the normal course of its banking business. However, the value of such banking transactions may not exceed ₹ 5000 crore under any circumstances. The terms of transactions are based on the requirements of the Bank and related parties and is subject to RBI norms and Bank's internal policies of respective products which are applicable to all customers (related/unrelated).	The Audit Committee in its meeting held on June 20, 2025 and the Board in its meetings held on June 24, 2025, and approval of the shareholders at the 104th Annual General Meeting of the Bank held on August 26, 2025.	No advance paid
4.	126599 C1/GBL	FIH Private Investments Ltd (Promoter Group)	Transactions pertaining to permitted foreign exchange transactions including international cross border transactions wherein the Bank act as an authorised dealer in foreign exchange	From the date of 104th Annual General Meeting (i.e August 26, 2025) upto the date of 105th Annual General Meeting (both dates inclusive) of the Bank.	The Bank offers or undertakes such transactions as an authorised dealer in the normal course of its banking business. However, the value of such banking transactions may not exceed ₹ 5000 croreunder any circumstances. The terms of transactions are based on the requirements of the Bank and related parties and is subject to RBI norms and Bank's internal policies of respective products which are applicable to all customers (related/unrelated).	The Audit Committee in its meeting held on June 20, 2025 and the Board in its meetings held on June 24, 2025, and approval of the shareholders at the 104th Annual General Meeting of the Bank held on August 26, 2025.	No advance paid

 # For further details, please refer to 'Accounting Standard 18 -Related Party Disclosures' provided in Schedule 18, which forms part of the financial statements.

By Order of the Board

Sd/-
Biswamohan Mahapatra
Chairperson
(DIN: 06990345)

Place: Thrissur
Date: June 25, 2026

Annexure - VI

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. Brief outline on CSR Policy of the Company.

The CSR Policy of the Bank aims to identify and support all projects/programs/subjects undertaken as part of the Bank's Corporate Social Responsibilities/commitments within the framework of the Companies Act, 2013, as amended and the Schedule VII of the said Act, as amended read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended, from time to time.

The Policy serves as a guiding principle/document to help identify, execute and monitor CSR projects/activities as well as formulation of the annual action plan in pursuance and in keeping with the spirit of the Policy.

The annual action plan for CSR activities of the Bank includes the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act, the manner of execution of such projects or programmes, the modalities of utilisation of funds and implementation schedules for the projects or programmes, monitoring and reporting mechanism for the projects or programmes, etc.

The Bank's Annual Action Plan has been primarily focused on healthcare, education, gender equality, and environmental sustainability, and the financial year 2025–26 was no exception. During the said financial year, the Bank utilised the major portion of CSR budget towards activities aligned with these focus areas, strictly in accordance with the approved Annual Action Plan and the CSR Policy of the Bank. In addition to the four core areas, as part of the plan, the Bank also extended its CSR initiatives to other permitted areas, inter alia, eradicating hunger, poverty, and malnutrition; training to promote rural sports and nationally recognised sports; ecological balance; maintaining air quality; and promoting women empowerment.While identifying and implementing CSR projects, the Bank ensures that the benefits of these programmes reach the maximum number of deserving beneficiaries, without any discrimination on the basis of caste, creed or religion.

During the financial year 2025-26, the Bank has performed its CSR activities through own initiatives and also by partnering with various like-minded eligible charitable organisations. The Bank has also encouraged its business units or functions to seek out opportunities for performing CSR activities.

The Bank as part of CSR Policy, is committed to continue its focus towards sustainable development and responsible banking with a clear understanding that bank has a key role of job and wealth creation in the society. CSR is generally understood to be the way an organisation achieves a balance between economic, environmental and social imperatives while addressing the expectations of shareholders and stakeholders.

2. Composition of CSR Committee:

Constitution of the Corporate Social Responsibility Committee (CSR Committee) in the Bank is in line with Section 135 of the Companies Act, 2013 and rules made thereunder. The CSR Committee is empowered to monitor the CSR activities as per the CSR policy and annual action plan and the CSR Committee is responsible for overall governance of CSR activities in the Bank as per the policy.

The composition of the CSR Committee during the financial year 2025-26 was as follows:

Sl No	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Ms. Renu Kohli, Independent Director	Chairperson	3	3
2.	Mr. Pralay Mondal, Managing Director & CEO	Member	3	3
3.	Mr. Sumit Maheshwari, Non-Executive Director	Member	3	3
4.	Mr. Sudhin Choksey, Independent Director	Member	3	3
5.	Ms. Sharmila Abhay Karve, Independent Director	Member	3	3

*There was no change in the composition of the CSR Committee during the financial year 2025-26.

3. Provide the web-link(s) where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

Composition of CSR Committee	https://www.csb.bank.in/pdf/List-of-Sub-Committees-of-the-Board-w.e.f.06.11.2025.pdf
CSR Policy	https://www.csb.bank.in/sites/default/files/annexure-III_3_csr_policy.pdf
CSR projects approved by the Board	https://www.csb.bank.in/pdf/csr_projects_fy_2025-26.pdf

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable.

During the financial year 2025–26, the Bank conducted impact assessments, through independent external agency, in respect of two CSR projects implemented during FY 2022–23, the details of which are as follows:

Sl.No.	Name of the Project	Implementing Agency	Address
1	Project Dialysis	Fairfax India Charitable Foundation	324, Dr. D.N. Road, Fort, Mumbai, Maharashtra 400001.
2	Maha-Arogya Shibir	RK HIV AIDS Research & Care Centre	7A/G5, Juhu Sangita Apartments, Juhu Tara Road, Mumbai, Maharashtra 400049.

The executive summaries of the impact assessments of the aforesaid projects are set out in Annexure I to the Annual Report on CSR Activities.

Impact assessment reports on the above projects are available at https://www.csb.bank.in/pdf/csr_impact_assessment_fy_2025-26.pdf

5.	**(a) Average net profit of the company as per sub-section (5) of section 135.**	₹ 7,64,85,25,725.99
	(b) Two percent of average net profit of the company as per sub-section (5) of section 135.	₹ 15,29,70,514.52
	(c) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years.	NIL
	(d) Amount required to be set-off for the financial year, if any.	NIL
	(e) Total CSR obligation for the financial year [(b)+(c)-(d)]	₹ 15,29,70,514.52
6.	**(a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project).**	Ongoing Projects : NIL* Other than ongoing projects : ₹ 5,60,95,200.00
	(b) Amount spent in Administrative Overheads.	₹ 11,800.00
	(c) Amount spent on Impact Assessment, if applicable.	₹ 13,71,487.00
	(d) Total amount spent for the Financial Year [(a)+(b)+(c)].	₹ 5,74,78,487.00

(e) **CSR amount spent or unspent for the financial year:**

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135.		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
₹ 5,74,78,487.00	₹ 9,55,21,513.00	April 24, 2026	–Nil–		

Annexure - VI (Contd.)

(f) **Excess amount for set off, if any**

Sl. No.	Particular	Amount (in ₹)
(1)	(2)	(3)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	₹ 15,29,70,514.52
(ii)	Total amount spent for the Financial Year	₹ 5,74,78,487.00*
(iii)	Excess amount spent for the financial year [(ii)-(i)]	Nil
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

** excludes an amount of ₹ 9,55,21,513 budgeted for the ongoing project, viz., Project Dialysis, which was transferred to the Unspent CSR Account for the financial year 2025–26 on April 24, 2026, and shall be utilised on or before March 31, 2027, in accordance with the terms of the arrangement.*

7. Details of Unspent Corporate Social Responsibility amount for the preceding three financial years:

Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Balance Amount in Unspent CSR Account under Section 135(6) (in ₹).	Amount Spent in The Financial Year (in Rs)	Amount transferred to a fund as specified under Schedule VII as per second proviso to section 135(5), if any.		Amount remaining to be spent in succeeding financial years. (in ₹)	Deficiency, if any
					Amount (in ₹)	Date of transfer		
1.	FY 2024-25	₹ 7,78,93,000.00#	₹ 7,78,93,000.00	₹ 7,78,93,000.00	Nil	NA	Nil	Nil
2.	FY 2023-24	₹ 3,79,04,186.00@	Nil	NA	NA	NA	NA	NA
3.	FY 2022-23	Nil						

 # Spent during the FY 2025-26

@Spent during the FY 2024-25

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

☐ Yes ☑ No

If Yes, enter the number of Capital assets created/ acquired

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Finanial Year:

Sl. No.	Short Particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration Number, if applicable	Name	Registered Address

----------Not Applicable----------

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/Municipal Corporation/ Gram Panchayat are to be specified and also the area of the immovable property as well as boundaries)

Annexure - VI (Contd.)

9. Specify the reason(s), if the company has failed to spend two percent of the average net profit as per section 135(5).

The Bank has spent two percent of the average net profit as per section 135 (5) of the Companies Act, 2013.

Sd/-	Sd/-	Sd/-
Pralay Mondal	**Renu Kohli**	**Biswamohan Mahapatra**
Managing Director & CEO	Chairperson – CSR Committee	Chairperson
(DIN: 00117994)	(DIN: 07981627)	(DIN: 06990345)

Place: Thrissur
Date: June 25, 2026

ANNEXURE 1: SUMMARY OF IMPACT ASSESSMENT STUDIES CONDUCTED DURING FY 2026 THROUGH EXTERNAL AGENCIES

1. **Impact Assessment of 'Project Dialysis' – CSB Bank partnered with Fairfax India Charitable Foundation, Mumbai, Amount Spent: ₹ 1.82 crore**

CSB Bank Limited, in partnership with Fairfax India Charitable Foundation, implemented Project Dialysis, a CSR healthcare intervention aimed at enhancing access to affordable and quality dialysis services for renal patients across underserved regions in India. With a total contribution of ₹ 1.82 crore, the project was designed to address critical gaps in dialysis infrastructure and affordability, particularly in areas where such services are limited or non-existent.

The initiative focuses on mitigating the high cost of dialysis treatment, which averages approximately ₹ 2.4 lakh per annum and increases significantly in remote regions due to additional expenses such as transportation, loss of wages, and caregiver support. By facilitating access to free and subsidized dialysis services closer to patients' homes, the project has contributed to reducing the financial burden on patients while addressing the demand–supply imbalance in dialysis availability.

In terms of service delivery, the project supports the establishment and operation of dialysis centres mainly at district-level hospitals, thereby strengthening healthcare infrastructure in rural and semi-urban areas. It also fosters public-private partnerships and generates employment opportunities for local doctors, technicians, and paramedical staff, contributing to capacity building in the healthcare ecosystem.

The intervention demonstrated strong inclusivity by extending services to economically weaker sections, including BPL patients as well as individuals affected by HIV, HCV, and HBV with kidney failure. By bringing essential healthcare services closer to underserved populations, the project has improved accessibility and continuity of life-saving treatment.

A key outcome of the intervention has been the delivery of 1,36,418 free dialysis sessions across ten states, supported through 34 dialysis centres, thereby positively impacting 348 patients.

Key findings of the assessment were:

- The implementation of Project Dialysis significantly enhanced access to affordable and quality dialysis services, particularly in underserved and remote regions where dialysis infrastructure was limited or unavailable. The project contributed to indirect socio-economic benefits, including savings in transportation costs, reduced wage losses, and improved productivity of patients and caregivers.
- The establishment and support of 34 dialysis centres strengthened district-level healthcare infrastructure and enabled patients to access treatment closer to their homes, reducing dependency on urban facilities.
- The intervention effectively mitigated the high cost of dialysis treatment (approximately ₹ 2.4 lakh per annum), thereby reducing the financial burden on patients and minimizing out-of-pocket expenditure for economically weaker sections.
- The initiative addressed the demand–supply gap in dialysis services, improving availability of treatment slots and reducing waiting time for patients requiring urgent care.
- The intervention fostered public-private partnership and local capacity building, generating employment opportunities for doctors, technicians, and paramedical staff while strengthening healthcare delivery systems.

Annexure - VI (Contd.)

- the project delivered substantial social value by improving access to life-saving dialysis services and strengthening rural healthcare ecosystems, with strong potential for scalability and sustained impact.
- A significant proportion of dialysis machines funded under the project are currently operating beyond the original Annual Maintenance Contract (AMC) period, which may lead to maintenance challenges and potential service disruptions. It is recommended that the implementing agency leverage its scale to engage with OEMs for rationalised pricing for maintenance and service support, while also developing a long-term strategy for timely replacement of ageing machines to prevent erosion of capacity and ensure continuity of services.
- Bundling critical components like RO plants and Dialyzer Reprocessing Machines along with dialysis units presents an opportunity to improve service quality, reduce operational costs, and ensure more reliable and sustainable dialysis delivery.
- The estimated Social Return on Investment (SROI) from the intervention 8.06, indicating that the project generates multiple-fold social and economic value for every rupee invested, driven by cost savings, improved health outcomes, and productivity gains.

2. **Impact Assessment of Project 'Maha Arogya Shibir' – a Mega Health Camp conducted by RK HIV & AIDS Research and Care Centre -Amount Spent: ₹ 2.5 crore**

   CSB Bank Limited, in partnership with RK HIV & AIDS Research & Care Centre (RKHIVRC), conducted 'Maha Arogya Shibir', a large-scale CSR health intervention aimed at enhancing access to preventive and curative healthcare services for underserved populations in Mumbai. The project, with an overall outlay of ₹ 2.5 crore, was designed to address critical gaps in healthcare accessibility and affordability, particularly among lower- and middle-income groups who often face barriers to timely medical care. The camp successfully conducted on different dates, reached/benefited over 1,00,000 beneficiaries. The programme adopted an integrated service delivery model, combining consultations, diagnostics, free medicines, health awareness, and referral support.

   In terms of service delivery, the project mobilised over 500 doctors, supported by nurses, paramedical staff, and volunteers. A structured and systematic process—from registration and primary screening to specialist consultation, diagnostics, and referral—enabled efficient and large-scale service delivery. The inclusion of multiple systems of medicine, along with preventive healthcare interventions, enhanced the relevance, acceptability, and comprehensiveness of services offered.

   The intervention demonstrated strong outreach and community engagement through multi-channel mobilisation strategies involving NGOs, educational institutions, trade unions, and local community networks. This approach ensured effective penetration among vulnerable and underserved sections, including women, children, persons with disabilities, and individuals engaged in the informal sector. Balanced gender participation and a high uptake of diagnostic and screening services indicate enhanced accessibility and community trust in the initiative.

   A key outcome of the intervention was its contribution to early detection and improved health outcomes. Large-scale screening facilitated the identification of serious health conditions, including cancer, chronic diseases, and visual impairments. Evidence suggests that early diagnosis and timely referral led to life-saving interventions and significant improvements in quality of life. Additionally, awareness programmes conducted during the camp contributed to behavioural change, particularly in the area of substance abuse, with approximately 10–15% of identified users opting for de-addiction support.

Key findings of the assessment were:

- The organisation of the Maha Arogya Shibir Health Camp significantly enhanced access to comprehensive and free healthcare services, enabling timely diagnosis and treatment for a large number of beneficiaries from underserved communities.
- The camp facilitated screening, consultation, and treatment of a substantial number of patients across multiple specialties, leading to early identification of chronic and acute health conditions and improving overall health outcomes.
- The provision of diagnostic services and free medicines enabled immediate medical intervention for beneficiaries, reducing dependency on delayed or unaffordable healthcare alternatives.
- The initiative strengthened preventive healthcare awareness, with beneficiaries receiving guidance on disease prevention, hygiene, and lifestyle modifications, thereby promoting long-term community health improvement.
- The availability of trained medical professionals and coordinated volunteer support ensured efficient service delivery and effective patient management, resulting in high levels of beneficiary satisfaction.

Annexure - VI (Contd.)

- The camp operations contributed to streamlined patient handling and reduced burden on local healthcare facilities, particularly in managing general ailments and preliminary screenings.
- Certain operational challenges were observed, including high patient inflow leading to waiting times and the need for enhanced crowd management mechanisms during peak periods.
- The absence of a structured post-camp follow-up system limited continuity of care for patients requiring long-term treatment or specialized medical attention.
- Data collection and documentation processes were functional; however, improvements are required in digital record-keeping and impact tracking systems to strengthen monitoring and evaluation.
- The assessment highlights the need to strengthen continuity of care through structured follow-up systems, improved referral mechanisms, and expanded mobile healthcare outreach, to ensure sustained patient outcomes beyond initial intervention.
- The assessment underscores the need to increase the frequency of camps and strengthen stakeholder partnerships, enabling continuity of care, improved trust among beneficiaries, and better alignment with public healthcare systems for sustained impact
- There exists a significant opportunity to institutionalise impact measurement, enhance inclusivity, scale preventive health interventions, and deepen partnerships with public health systems, thereby improving accessibility, equity, and long-term effectiveness of the programme.
- The assessment noted the absence of a clearly defined Theory of Change (ToC) and structured results framework, which limited systematic impact evaluation and measurement of long-term project outcomes.
- Overall, the intervention delivered significant social value by bridging healthcare accessibility gaps, and the estimated impact indicates substantial long-term benefits, with strong potential for enhanced outcomes through sustained engagement and follow-up initiatives.

ANNEXURE - VII

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2026

[Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
CSB Bank Limited
Head Office, CSB Bhavan,
St. Mary's College Road,
Thrissur 680020

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **CSB Bank Limited, (CIN: L65191KL1920PLC000175)** (hereinafter called the 'Bank') for the financial year ended March 31, 2026 ('period under audit'). Secretarial Audit was conducted in a manner that provided us with a reasonable basis for evaluating the Bank's corporate conducts/statutory compliances and for expressing our opinion thereon.

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

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Bank for the period under audit according to the provisions of:

I. The Companies Act, 2013 ("the Act") and the Rules made thereunder;
II. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
III. The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the Rules made thereunder;
IV. The Foreign Exchange Management Act, 1999 and the Rules/ Regulations made thereunder to the extent of Foreign Direct Investments;
V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"):
   (a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR");
   (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015*;
   (c) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
   (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
   (e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 2025 relating to the Companies Act, 2013 and dealing with clients;
   (f) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.

*The Bank has also maintained a Structured Digital Database ("SDD"), pursuant to the requirement/s of regulation 3 (5) and 3 (6) of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 2015.

We have also examined compliance by the Bank with the applicable clauses of the Secretarial Standard on Meetings of Board of Directors and its Committees (SS-1) and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India and notified by the Central Government under Section 118(10) of the Act which are mandatorily applicable to the Bank.

During the period under audit, the Bank has complied with the provisions of the Act, Rules, Regulations, Standards, as mentioned above.

We have also examined, on test-check basis, the relevant documents and records maintained by the Bank according to the

following laws applicable specifically to the Bank and the Bank has provided required confirmation on the same, reliance on which has been placed by us.

I. Banking Regulation Act, 1949, Master Circulars, Notifications, Guidelines and other directions pertaining to commercial banking, issued by the Reserve Bank of India (RBI), from time to time;
II. Other applicable general business laws, rules, regulations and guidelines;
III. Foreign Contribution (Regulation) Act, 2010;
IV. KYC/ PML Policy on Securities of the Prevention of Money Laundering Act, 2002;
V. The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002; and
VI. The Recovery of Debts Due to Banks and Financial Institutions Act, 1993.

Based on such examination and having regard to the compliance system prevailing in the Bank, we report that, the Bank has generally complied with the provisions of the above laws during the period under audit.

During the period under audit, provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 were not applicable to the Bank:

I. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder with respect to Overseas Direct Investments and External Commercial Borrowings;
II. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
III. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
IV. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;
V. The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018.

We further report that:

The Board of Directors of the Bank is duly constituted with a proper balance of Managing Director, Executive Directors, Non-Executive Directors and Independent Directors including women independent directors. The changes in the composition of the Board of Directors and Key Managerial Personnel, which have taken place during the period under audit were carried out in compliance with the provisions of the Act and LODR.

There are instances where the regulatory authorities have imposed penalties/fines on the Bank which have been paid and duly reported to the Stock Exchanges in accordance with the Regulations.

The following changes have occurred in the composition of the Board of Directors and Key Managerial Personnel, as follows:

I. Appointment of Mr. Biswamohan Mahapatra (DIN: 06990345) as the Independent Director of the Bank for a term of four (4) years, from April 16, 2025 to August 02, 2029 (both days inclusive), not liable to retire by rotation, pursuant to the approval of the members through postal ballot dated April 10, 2025, and as the Part-time Chairman of the Bank, from May 09, 2025 to May 08, 2028 (both days inclusive), pursuant to the approval granted by the Reserve Bank of India (RBI) and at the 104th Annual General Meeting of the Bank held on August 26, 2025.
II. Re-appointment of Mr. Pralay Mondal (DIN: 00117994) as the Managing Director & Chief Executive Officer of the Bank for a further term of three (3) years with effect from September 15, 2025, pursuant to the approval granted by the Reserve Bank of India (RBI) and the approval of the shareholders at the 104th Annual General Meeting of the Bank held on August 26, 2025.
III. Re-appointment of Mr. Madhavan Menon (DIN: 00008542), as a Non-Executive Non-Independent Director of the Bank, liable to retire by rotation, at the 104th Annual General Meeting held on August 26, 2025.

   Mr. Madhavan Menon has ceased to be a Non-Executive Non-Independent Director of the Bank with effect from October 20, 2025, upon completion of a cumulative tenure of eight years on October 19, 2025.
IV. Appointment of Ms. Sheetal Rupesh Sancheti (DIN: 10119781) as an Additional Director (Non-Executive, Non-Independent) of the Bank by the Board of Directors at its meeting held on November 05, 2025, pursuant to the approval by the Members through Postal Ballot held on January 21, 2026.

Adequate notices have been given to all directors of the Bank as regards the schedule of the meetings of the Board (including the meetings of its committees) except where consent of directors/ members of the Committees has been received for holding the meeting/s at a shorter notice. Agenda and detailed notes on Agenda were also sent to all the directors of the Bank at least seven days in advance, except in cases where consent of directors/members of the Committees, was received

Annexure - VII (Contd.)

for circulation of the agenda and notes on Agenda at a shorter notice.

Consequent to the changes in the composition of the Board of Directors, the Committees of the Board have been constituted, wherever necessary, in compliance with the requirements of the listing regulations.

A system exists for seeking and obtaining further information and clarifications on the agenda items before the meetings and for meaningful participation by the directors at the meetings.

All decisions at the meetings of the Board and the meetings of the Committees (including the circular resolutions) were carried out unanimously as recorded in the minutes of the meetings of the Board of Directors and its Committees.

The policies as approved by the Board of Directors pursuant to the requirements of the LODR have been periodically reviewed and suitably aligned with the amendments made to the said Regulations.

We further report that there are reasonably adequate systems and processes in the Bank, which are commensurate with its size and operations, to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the period under audit, the following specific events / actions having a major bearing on the Bank's affairs have taken place in pursuance of the above referred laws, rules, regulations and standards:

I. The Bank has noted the transfer for allotment of 1,59,693 equity shares of ₹ 10/- each to the eligible employees of the Bank during the period under audit by the CSB ESOS Trust, pursuant to exercise of options under its CSB Employees Stock Options Scheme (ESOS) 2019.

II. The members of the Bank have approved the following at the 104th Annual General Meeting held on August 26, 2025:

   (a) Appointment of BNP & Associates, Practicing Company Secretaries (Firm Registration Number P2014MH037400), as the Secretarial Auditors of the Bank for the term of 5 (five) consecutive years, from (FY 2025-26 to FY 2029-2030), commencing from the conclusion of the 104th Annual General Meeting of the Bank till the conclusion of the 109th Annual General Meeting to be held in calendar year 2030.

   (b) Payment of remuneration to Mr. Biswamohan Mahapatra (DIN: 06990345), Non-Executive (Part-time) Chairman of the bank for Financial Year 2025-26, on a monthly basis, an amount which has been approved by the RBI.

   (c) Continuation of Material Related Party Transactions with FIH Mauritius Investments Ltd., the Promoter of the Bank for the period from the date of the 104th Annual General Meeting up to the date of 105th Annual General Meeting (both date inclusive) of the Bank, for an aggregate value not exceeding ₹ 5,000 crore.

   (d) Approved the continuation of Material Related Party Transactions with FIH Private Investments Ltd., the Promoter of the Bank for the period from the date of the 104th Annual General Meeting up to the date of 105th Annual General Meeting (both date inclusive) of the Bank, for an aggregate value not exceeding ₹ 5,000 crore.

For BNP & Associates
Company Secretaries
[Firm Reg No: P2014MH037400]
PR No: 7353/2025

Venkataraman Krishnan
Partner
ACS No.: 8897
COP No.: 12459
UDIN: A008897H000686631

Date: June 25, 2026
Place: Mumbai

Note: This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

'Annexure A'

To,
The Members,
CSB Bank Limited
Head Office, CSB Bhavan,
St. Mary's College Road,
Thrissur 680020

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

1. Maintenance of secretarial records is the responsibility of the Management. Our responsibility is to express an opinion on the secretarial records based on our audit.
2. We have followed the audit practices and processes as were considered appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test-check basis to ensure that correct facts are reflected in secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Bank.
4. Wherever required, we have obtained Management representation about the compliance of laws, rules and regulations and happening of material events, etc.
5. The compliance of the provisions or corporate and other applicable laws, rules, regulations, standards, is the responsibility of the Management. Our examination was limited to the verification of procedures on test-check basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Bank nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Bank.

For BNP & Associates
Company Secretaries
[Firm Reg No: P2014MH037400]
PR No: 7353/2025

Venkataraman Krishnan
Partner
ACS No.: 8897
COP No.: 12459
UDIN: A008897H000686631

Date: June 25, 2026
Place: Mumbai

ANNEXURE - VIII

PARTICULARS OF EMPLOYEES

The Bank had 8187 employees as on March 31, 2026. The disclosure under Section 197 of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended are given below:

1. DISCLOSURE PURSUANT TO SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5 (1) THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014: -

Sl No.	Requirements	Disclosure	
1	The ratio of the remuneration of each director to the median remuneration of the employees of the Bank for the financial year 2025-26	**Part-time Chairperson (Non-Executive Independent)** Mr. Biswamohan Mahapatra – Refer Note I (April 16, 2025 to March 31, 2026)	12.45 x
		Managing Director & CEO Mr. Pralay Mondal – Refer Note II	105.15 x
		Executive Director Mr. B K Divakara – Refer Note III	28.37 x
		Independent Director Ms. Sharmila Abhay Karve – Refer Note V	5.33 x
		Independent Director Mr. Sharad Kumar Saxena – Refer Note V	10.38 x
		Independent Director Mr. Sudhin Choksey – Refer Note V	7.85 x
		Independent Director Ms. Renu Kohli – Refer Note V	5.60 x
		Independent Director Mr. Deepak Maheshwari – Refer Note V	8.04 x
		Independent Director Mr. Narasimha Raju Narasappa Doddahosahalli – Refer Note V	60.02 x
2	The percentage increase/ (decrease) in remuneration of each director, CEO, CFO, CS in the financial year 2025-26	**Managing Director & CEO** Mr. Pralay Mondal – Refer Note II	11.88%
		Executive Director Mr. B K Divakara– Refer Note III	2.70%
		Chief Financial Officer Mr. Satish Gundewar - Refer Note IV	(0.05)%
		Company Secretary Mr. Sijo Varghese	14.34%
3	The percentage increase/ (decrease) in the median remuneration of employees in the financial year 2025-26	Percentage increase in the median remuneration of the employees in the financial year 2025-26 stood at 14.85 % as compared to 29.33 %, in the previous financial year 2024-25.	
4	The number of permanent employees on the rolls of the Bank as on March 31, 2026	8,187	
5	Average percentile increase/ (decrease) already made in the salaries of employees other than the managerial personnel in the financial year 2025-26 and its comparison with the percentile increase/ (decrease) in the managerial remuneration and justification thereof. Point out if there are any exceptional circumstances for increase in the managerial remuneration.	The average percentage of salaries of employees other than managerial personnel in the financial year 2025-26 has increased by 17.27% due to head count increase and hiring made at senior management level other than managerial personnel. The average percentage of the salaries of the managerial personnel (Managing Director & CEO, Executive Director, Chief Financial Officer and Company Secretary) in FY 2025-26 has increased by 7.57%. There are no exceptional circumstances for an increase in managerial remuneration.	

Annexure - VIII (Contd.)

6	Affirmation that the remuneration is as per the remuneration policy of the Bank.	The Bank has a Board approved Compensation Policy, which is in line with the RBI guidelines / Directions and the applicable provisions of the Companies Act, 2013. We affirm that the remuneration paid to employees is as per the Compensation Policy of the Bank

Note:

I. Mr. Biswamohan Mahapatra was appointed as an Independent Director of the Bank with effect from April 16, 2025, and appointed as the Non-Executive Independent Chairperson of the Bank for a period of three years with effect from May 09, 2025. Apart from the honorarium of ₹ 20 lakh per annum as approved by Reserve Bank of India for the position of Chairperson, Mr. Biswamohan Mahapatra is also entitled to, and has been paid, sitting fees for the Board and Committee meetings attended.

II. Mr. Pralay Mondal was re-appointed as Managing Director & CEO of the Bank for a period of three (3) years with effect from September 15, 2025, up to September 14, 2028 (both dates inclusive).

The Bank, on November 27, 2025, received approval of Reserve Bank of India in terms of Section 35B of the Banking Regulation Act, 1949, for revision of the fixed pay of Mr. Pralay Mondal, Managing Director & CEO, from ₹ 2,54,00,000/- p.a. to ₹ 2,79,40,000/- p.a., with effect from April 01, 2025.

The Bank, on November 27, 2025, received approval of Reserve Bank of India in terms of Section 35B of the Banking Regulation Act, 1949, for grant/ payment of variable pay of ₹ 2,78,40,000/- to Mr. Pralay Mondal, Managing Director & CEO, for the performance period from April 01, 2024 to March 31, 2025, out of which ₹ 1,39,20,000/- shall be in non-cash form (stock options) and the balance in cash.

III. The Bank, on November 27, 2025, received approval of Reserve Bank of India in terms of Section 35B of the Banking Regulation Act, 1949, for revision of the fixed pay of Mr. B K Divakara, Executive Director, from ₹ 80,00,000/- p.a. to ₹ 88,00,000/- p.a., with effect from April 01, 2025.

The Bank, on November 27, 2025, received approval of Reserve Bank of India in terms of Section 35B of the Banking Regulation Act, 1949, for grant/ payment of variable pay of ₹ 80,00,000/- to Mr. B K Divakara, Executive Director, for the performance period from April 01, 2024 to March 31, 2025, out of which ₹ 40,00,000/- shall be in non-cash form (stock options) and the balance in cash.

IV. The marginal decrease in remuneration is due to a change in the payout structure of variable pay of the CFO upon identification of him as a Material Risk Taker with effect from April 01, 2025, resulting in deferral of 50% of the variable pay in FY 2025–26 as against full upfront payout in FY 2024–25.

V. During the financial year under review, the Bank has not paid any compensation in the form of fixed remuneration to Non-Executive Independent Directors of the Bank except for the payment of honorarium to Mr.Biswamohan Mahapatra in the capacity as the Chairperson of the Bank as per approval received from the RBI. Hence sitting fees paid to other Non-Executive Independent Directors have been considered as remuneration while calculating the ratio of the remuneration to the median remuneration of the employees of the Bank. No sitting fee was paid to Non-Executive Non-Independent Directors for attending the meeting of the Board and its Committees.

VI. The gross remuneration for the purpose of this table includes salary, allowances, performance linked variable pay disbursed, taxable value of perquisites and Bank's contribution to PF/NPS. Remuneration excludes provision for/ contributions to gratuity.

VII. 'X' denotes the median remuneration of the employees in the Financial Year which is calculated in line with point No. I.

By Order of the Board

Sd/-
Biswamohan Mahapatra
Chairperson
(DIN: 06990345)

Place: Thrissur
Date: June 25, 2026

Report on Corporate Governance

CORPORATE GOVERNANCE FRAMEWOK AT CSB BANK

CSB Bank's corporate governance framework is anchored on three core pillars: an effective and independent Board, a clear separation between the Board's supervisory role and executive management, and specialised board level committees that oversee critical areas and functions. As of March 31, 2026, the majority of these board-level committees were predominantly comprised of independent directors, with most committees chaired by independent directors. This structure ensures a high level of transparency and accountability in the Bank's operations.

BANK'S PHILOSOPHY ON CODE OF GOVERNANCE

CSB Bank's corporate governance philosophy underscores the paramount importance of fostering corporate fairness, operational excellence, transparency, accountability, integrity, social responsibility, and stringent regulatory compliance. The Bank's code of conduct is entrenched in this philosophy, reflecting its unwavering commitment to achieving superior performance across its portfolio, operations, and reputation, with a concerted effort towards optimising systems and controls. The Bank consistently adapts to dynamic corporate governance practices and strives to benchmark its standards against global best practices to maximise stakeholder value.

The Bank firmly believes that robust corporate governance is essential to fortify and sustain stakeholder trust. This commitment extends beyond mere legal compliance, reflecting a deeply ingrained ethos of ethical and responsible business conduct. To this end, the Bank meticulously oversees its governance frameworks, policies, and practices, as well as the actions and decisions of senior management and key stakeholders. It strategically harnesses its extensive resources to seize opportunities, advance its corporate vision and mission, and foster a culture of dynamism and entrepreneurial spirit across its workforce.

As a banking institution, your Bank serves as a custodian of public money, upholding the highest standards of corporate governance with a commitment to ensuring accountability, fairness, diversity, and transparency, taking extraordinary measures in governance matters to earn the public's trust and goodwill. The corporate governance principles are being followed by the Bank to ensure that Bank takes into account the interest of not only of a group of people who have a right to access in resources and decision but also of the communities within which it operates. This approach is central to its operations, with the Board of Directors acting as the guiding force, laying down robust principles, foundations, policies, and processes for the day-to day functioning of the Bank, implementation of its business strategy, all while maintaining high ethical standards.

CODE OF BUSINESS CONDUCT AND ETHICS

The Bank's Code of Conduct and Ethics for Board of Directors and Senior Management Personnel envisages and expects the individuals covered under the Code to have highest standards of honesty and ethical conduct, including adherence to proper and ethical procedures in all business dealings of the Bank and thereby upholding exemplary standards of Corporate Governance.

The Bank expects all Directors and the Senior Management to exercise good judgment to ensure the interests, safety and welfare of customers, employees, and other stakeholders and to maintain a cooperative, efficient, positive, harmonious and productive work environment and business organisation. The Directors and the members of the Senior Management, while discharging their duties at their office, must act honestly and with due diligence. They are expected to act with utmost care and prudence, which an ordinary person is expected to take in his/her own business.

Pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, an affirmation by the Managing Director & CEO regarding compliance with the Code by all the Directors and members of Senior Management, forms part of this Annual Report. Further, the Bank has a "Code of Conduct- Prohibition of Insider Trading Policy" in accordance with the SEBI (Prohibition of Insider Trading) Regulations, 2015.

BOARD COMPOSITION

In line with the Bank's corporate governance philosophy and principles, your Bank has a broad-based board comprises of seasoned professionals from various backgrounds with a diversity of thought, background, skills, expertise, and integrity which ultimately creates a culture of leadership in the Bank to deliver a long term vision, ensure good governance and protect interest of all stakeholders. Prioritising independence and diversity within the board, your Bank ensures robust oversight and strategic direction, crucial for sustaining long term success and stakeholder interests.

The constitution of Board is in compliance with the provisions of Section 10A (2) (a) of the Banking Regulation Act, 1949 and the extant guidelines issued by Reserve Bank of India (RBI) from time to time, the Companies Act, 2013 and the rules made thereunder, Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**"Listing Regulations"**), the Articles of Association of the Bank and all other applicable laws and is aligned with the best corporate governance practices.

The Bank, as on March 31, 2026, has eleven (11) directors on its Board and the Composition of Board are furnished as under:

Sl. No.	Name of the Director	Nature of Directorship	Category
1.	Mr. Biswamohan Mahapatra*	Non–Executive Chairperson	Independent
2.	Mr. Pralay Mondal@	Managing Director & CEO	Executive Director
3.	Mr. B K Divakara	Whole-time Director	Executive Director
4.	Mr. Sumit Maheshwari	Non – Executive Director	Non–Independent
5.	Ms. Sharmila Abhay Karve	Non – Executive Director	Independent
6.	Mr. Sudhin Choksey	Non – Executive Director	Independent
7.	Mr. Sharad Kumar Saxena	Non – Executive Director	Independent
8.	Ms. Renu Kohli	Non – Executive Director	Independent
9.	Mr. Deepak Maheshwari	Non – Executive Director	Independent
10.	Mr. D N Narasimha Raju	Non – Executive Director	Independent
11.	Ms. Sheetal Rupesh Sancheti#	Non – Executive Director	Non–Independent

**Appointed as Director (Non-Executive, Independent Category) of the Bank with effect from April 16, 2025, up to August 02, 2029, as per the resolution passed through Postal Ballot dated April 10, 2025, and was subsequently appointed as the Part-Time Chairman of the Bank with effect from May 09, 2025.*

@Pursuant to receipt of approval of Reserve Bank of India on June 12, 2025, re-appointed as Managing Director & CEO of the Bank for a period of three years with effect from September 15, 2025 and upto September 14, 2028. The approval of the shareholders for the said re-appointment was obtained at the Annual General Meeting of the Bank held on August 26, 2025.

#Appointed as Director (Non – Executive, Non– Independent Category) of the Bank with effect from November 05, 2025, as per the resolution passed through Postal Ballot dated January 21, 2026.

None of the Directors on the Board hold the office of Director in more than 20 companies, including not more than 10 public companies, as required under Section 165 of the Act read with Rules framed thereunder and none of the Directors of the Bank are related to each other. None of the Independent Directors serve as Independent Directors in more than seven listed entities. In accordance with Regulation 26 of the SEBI Listing Regulations, none of the Directors are members in more than 10 committees or act as the chairperson of more than 5 committees (the committees being, Audit Committee and Stakeholders' Relationship Committee) across all public limited companies in which he/she is a Director. All Non-Independent Directors on the Board, except Managing Director & CEO are liable to retire by rotation.

The required information, including information as enumerated in Regulation 17(7) read with Part A of Schedule II of the SEBI Listing Regulations, is made available to the Board of Directors, for discussion and consideration at the Board Meetings.

POLICY ON BOARD DIVERSITY

Your Bank believes that a diversified board will improve the quality of decisions made at the board level, resulting in sustainable and balanced development. Diversity is ensured in the Bank through consideration of a number of factors, including but not limited to skills, regional, age, industry experience, background, gender and other qualities. In informing its perspective on diversity, the Bank also takes into account, factors based on its own business model and specific needs from time to time.

The Policy on Board Diversity of the Bank sets out the approach to ensure diversity on the Board in terms of thought, experience, knowledge, perspective and gender, based on the Listing Regulations, the Banking Regulation Act, 1949, the Companies Act, 2013 as well as other laws, rules and regulations applicable to the Bank subject to satisfying the Fit and Proper Criteria for directors as per the regulatory requirements of RBI and the applicable provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The composition of the Board as designed according to the policy, reflects a diversity of thought, backgrounds, skills, experiences and expertise and a range of tenures that are appropriate given the Bank's current and anticipated circumstances and that collectively, enable the Board to perform its oversight functions effectively.

The Nomination & Remuneration Committee has responsibilities for leading the process for Board appointments and for identifying and nominating, for approval by the Board, candidates for appointment to the Board. The benefits of diversity continue to influence succession planning and continue to be the key criteria for the search and nomination of directors to the Board.

Board appointments are based on merit and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board, including gender. While making Board appointments, the requirement as per the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the appointment of at least one-woman director on the Board of the Bank is also considered.

PROFILE OF DIRECTORS

Mr. Biswamohan Mahapatra

DIN: 06990345

Non – Executive Independent (Part – Time) Chairperson

Education : M.A (English Literature), MBA (Finance), MSM (Master of Science in Management), CAIIB

Date of Joining the Board : April 16, 2025

Sectorial representation on the Board : Banking, Finance, Risk Management, Law, Economics and Payment and Settlement Systems

Tenure on the Board : <1 Year

No. of shares held : Nil

Mr. Biswamohan Mahapatra is the Part-time Chairperson of the Bank since May 09, 2025. Mr. Biswamohan Mahapatra was a central banker, with a career spanning about 33 years in Reserve Bank of India (RBI) in various capacities and retired as Executive Director in August 2014. He had mostly worked in the areas of banking regulation & supervision, currency management, financial market operations and general administration at RBI. As Executive Director, he handled banking regulation and policy matters. He was instrumental in the implementation of Basel III regulations. The guidelines for setting up universal banks and differentiated banks like small finance banks and payments banks were overseen by him. He was associated with various working groups and committees and represented the RBI as a member/Chairman/Convenor of these various working groups and committees. Post retirement, he was an advisor to the RBI on the Bank licensing process. He was the convener of the Government of India Task Force to set up the Resolution Corporation under the Indian Financial Code.

Mr. Pralay Mondal

DIN: 00117994

Managing Director & Chief Executive Officer

Education : B.Tech (IIT - Kharagpur) and MBA (IIM - Calcutta)

Date of Joining the Board : February 17, 2022

Sectorial representation on the Board : Banking, Agriculture and Rural Economy

Tenure on the Board : > 4 Year

No. of shares held : Nil

Mr. Pralay Mondal has been elevated and appointed as the Managing Director & CEO of the Bank with effect from September 15, 2022. He held the position of Deputy Managing Director of the Bank from February 17, 2022 and up to September 14, 2022, and prior to that, he held the position of President (Retail, SME, Operations and IT). He was appointed as the Managing Director & CEO (Interim) from April 01, 2022, till September 14, 2022.

Mr. Pralay Mondal has over 30 years of experience in leading banking companies across multiple business segments and functions, including retail assets, retail liabilities, business banking, products and technology.

Prior to joining CSB Bank, Mr. Pralay Mondal was Executive Director and Head of Retail Banking at Axis Bank during the period April 2019 to September 2020. He was also the Chairman and Director in Axis Securities Limited and was also a Director in Axis Finance Limited. Before joining Axis Bank, Mr. Pralay Mondal was the Senior Group President and Head of Retail and Business Banking at Yes Bank (June 2012 – March 2019). He was on the Board of YES Securities (India) Limited which is a 100% subsidiary of YES Bank Limited. Before joining YES Bank, Mr. Pralay Mondal was the Group Head, Retail Assets & Payments Business at HDFC Bank (2000 – 2012), prior to which he had built the Liability Sales Franchise in the Bank. He was also on the board of HDB Financial (NBFC & 100% subsidiary of HDFC Bank) and HBL Global, holding Sales Company of HDFC Bank.

Mr. Pralay's achievements include pioneering efforts in doorstep banking and direct sales, creating deep geography distribution, and building and scaling up of retail businesses. He is also credited with building capital market, wealth management, private banking, NBFC, credit cards, payments and digital businesses.

Mr. B K Divakara

DIN: 06439053

Executive Director

Education : BBM, ACA, ACMA and ACS

Date of Joining the Board : March 15, 2024

Sectorial representation on the Board : Banking, Accountancy, Agriculture and Rural Economy, Economics, Finance, Law, Small Scale Industry, Risk Management and Human Resources

Tenure on the Board : > 2 Year

No. of shares held : Nil

Mr. B K Divakara has been elevated and appointed as the Whole-time Director (designated as Executive Director) of the Bank for a tenure of three (3) years with effect from March 15, 2024, pursuant to receipt of the approval of Reserve Bank of India. Mr. B. K. Divakara was holding the position of Head - Strategy & Corporate Legal at the Bank with effect from June 05, 2023, till March 14, 2024. Prior to that, he had held the position of Chief Financial Officer from February 05, 2020, till June 04, 2023.

Mr. B K Divakara has varied banking experience spanning across different spheres over a period of 38 years. He had worked closely in Finance, Credit, Priority Sector Lending, Balance Sheet Management, Profit Planning & Forecasting, Capital Raising Program, Investors Relations, Credit Monitoring, Recoveries, Operations, Treasury, Internal Audit, Risk Management, Transaction Banking etc. and gained enough experience. Prior to joining the CSB Bank, Mr. B K Divakara was Executive Director of Central Bank of India for a period of five years, from January 23, 2014, to January 22, 2019. He held various senior positions at Corporation Bank, including that of General Manager, Credit, till he moved to Central Bank of India. He was also the Non-Executive Chairperson of Centbank Financial Services Ltd. and Centbank Home Finance Ltd.

Mr. Sumit Maheshwari

DIN: 06920646

Non-Executive Non-Independent Director

Educational qualification : M.Com, MBA and ACA

Date of Joining the Board : September 03, 2018

Sectorial representation on the Board: Economics, Finance, Accountancy, Business Management and Risk Management

Tenure on the Board : > 7 Years

No. of shares held : Nil

Mr. Sumit Maheshwari has been the Managing Director & CEO of Fairbridge Capital since May 2018, playing a pivotal role in sourcing, evaluating, negotiating, and executing investment opportunities. Since joining Fairbridge in 2011, he has overseen key investments in Bangalore International Airport, CSB Bank, Fairchem Organics, and several others. Mr. Sumit also serves on the boards of various Fairfax portfolio companies.

A seasoned investment professional with deep experience in both private and public Indian companies, Mr. Sumit manages over $7 billion in Indian investments for Fairfax Financial Holdings and Fairfax India Holdings. He excels in conducting due diligence, managing high governance, and providing strategic direction to portfolio companies. His success is driven by his ability to partner with high quality business owners, maintain strong governance, and nurture relationships with stakeholders. Mr. Sumit is deeply connected within the Indian business community and is an active member of the Young Presidents' Organisation (Mumbai Chapter).

Before Fairbridge, Mr. Sumit worked with KPMG in India and the UK, specialising in audit and advisory services. He is a Chartered Accountant and holds a Post Graduate Program in Management from the Indian School of Business, Hyderabad. Mr. Sumit is a value-investing advocate, committed to creating long-term sustainable growth in India.

Ms. Sharmila Abhay Karve

DIN: 05018751

Non – Executive Independent Director

Educational qualification : B.Com and FCA

Date of Joining the Board : July 20, 2020

Sectorial representation on the Board : Economics, Finance and Accountancy

Tenure on the Board : >5 Years

No. of shares held : Nil

Ms. Sharmila Karve has more than three decades of association with the Network of Price Waterhouse firms in India in various capacities till she retired on June 30, 2019. In Price Waterhouse India network, Ms. Sharmila held various positions. She was an audit partner for several Indian and Multinational clients for many years. She was appointed as the Ethics and Business Conduct Leader for the firms and was also elected to the Partnership Oversight Committee (POC) which is responsible for governance and oversight. Later, she took over as the Head of Audit. She has also been the Head for Risk & Quality, which restructured the risk profile of their clients' products and services and implemented mitigating controls. In 2017, she was appointed as the Diversity & Inclusion Leader for the PwC Global network and was on the Global Leadership Team and the Global Human Capital Team.

Mr. Sudhin Choksey

DIN: 00036085

Non – Executive Independent Director

Educational qualification : B.Com and FCA

Date of Joining the Board : March 30, 2021

Sectorial representation on the Board : Banking, Finance, Small Scale Industry, Accountancy and Risk Management

Tenure on the Board : > 5 years

No. of shares held : 6,000

Mr. Sudhin Choksey has over 41 years of professional experience, both in India and overseas. Mr. Sudhin Choksey was the former Managing Director of GRUH Finance Ltd. which was merged with Bandhan Bank. As a part of the scheme of merger, Mr. Sudhin Choksey joined Bandhan Bank as Executive Director (Designate) in October 2019 and retired on February 16, 2021. Mr. Sudhin Choksey was an experienced CEO at GRUH Finance with a demonstrated history of working in the mortgage finance business and skilled in lending business. During the span of 26 years of working with GRUH Finance, he has held various positions including General Manager, Executive Director, Chief Executive Officer and Managing Director. At Bandhan Bank, he was the vertical head of the Housing Finance Business. He was the recipient of BUSINESS LEADER – FINANCIAL

SERVICES Award for 2015 from the Institute of Chartered Accountants of India, New Delhi.

Mr. Sharad Kumar Saxena

DIN: 08238872

Non – Executive Independent Director

Educational qualification : B.E. (Electronics & Telecommunication) and Certified Information System Auditor

Date of Joining the Board : February 19, 2022

Sectorial representation on the Board: Banking, Information Technology and Payment & Settlement System

Tenure on the Board : > 4 Year

No. of shares held : 5,000

Mr. Sharad Saxena has more than 31 years of experience in banking and had held almost all the leadership positions in ICICI Bank technology group, including, heading the technology function for Corporate Banking, Commercial Banking, asset products including Corporate & Retail Loans, International Banking, Credit Cards, Cash Management Services, Payment Systems, Core Banking, Switching, HR, CRM and Compliance & Fraud Management, Head of the IT Infrastructure group including Networks and head of Technology Compliance for interfacing all audits and inspections. Some of his key accomplishments were execution of numerous business and productivity enabling projects, transformation and migration of live data centres across the cities, migration of large applications and technology platforms, co-creating new technology enabled business models, setting up of IT Governance and Compliance function within IT, etc. As a member of the core technical committees of RBI for the following initiatives, he was in-charge of automation of Regulatory Returns filing, NG-RTGS, RBI Core Banking and Interface with Government Departments and Managing Outsourcing Risks. Later, as Chief Technology Officer for amalgamated Bank of Baroda and the Head for IT of Bank of Baroda and erstwhile Vijaya Bank, Dena Bank, successfully led the most complex and the biggest bank merger in the Country. He made a strategic roadmap for IT landscape of the amalgamated bank to sustain its business strategies for the next five years. This included movement to cloud, renewal of IT infrastructure, development of a big data lake platform, consolidation and movement of data centres and large-scale digitisation.

Ms. Renu Kohli

DIN: 07981627

Non – Executive Independent Director

Educational qualification : D.Phil (Economics)

Date of Joining the Board : December 14, 2023

Sectorial representation on the Board : Banking, Economics, Agriculture & Rural Economy and Small Scale Industry

Tenure on the Board : > 2 Year

No. of shares held : Nil

Ms. Renu Kohli, is an economist with research and practitioner experience on macroeconomic policies and issues. She is currently a Senior Fellow, at the Centre for Social and Economic Progress (CSEP) an independent, public policy think tank based in New-Delhi. She has previously worked with the RBI, the International Monetary Fund(IMF), and thinktanks including ICRIER and the Institute of Economic Growth. Her work has focused on financial sector liberalisation, capital flows and exchange rate management in emerging markets with a special focus on India, international macroeconomic coordination, and recently, the macroeconomic impact of decarbonisation in India. She has diverse exposure to central banking and macroeconomic surveillance. Ms. Renu Kohli's work has been published in refereed journals such as the Review of Development Economics, Journal of Development Studies, Journal of Asian Economics, Oxford University Press, IMF Working Papers, RBI Staff Papers and contributed to edited volumes. She has exposure to multilateral surveillance including Article IV missions. As a short-term expert with the IMF Institute, her training missions include courses on financial programming and policies and macroeconomic diagnostics. Ms. Renu Kohli has wider engagement with the private financial sector and investors through talks, presentations and consultations on Indian macroeconomic policies.

Mr. Deepak Maheshwari

DIN: 08163253

Non – Executive Independent Director

Educational qualification : B.Com and CAIIB

Date of Joining the Board : June 12, 2024

Sectorial representation on the Board : Banking, Agriculture & Rural Economy, Small Scale Industry and Risk Management

Tenure on the Board : >2 Year

No. of shares held : Nil

Mr. Deepak Maheshwari is an experienced banker with an impressive career spanning more than four decades in top banking institutions in the Country. He has a proven track record of building best-in-class loan portfolios across the banks in which he has worked. His expertise extends to credit decision making, credit underwriting and monitoring of large credit exposures. He possesses expert knowledge of banking regulations, including relevant policy matters, familiarity with corporate groups, and expertise within a variety of industrial sectors across India. Mr. Deepak Maheshwari has held various positions in State Bank of India, HDFC Bank and Axis Bank. He was the Independent Director on the Board of Federal Bank Limited in 2018.

Mr. D N Narasimha Raju

DIN: 01070476

Non – Executive Independent Director

Educational qualification : M.Sc (Horticulture) and Master of Business Law

Date of Joining the Board : December 13, 2024

Sectorial representation on the Board : Agriculture & Rural economy, Co-operation, Law, Small Scale Industry, Economics, Finance and Human Resources

Tenure on the Board : >1Year

No. of shares held : Nil

Mr. D N Narasimha Raju is a Karnataka cadre IAS officer of 1984 batch with more than three decades of diverse and rich experience in various fields. During his career, he has held various significant positions in both Government of India and Government of Karnataka, which includes Policy formulation and implementation levels in several sectors such as revenue, finance, industry, governance, urban governance, labour, commerce, and energy. He has also served as Additional Chief Secretary / Principal Secretary to the Chief Minister, Government of Karnataka and served as Joint Secretary in Ministry of Petroleum and Natural Gas, Government of India. Since his superannuation in 2016, he has served in various positions such as State Chief Information Commissioner ("SCIC") at the Karnataka Information Commission, Chief Executive Officer of the National Institute for Smart Government ("NISG"), New Delhi, and Director of the Southern Regional Centre, TERI Bangalore. He was earlier on the Board of Bharat Petroleum Corporation Limited, Oil India Limited, ONGC Videsh Limited, GAIL (India) Limited, Bangalore Metro Rail Corporation Limited and several other public sector undertakings at the central and state level.

Ms. Sheetal Rupesh Sancheti

DIN: 10119781

Non-Executive Non-Independent Director

Educational qualification : B.Com, CA and ACCA Diploma in international Financial Reporting

Date of Joining the Board : November 05, 2025

Sectorial representation on the Board : Banking ,Accountancy, Finance & Economics

Tenure on the Board : <1Year

No. of shares held : Nil

Ms. Sheetal Rupesh Sancheti has been associated with Fairbridge Capital Private Limited since April 2019 and currently holds the position of Principal. She plays a pivotal role in monitoring the portfolio investments held by Fairfax India Holdings Corporation, a Toronto-listed entity, across its Indian investments. She is recognised for her results-driven approach, integrity, and ability to deliver under tight timelines while leading and mentoring high-performing teams. Her career reflects a strong commitment to continuous learning, cross-functional collaboration, and value creation beyond core finance.

Prior to joining Fairbridge Capital, Ms. Sheetal Shetty Sancheti served as Finance Manager at Australia and New Zealand Banking Group Limited (ANZ), India where she focused on financial and regulatory reporting. Earlier, she was associated with HSBC Bank, India, as Vice President – Finance, finance team of Abu Dhabi Commercial Bank, India Branches and with B S R & Co. in their audit function across Mumbai and London offices.

Ms. Sheetal is a Chartered Accountant with over 20 years of diversified experience across private equity, banking and audit. Ms. Sheetal brings proven expertise in investment monitoring, regulatory compliance, financial reporting, and corporate governance.

RELATIONSHIP BETWEEN DIRECTORS INTER-SE

None of the Directors of the Bank are related to one another.

LIST OF CORE SKILLS/EXPERTISE/ COMPETENCIES IDENTIFIED BY THE BOARD

Board, in tune with the provisions of Section 10A (2) (a) of the Banking Regulation Act, 1949, guidelines/directions issued by RBI from time to time, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable rules and regulations, have identified Accountancy, Agriculture, Rural Economy, Banking, Co-operation, Economics, Finance, Small Scale Industry, Law, Information Technology, Payment & Settlement Systems, Human Resources, Risk Management and Business Management as the Core Skills/ Practical Experience/Special Knowledge/ Competencies as required in the context of its business(es) and sector(s) for it to function effectively.

For appointment of independent directors, the balance of skills, knowledge, wide range of backgrounds and experience on the Board will also be considered while filling up position on the Board of the Bank.

Report on Corporate Governance (Contd.)

Nature of interest/ core skills/expertise/ competencies	Name of the Director having the identified Skill/ Expertise/ Competencies
Banking	Mr. Biswamohan Mahapatra
	Mr. Pralay Mondal
	Mr. B K Divakara
	Mr. Sudhin Choksey
	Mr. Sharad Kumar Saxena
	Ms. Renu Kohli
	Mr. Deepak Maheshwari
	Ms. Sheetal Rupesh Sancheti
Economics	Mr. Biswamohan Mahapatra
	Mr. B K Divakara
	Mr. Sumit Maheshwari
	Ms. Sharmila Abhay Karve
	Ms. Renu Kohli
	Mr. D N Narasimha Raju
	Ms. Sheetal Rupesh Sancheti
Finance	Mr. Biswamohan Mahapatra
	Mr. B K Divakara
	Mr. Sumit Maheshwari
	Ms. Sharmila Abhay Karve
	Mr. Sudhin Choksey
	Mr. D N Narasimha Raju
	Ms. Sheetal Rupesh Sancheti
Payment and Settlement Systems	Mr. Biswamohan Mahapatra
	Mr. Sharad Kumar Saxena
Information Technology	Mr. Sharad Kumar Saxena
Accountancy	Mr. B K Divakara
	Mr. Sumit Maheshwari
	Ms. Sharmila Abhay Karve
	Mr. Sudhin Choksey
	Ms. Sheetal Rupesh Sancheti
Human Resources	Mr. B K Divakara
	Mr. D N Narasimha Raju
Risk Management	Mr. Biswamohan Mahapatra
	Mr. B K Divakara
	Mr. Sumit Maheshwari
	Mr. Sudhin Choksey
	Mr. Deepak Maheshwari
Business Management	Mr. Sumit Maheshwari
Small Scale Industry	Mr. B K Divakara
	Mr. Sudhin Choksey
	Ms. Renu Kohli
	Mr. D N Narasimha Raju
	Mr. Deepak Maheshwari
Agriculture and Rural Economy	Mr. Pralay Mondal
	Mr. B K Divakara
	Ms. Renu Kohli
	Mr. D N Narasimha Raju
	Mr. Deepak Maheshwari
Law	Mr. Biswamohan Mahapatra
	Mr. B K Divakara
	Mr. D N Narasimha Raju
Co-operation	Mr. D N Narasimha Raju

Report on Corporate Governance (Contd.)

DETAILS OF ATTENDANCE OF EACH DIRECTOR AT BOARD MEETINGS AND AT THE LAST YEAR'S ANNUAL GENERAL MEETING:

Name of Director	Executive / Non – Executive Director	Independent / Non-Independent Director	No. of Board Meetings held during the Tenure	No. of Board Meetings Attended	% of Attendance	Attendance of last AGM held on August 26, 2025
Part-time Chairperson -Independent						
Mr. Biswamohan Mahapatra*	Non – Executive	Independent	9	9	100%	Present
Managing Director & CEO						
Mr. Pralay Mondal	Executive	Non–Independent	10	10	100%	Present
Whole-Time Director						
Mr. B K Divakara	Executive	Non–Independent	10	10	100%	Present
Non – Executive Directors						
Mr. Madhavan Menon#	Non – Executive	Non–Independent	6	6	100%	Present
Mr. Sumit Maheshwari	Non – Executive	Non–Independent	10	10	100%	Present
Ms. Sheetal Rupesh Sancheti@	Non – Executive	Non–Independent	3	3	100%	NA
Independent Directors						
Ms. Sharmila Abhay Karve	Non – Executive	Independent	10	9	90%	Present
Mr. Sudhin Choksey	Non – Executive	Independent	10	9	90%	Absent
Mr. Sharad Kumar Saxena	Non – Executive	Independent	10	10	100%	Present
Ms. Renu Kohli	Non – Executive	Independent	10	9	90%	Present
Mr. Deepak Maheshwari	Non – Executive	Independent	10	9	90%	Present
Mr. D N Narasimha Raju	Non – Executive	Independent	10	10	100%	Present

**Appointed as Director (Non-Executive, Independent Category) of the Bank with effect from April 16, 2025, up to August 02, 2029, as per the resolution passed through Postal Ballot dated April 10, 2025, and was subsequently appointed as the Part-Time Chairman of the Bank with effect from May 09, 2025.*

#Ceased to be a Non – Executive Non-Independent Director of the Bank w.e.f. October 20, 2025, upon completion of his tenure of appointment

@Appointed as Director (Non – Executive, Non– Independent Category) of the Bank with effect from November 05, 2025, as per the resolution passed through Postal Ballot dated January 21, 2026.

BOARD MEETINGS

During the Financial Year 2025-26, your Bank had ten (10) Board Meetings, as detailed below:

April	April 16, 2025	April 28, 2025	October	-
May	May 30, 2025		November	November 05, 2025
June	June 24, 2025		December	December 12,2025
July	-		January	January 28, 2026
August	August 13, 2025		February	-
September	September 26, 2025		March	March 25, 2026

Report on Corporate Governance (Contd.)

DIRECTORSHIP DETAILS OF THE DIRECTORS IN THE PRIVATE/PUBLIC ENTITIES AS ON MARCH 31, 2026

Sl. No.	Name of the Director	Names of the Private/Public Entities in which he/she is Director including the Bank	Category Directorships
1.	Mr. Biswamohan Mahapatra	1. CSB Bank Limited	Part-time Chairperson (Independent)
2.	Mr. Pralay Mondal	1. CSB Bank Limited	Executive Director
3.	Mr. B K Divakara	1. CSB Bank Limited	Executive Director
4.	Mr. Sumit Maheshwari	1. CSB Bank Limited	Non-Executive Director
		2. Fairchem Organics Limited	Nominee Director
		3. Thomas Cook (India) Limited	Director
		4. Chemplast Sanmar Limited	Director
		5. National Commodities Management Services Limited	Nominee Director
		6. Sterling Holiday Resorts Limited	Director
		7. Bangalore International Airport Limited	Nominee Director
		8. Seven Islands Shipping Limited	Nominee Director
		9. Anchorage Infrastructure Investments Holdings Limited	Director
		10. Fairbridge Capital Private Limited	Managing Director and CEO
		11. Maxop Engineering Company Private Limited	Director
		12. Jaynix Engineering Private Limited	Nominee Director
		13. Global Aluminium Private Limited	Director
		14. Go Digit Solutions Private Limited	Director
5.	Ms. Sharmila Abhay Karve	1. CSB Bank Limited	Independent Director
		2. EPL Limited	Independent Director
		3. Syngene international limited	Independent Director
		4. Aadhar Housing Finance Limited	Independent Director
		5. Thomas Cook (India) Limited	Independent Director
		6. Vanaz Engineers Limited	Independent Director
		7. Tata Electronics Private Limited	Independent Director
		8. Alpha Alternatives Financial Services Private Limited	Independent Director
6.	Mr. Sudhin Choksey	1. CSB Bank Limited	Independent Director
		2. Gujarat Ambuja Exports Limited	Independent Director
		3. Fairchem Organics Limited	Independent Director
		4. India Shelter Finance Corporation Limited	Nominee Director
		5. The Sandesh Limited	Independent Director
		6. Asahi Songwon Colors Limited	Independent Director
		7. Anchorage Infrastructure Investments Holdings Limited	Independent Director
		8. Kuhoo Finance Private Limited	Independent Director
		9. Kuhoo Tech innovations Private Limited	Independent Director
7. .	Mr. Sharad Kumar Saxena	1. CSB Bank Limited	Independent Director
		2. Thomas Cook (India) Limited	Independent Director
		3. Generali Central Life Insurance	Independent Director
		4. Generali Central Insurance Company Limited	Independent Director
		5. Maxop Engineering Company Private Limited	Independent Director

Report on Corporate Governance (Contd.)

Sl. No.	Name of the Director	Names of the Private/Public Entities in which he/she is Director including the Bank	Category Directorships
8.	Ms. Renu Kohli	1. CSB Bank Limited	Independent Director
		2. National Commodities Management Services Limited	Independent Director
		3. NCML Finance Private Limited	Independent Director
9.	Mr. Deepak Maheshwari	1. CSB Bank Limited	Independent Director
		2. Axis Finance Limited	Non-Executive Director
		3. GR Highways Investment Manager Private Limited	Independent Director
10.	Mr. D N Narasimha Raju	1. CSB Bank Limited	Independent Director
		2. Bangalore International Airport Limited	Independent Director
11.	Ms. Sheetal Rupesh Sancheti	1. CSB Bank Limited	Non-Executive Director

COMMITTEE MEMBERSHIP AND CHAIRPERSONSHIP DETAILS OF THE DIRECTORS AS ON MARCH 31, 2026

Sl. No.	Name of the Director	No of Independent Directorship in listed Entities including the Bank	No. of Committee Memberships		No. of Committee Chairpersonship	
			ACB	SRC	ACB	SRC
1.	Mr. Biswamohan Mahapatra	1	0	1	0	0
2.	Mr. Pralay Mondal	0	0	1	0	0
3.	Mr. B K Divakara	0	0	0	0	0
4.	Mr. Sumit Maheshwari	0	3	0	0	0
5.	Ms. Sharmila Abhay Karve	6	6	1	5	0
6.	Mr. Sudhin Choksey	6	4	3	3	0
7.	Mr. Sharad Kumar Saxena	2	4	0	2	0
8.	Ms. Renu Kohli	1	0	1	0	1
9.	Mr. Deepak Maheshwari	1	2	1	0	0
10.	Mr. D N Narasimha Raju	1	1	0	0	0
11.	Ms. Sheetal Rupesh Sancheti	0	1	1	0	0

Chairpersonship and Membership in committees denotes Audit Committee of the Board (ACB) and Stakeholders Relationship Committee (SRC) only, including membership details of the said committees in the Bank.

AFFIRMATION

Affirmation in terms of Regulations 17A and 26 (1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as under:

a. None of the Directors of the Bank were members in more than ten committees or act as chairperson of more than five committees across all listed entities including public companies in which he/she is a director.

b. None of the Directors of the Bank held Directorship in more than seven listed companies including the Bank.

c. Whole Time Director of the Bank is not serving as an Independent Director in any other listed company.

BOARD PROCEDURE

The Board functions as the governing body, evaluates its operational, strategic and financial performances, provides strategic and corrective directions, assesses the effectiveness of the Bank's policies, risks and opportunities as well as its conduct, to ensure that good corporate practices are being followed in the Bank. Board exercises its powers, duties and responsibilities as envisaged in line with the Banking Regulation Act, 1949, the extant guidelines/ directions issued by RBI from time to time, the Companies Act, 2013 and rules made thereunder, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Articles of Association of the Bank and all other applicable laws and in accordance with the best corporate governance practices by clearly setting out the policy guidelines within which the Board expect the management to operate through clearly defined processes to get the desired results. Given the pivotal role, the Board and its Committees, oversee that the management serves long-term objectives and enhances stakeholder value. The Board has complete access to all the relevant information within the Bank.

The meeting of the Board and its Committee is scheduled well in advance and the information, including date, time and place of the meeting is circulated to all directors as per the Secretarial Standards.

The meetings of the Board and its Committees are governed by a structured agenda. The agenda papers, which provide all relevant, adequate, material information, explanatory notes, etc., are sent to the Board of Directors in compliance with the provisions of the Companies Act, 2013, Secretarial Standards and Listing Regulations. The Board is presented with information on various important aspects of business operations, risk, new initiatives, budgets, financial results, human resources, compliance, financial inclusion, customer protection, cyber security, information technology, audit, minutes of the Committees of the Board, and such other matters as are required to be placed before the Board in tune with the regulatory and statutory guidelines / instructions. The Bank follows the circulars issued by Reserve Bank of India from time to time, the latest being the Reserve Bank of India (Commercial Banks – Governance) Directions, 2025, dated November 28, 2025, which advises banks to review/ discuss seven critical themes prescribed by the Nayak Committee, namely, business strategy, financial reports and their integrity, risk, compliance, customer protection, financial inclusion, and human resources. The members of the Board exercise due diligence in the performance of their functions as directors of the Bank and follow the highest degree of business ethics, transparent practices, and code of good governance amidst a cordial environment. Directors are being provided with all the agendas of the meetings of the Board and Committees in soft format by uploading the same to a digital meeting platform for exclusive use by them and the invitees to the meetings. The video conferencing facility is effectively used to facilitate the participation of directors who are unable to attend the meetings in person, complying with the provisions of the Companies Act, 2013 and SEBI LODR Regulations, 2015. The Board of Directors follows the highest degree of business ethics, transparent practices, and governance in a cordial environment.

The Board and Committees also pass resolutions by circulation along with necessary papers which are circulated to enable the Directors for informed decision making and to seek clarification as may be required which are due to exigent business matters and the said resolutions are noted in the subsequent Board/ Committee Meetings.

Minutes of the Board and Board Committees are being circulated to all the Board and Committee Members within the timelines prescribed under the Companies Act, 2013 and other regulatory guidelines. The Bank has in place, a post meeting follow-up procedure, which tracks the observations/ decision taken by the Board/ Board Level Committee Meeting till the closure of such observations/ decision. An Action Taken Report (ATR) is being placed before the Board/ Board Level Committee on regular intervals. Periodical Compliance Report on various compliances as insisted under the Companies Act, 2013, SEBI Listing Regulations and as per the extant guidelines issued by the Bank, is placed to the Board and various committees for review and for rectifying instances of non-compliance, if any.

COMPLIANCE FRAMEWORK

The Bank has a robust and effective framework for monitoring compliances with applicable laws within the organisation and providing updates to senior management and the Board periodically. The Committees and the Board of Directors periodically review the status of the compliances with the applicable laws.

BOARD SUPPORT

The Company Secretary is responsible for collation, review and distribution of all papers submitted to the Board and Committees thereof for consideration. He is also responsible for submission of Agenda pursuant to the SEBI Listing regulations and the Companies Act, 2013, and convening of Board and Committee Meetings. The Company Secretary attends all the meetings of the Board and its Committees, advises and assures the Board on Compliance and Governance principles.

RECORDING MINUTES OF PROCEEDINGS OF BOARD AND COMMITTEE MEETINGS

The Company Secretary ensures appropriate recording of minutes of proceedings of each Board and Committee Meeting. The minutes are entered in the Minutes Book within 30 (Thirty) days from the date of conclusion of the meetings as per the Secretarial Standards issued by The Institute of Company Secretaries of India.

POST MEETING FOLLOW-UP MECHANISM

The guidelines for Board and Committee meetings facilitate an effective post meeting follow-up, review and reporting process for decisions taken by the Board and Committees thereof. Important decisions taken at Board/ Committee meetings are communicated promptly to the concerned departments/divisions. Action-taken report (if any) on decisions/minutes of the previous meeting(s) is placed at the succeeding meeting of the Board/ Committees for review.

REMUNERATION OF THE DIRECTORS

1. Part-time Chairperson

Mr. Biswamohan Mahapatra (DIN: 06990345), Non-Executive Independent Director, was appointed as the Part-time Chairperson of the Bank for the period starting from May 09, 2025 , up to May 08, 2028 (both dates inclusive), on receipt of approval of Reserve Bank of India pursuant to Section 10B(1A) (i) of the Banking Regulation Act, 1949.

The payment of remuneration/ honorarium and sitting fees to Mr. Biswamohan Mahapatra for the period from May 09, 2025 and upto March 31, 2026, was in accordance with the terms of appointment as approved by Reserve Bank of India and shareholders of the Bank.

Details of remuneration paid to Mr. Biswamohan Mahapatra for the financial year 2025-26, is given below:

Name of the Chairperson	Honorarium	Sitting fee	Total
Mr. Biswamohan Mahapatra	₹ 16,23,656.63	₹ 30,00,000.00	₹ 46,23,656.63

2. Managing Director & CEO

Pursuant to the receipt of approval from Reserve Bank of India, vide letter no. DoR.GOV.No.2031/ 08.36.001/2025- 26 dated June 12, 2025, the members of the Bank at the Annual General Meeting of the Bank held on August 26, 2025, approved the re-appointment of Mr. Pralay Mondal as Managing Director & CEO of the Bank for a period of three years with effect from September 15, 2025 and upto September 14, 2028.

The Bank, on November 27, 2025, received approval of Reserve Bank of India in terms of Section 35B of the Banking Regulation Act, 1949, for revision of the fixed pay of Mr. Pralay Mondal, Managing Director & CEO, from ₹ 2,54,00,000/- p.a. to ₹ 2,79,40,000/- p.a., with effect from April 01, 2025.

The Bank, on November 27, 2025, received approval of Reserve Bank of India in terms of Section 35B of the Banking Regulation Act, 1949, for grant/ payment of variable pay of ₹ 2,78,40,000/- to Mr. Pralay Mondal, Managing Director & CEO, for the performance period from April 01, 2024 to March 31, 2025, out of which ₹ 1,39,20,000/- shall be in non-cash form (stock options) and the balance in cash. Pursuant to the said approval, the Nomination & Remuneration Committee of the Board on December 12, 2025, granted 1,03,958 stock options to Mr. Pralay Mondal at an exercise price of ₹ 388.70 per option, and the total value of the options granted is ₹ 1,39,19,976.20 as per the fair value arrived at based on the Black-Scholes model.

Remuneration paid to Mr. Pralay Mondal, Managing Director & CEO for the financial year 2025-26 and disclosed includes payment of fixed pay made for the period from April 01, 2025, to March 31, 2026, and payment of variable pay (upfront) for the performance period from April 01, 2024 to March 31, 2025 and the deferrals for the performance period starting from the financial year 2022-23.

The Bank obtained the approval of shareholders for payment of remuneration.

Details of remuneration paid to Mr. Pralay Mondal, Managing Director & CEO for the financial year 2025-26, are given below:

Name of the Managing Director & CEO	Fixed Pay	Variable Pay Cash Component		Total	Non-Cash Component Stock options granted	
		Upfront	Deferred		No. of Options	Exercise Price
Mr. Pralay Mondal	₹ 2,71,38,113.04	₹ 69,60,000.00	₹ 49,49,730.00	₹ **3,90,47,843.04**	1,03,958 Options	₹ 388.70/ Option

During the financial year 2025–26, Mr. Pralay Mondal, Managing Director & CEO exercised 42,750 options vested to him in the same period in line with the terms of the grant and as per CSB Employee Stock Option Scheme 2019 and the applicable provisions of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

3. Executive Director

Pursuant to the receipt of approval from Reserve Bank of India on March 04, 2024, in terms of Section 35B of the Banking Regulation Act, 1949, Mr. B K Divakara (DIN:06439053) has been elevated and appointed as Executive Director (designated as Whole-time Director) of the Bank, for a period of three (3) years, with effect from March 15, 2024 up to March 14, 2027 (both dates inclusive). Further, Reserve Bank of India further approved a fixed pay of ₹ 80,00,000/- p.a. to Mr. B K Divakara for the position as Executive Director.

The Bank, on November 27, 2025, received approval of Reserve Bank of India in terms of Section 35B of the Banking Regulation Act, 1949, for revision of the fixed pay of Mr. B K Divakara, Executive Director, from ₹ 80,00,000/- p.a. to ₹ 88,00,000/- p.a., with effect from April 01, 2025.

The Bank, on November 27, 2025, received approval of Reserve Bank of India in terms of Section 35B of the Banking Regulation Act, 1949, for grant/ payment of variable pay of ₹ 80,00,000/- to Mr. B K Divakara, Executive Director, for the performance period from April 01, 2024, to March 31, 2025, out of which ₹40,00,000/- shall be in non-cash form (stock

options) and the balance in cash. Pursuant to the said approval, the Nomination & Remuneration Committee of the Board on December 12, 2025, granted 29,873 stock options to Mr. B K Divakara at an exercise price of ₹ 388.70 per option, and the total value of the options granted is ₹ 39,99,994.70 as per the fair value arrived at based on the Black-Scholes model.

Remuneration paid to Mr. B K Divakara, Executive Director, for the financial year 2025-26 and disclosed includes payment of fixed pay made for the period from April 1, 2025, to March 31, 2026, and payment of variable pay (upfront) for the performance period from April 1, 2024, to March 31, 2025.

The Bank obtained the approval of shareholders for payment of remuneration.

Details of remuneration paid to Mr. B K Divakara, Executive Director for the financial year 2025-26, are given below:

Name of the Whole Time Director	Fixed Pay	Variable Pay Cash Component		Total	Non-Cash Component Stock options granted	
		Upfront	Deferred		No. of Options	Exercise Price
Mr. B.K. Divakara	₹ 85,37,423.96	₹ 20,00,000.00	-	₹ **1,05,37,423.96**	29,873 Options	₹ 388.70/ Option

4. Non-Executive Directors

Non–Executive Independent Directors were paid sitting fees at ₹ 1,00,000/- for attending the Board Meeting and ₹ 85,000/- for attending Management Committee, Audit Committee and Risk Management Committee Meetings and ₹ 50,000/- for attending rest of the Committee Meetings with effect from November 06, 2025. Prior to that, Non–Executive Independent Directors were paid sitting fees at ₹ 85,000/- for attending the Board Meeting, ₹ 55,000/- for attending Management Committee, Audit Committee and Risk Management Committee Meetings and ₹ 35,000/- for attending the rest of the Committee Meetings.

No sitting fee was paid during the financial year 2025-26 to the Non-executive, Non-Independent Directors on the Board of the Bank for attending the Board and committee meetings.

The Bank did not pay any amount to directors by way of salary and perquisites except to the Managing Director & CEO and Whole-time Director. However, the remuneration/honorarium paid to Mr. Biswamohan Mahapatra in his capacity as Part-time Chairperson of the Bank was in accordance with the terms of his appointment as Part-time Chairperson, which were approved by Reserve Bank of India and shareholders of the Bank.

During the year under review, there were no other pecuniary relationships or transactions with Non–Executive Directors and Non–Executive Independent Directors vis–à–vis the Bank except normal banking transactions, payment of sitting fees, reimbursement of expenses, if any and related party transactions, if any, which are disclosed in the Report to the extent as required.

The criteria of making payments to Non-Executive Directors and Non–Executive Independent Directors, is displayed on the website of the Bank : https://www.csb.bank.in/pdf/Remuneration-criteria-for-Non-Executive-or-Independent-Directors-27042022-.pdf

Details of remuneration/sitting fee paid to Non–Executive Directors for attending Board and Committee Meetings for the financial year 2025–26 are given below:

Name of the Directors		Amount
Mr. Biswamohan Mahapatra^ (April 16, 2025 to March 31, 2026)	Part-time Chairperson@	₹ 46,23,656.63
Mr. Madhavan Menon (April 01, 2025 to October 19, 2025)	Non-Executive Director#	NIL
Mr. Sumit Maheshwari		NIL
Ms. Sheetal Rupesh Sancheti		NIL
Ms. Sharmila Abhay Karve	Non-Executive Independent Director	₹ 19,80,000.00
Mr. Sudhin Choksey		₹ 29,15,000.00
Mr. Sharad Kumar Saxena		₹ 38,35,000.00
Ms. Renu Kohli		₹ 20,80,000.00
Mr. Deepak Maheshwari		₹ 29,85,000.00
Mr. D N Narasimha Raju		₹ 22,35,000.00

^ Non-Executive Independent Director

@amount includes the honorarium and the sitting fee paid during the financial year.

#No remuneration/sitting fee was paid to the Non-Executive Non-Independent Directors.

SHAREHOLDING OF DIRECTORS

Directors' shareholdings in the Bank as on March 31, 2026, are given below:

Sl. No.	Name of the Director	No. of shares	Percentage of holding
1	Mr. Sudhin Choksey	6,000	0.0035 %
2	Mr. Sharad Kumar Saxena	5,000	0.0029 %

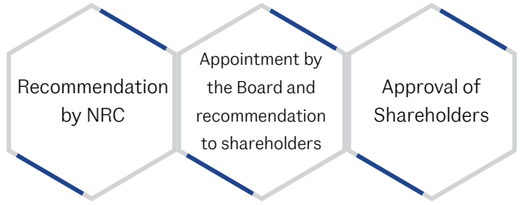
CRITERIA FOR APPOINTMENT AS DIRECTOR OF THE BANK

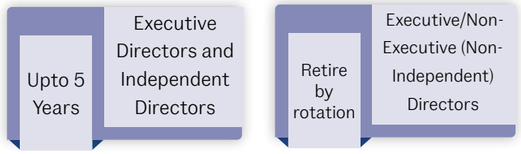
Nomination & Remuneration Committee (NRC)/Committee of the Board shall identify and ascertain the qualification, expertise, experience, track record, integrity, etc., of the person who is considered for being appointed/ reappointed as Director of the Bank and shall carry out the prescribed due diligence exercise in compliance of the extant guidelines of the Reserve Bank of India on Fit and Proper criteria, applicable provisions of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

For every appointment of an independent director, the Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may; Use the services of external agencies, if required; Consider candidates from a wide range of backgrounds, having due regard to diversity; and consider the time commitments of the candidates. In terms of RBI Letter dated September 11, 2023, on RBI Governor's meeting with MD & CEOs of banks, the Bank also perform an independent assessment aided/ supplemented by internal due diligence/external agencies and institute a robust system and processes to strengthen the appointment/re-appointment process of directors in the Bank.

PROCESS FOR THE APPOINTMENT OF DIRECTORS

Each Director of the Bank is appointed with the approval of the Board and Shareholders. All directors seek periodic re-appointment by the shareholders, none of the director has perpetual office. Subject to the maximum period of holding of directorship in the Bank in relevant category as mentioned under the head 'Nomination Policy- Policy for Appointment of Directors, Key Managerial Personnel, and others' periodicity of re-appointment of directors is as under:





TERMS AND CONDITIONS FOR APPOINTMENT OF INDEPENDENT DIRECTORS

Appointment of Independent Directors and terms and conditions of the appointment shall be governed by the provisions of the Companies Act, 2013, the rules made thereunder, Listing Regulations from time to time, the provisions of the Banking Regulation Act, 1949, as amended from time to time and the extant guidelines of RBI and Articles of Association of the Bank.

The Bank will issue a formal Letter of Appointment to Independent Directors at the time of their appointment/ re-appointment covering the terms and conditions of the appointment.

The terms and conditions of appointment of Independent Directors has been disclosed on the website of the Bank at https://www.csb.bank.in/pdf/Independent-Directors_Terms_and_Conditions.pdf

AFFIRMATION BY INDEPENDENT DIRECTORS

The Independent Directors have confirmed that they have met the criteria of Independence as provided in Section 149(6) of the Companies Act, 2013 and the rules made thereunder. They have also confirmed in terms of Regulation 25(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 that they have also met the criteria of independence as provided in clause (b) of sub-regulation (1) of regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence. On the basis of this, the Board of Directors opines that the Independent Directors of the Bank fulfils

the conditions specified in Companies Act, 2013 and Listing Regulations and are independent of the management.

Further, pursuant to rule 6(3) of the Companies (Appointment and Qualifications of Directors) Rules, 2014, the Independent Directors of the Bank had affirmed that, they had registered as an Independent Director in the Independent Directors Data Bank as required under rule 6(1) and 6(2) of the Companies (Appointment and Qualifications of Directors) Rules, 2014 and had also complied with the requirements of passing the online proficiency self-assessment test/ exempted from online proficiency self-assessment test in terms of Rule 6(4) of the Companies (Appointment and Qualifications of Directors) Rules, 2014, as amended.

The Bank has not appointed any Independent Director since the date of the last Board's Report and up to the date of this Report. Accordingly, the disclosure under Rule 8(5)(iiiA) of the Companies (Accounts) Rules, 2014, in respect of the Board's opinion on the integrity, expertise, and experience (including the proficiency) of Independent Directors appointed during the said period, is not applicable.

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

The Directors of the Bank are encouraged to attend the training programmes being organised by various regulators/ bodies/institutions on roles, rights, responsibilities in the Bank, nature of the banking industry, business model, risk management system and technology of the Bank. This enables the Directors to make informed decisions in the interest of the Bank and its stakeholders.

Directors are provided with a formal letter of appointment with all materials related to their roles, rights, responsibilities in the Bank as well as with the nature of industry and business model of the Bank at the time of their appointment as Director and through periodical presentations on economy & industry overview, key regulatory developments, strategy and performance. This enables the Directors to have a clear picture of the Bank and make informed decisions in the interest of the Bank and its stakeholders. Along with the letter of appointment, a welcome kit containing the brief history of the Bank, Memorandum and Articles of Association, Copy of Code of Conduct to Directors and Senior Management, criteria of Independence applicable to Independent Directors, deed of covenant, Do's and Don'ts for the Directors of the Bank as per Reserve Bank of India Circular/Direction, Copy of Internal Code of Conduct for Prevention of Insider Trading, Copy of Internal Code of Conduct for dealing in securities of other Listed or to be Listed entities, Copy of Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information, Copy of the Audited Accounts for that financial year, Asset and Liability Products of the Bank in brief, Copy of Credit Policy of the Bank are provided to every Director inducted on the Board.

Pursuant to the Listing Regulations, your Bank is required to impart familiarisation programme for Independent Directors of the Bank every year. Various training programme including IT and Cyber Security were also extended to all the directors of the Bank in the manner as prescribed.

The details of familiarisation programmes arranged in the FY 2025-26, are available in the website of the Bank at the link: https://www.csb.bank.in/pdf/directors_training_details.pdf

SUCCESSION PLANNING

The Succession planning policy of the Bank aims to identify the competency requirements of critical and key positions, assess potential candidates, and develop required competency through planned development and learning initiatives. The policy also ensures the systematic and long-term development of individuals at the senior management level to replace whenever a need arises due to deaths, disabilities, retirements or any other unexpected occurrence.

Succession planning at the Bank includes the identification of Board, Key Management positions, Senior Managerial personnel and other specialised areas/functions which are critical for the Bank's business continuity, operations and growth. Succession planning at the Bank ensures that the Bank is prepared with a plan to support operations and business continuity and ensures the building up and nurturing of a talent pool of qualified, experienced and motivated employees for taking on higher roles and responsibilities as and when gaps arise. Careful planning and preparation are also necessary to manage the changes that result from a generational transfer of leadership as well as the ongoing changes that arise regularly when key personnel leave the Bank. The Succession Planning Policy of the Bank seeks to do so.

Nomination & Remuneration Committee of the Bank works with the Board on the leadership succession plan and also prepares contingency plans for succession in case of any exigencies. The NRC periodically reviews and considers the list of senior managerial personnel due for retirement/attrition within the year. The Committee shall also consider the new vacancies that may arise out of business needs/up-gradation of Department(s)/ Regional Office(s). Considering the above, the Committee shall assess the availability of suitable candidates for the Bank's future growth and development. The Committee is guided by Succession Planning Policy which involve assessing the likely gap in Board/leadership/ management, developing the succession planning model, implementation of the plan and continuous evaluation and assessment. The Policy guide to identify the competency requirements of critical and key positions, assess potential candidates and develop required competency through planned development and learning initiatives.

In the event of any unexpected vacancy in the Board at the Executive level, particularly the position of the Managing Director & CEO, which may affect the day-to-day operations/ functioning of the Bank, NRC shall meet and recommend to the Board to entrust Executive Director, if any, or from a select pool of persons in case there is no Executive Director, with such designation as may be assigned, post event, to carry out the said functions on an interim basis, in line with section 10B (9) of the Banking Regulation Act, 1949.

DIRECTORS AND OFFICERS INSURANCE

Pursuant to the Regulation 25(10) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Bank had undertaken Directors and Officers insurance ('D & O insurance') for all its Independent Directors, as well as other Directors and such officers, for risks as determined by the Board of Directors of the Bank from time to time.

BOARD'S COMMITTEES

The Committees of the Board are constituted under the provisions of the Companies Act, 2013, Listing Regulations, the Banking Regulation Act, 1949 and RBI Rules, Circulars & Recommendations, to deal with specific areas / activities as stipulated therein. These Committees of Directors have been constituted by the Board for taking informed decisions in the best interest of the Bank. These Committees monitor the activities falling within their respective terms of reference. During the period under review, the committee of the Board was/were constituted/reconstituted and terms of reference of the committees were modified/ realigned with the provisions of the Companies Act, 2013, Listing Regulations, the Banking Regulation Act, 1949, and the relevant RBI guidelines in this regard.

No recommendation of the Committees, which is mandatorily required to be accepted, have been rejected by the Board in the financial year under review.

SUMMARY OF COMMITTEE MEETING ATTENDANCE OF DIRECTORS FOR FY 2025-26

Sl. No.	Name of the Director	MC	RMC	ACB	NPAMC	SRC	CMF	CSC	CSR	NRC	ITSC	RCWDNB
Total No. of Meetings held		18	5	12	4	4	4	4	3	10	5	0
1.	Mr. Biswamohan Mahapatra	17	5	NM	NM	4	NM	4	NM	4	2	NM
2.	Mr. Pralay Mondal	18	5	NM	4SI	4	4	4	3	NM	5	0
3.	Mr. B K Divakara	17	NM	NM	0	NM	4	4	NM	NM	NM	NM
4.	Mr. Madhavan Menon	NM	3	7	NM	2	2	NM	NM	NM	3	NM
5.	Mr. Sumit Maheshwari	NM	NM	NM	2	NM	NM	NM	3	10	NM	NM
6.	Ms. Sharmila Abhay Karve	NM	NM	12	1	NM	3	NM	3	NM	NM	0
7.	Mr. Sudhin Choksey	14	5	NM	NM	4	NM	NM	3	9	NM	NM
8.	Mr. Sharad Kumar Saxena	17	5	12	NM	NM	NM	NM	NM	10	5	NM
9.	Ms. Renu Kohli	NM	5	NM	4	4	NM	NM	3	9	NM	0
10.	Mr. Deepak Maheshwari	18	0	10	NM	NM	NM	4	NM	NM	3	NM
11.	Mr. D N Narasimha Raju	NM	5	NM	4	NM	4	4	NM	10	NM	NM
12.	Ms. Sheetal Rupesh Sancheti	NM	2	4	NM	2	2	NM	NM	NM	2	NM

NM Not a Member

SI Special Invitee

Chairpersonship of the Committee as on March 31, 2026

AUDIT COMMITTEE OF THE BOARD (ACB)

The Audit Committee of the Board (ACB) was constituted by a resolution of the Board at their meeting held on June 06, 1994, and was last reconstituted by the Board vide Resolution No. DB-1 dated November 05, 2025.

Terms of reference	a) Oversight of the Bank's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible; b) Oversight of the integrity of the Bank's financial statements; c) Oversight of the Bank's systems of disclosure controls and procedures, internal controls over financial reporting and compliance with ethical standards adopted by the Bank; d) Oversight of auditing processes of the Bank, both internal and external and independence of the audit function in the Bank; e) Oversight of the performance of the Bank's independent auditor, internal audit and compliance functions; Call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors. To discuss any other related issues with the internal and statutory auditors and the management of the Bank. f) Oversight of the Bank's compliances with legal and regulatory requirements. g) Authority to investigate into any matter in relation to the items specified in sub-section (4) of Section 177 of the Companies Act, 2013, or referred to it by the Board.
Duties and responsibilities	a) Reviewing with the management, the quarterly and annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to: i. matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013; ii. changes, if any, in accounting policies and practices, and reasons for the same; iii. management letters/letters of internal control weaknesses issued by the statutory auditors/ internal auditors of the Bank; iv. major accounting entries involving estimates based on the exercise of judgment by management; v. significant adjustments made in the financial statements arising out of audit findings; vi. compliance with listing and other legal requirements relating to financial statements; vii. Statement of significant related party transactions (as defined by the Audit Committee), submitted by the management of the Bank modified opinion(s) in the draft audit report. b) Reviewing with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, qualified institutions placement etc.), the statement of funds utilised for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, or preferential issue or qualified institutions placement and making appropriate recommendations to the Board to take up steps in this matter; c) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit; the follow up and compliance of inspection/ audit reports; d) Reviewing the inspection reports of specialized and extra-large branches and all branches with unsatisfactory ratings, obtaining and reviewing half yearly reports from the compliance officers appointed in the Bank, following up on all the issues raised in the long form audit report and following up on all the issues/concerns raised in the inspection reports of RBI; e) Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process; Recommendation for appointment, remuneration and terms of appointment of auditors of the Bank;

	f) Evaluation of internal financial controls and risk management systems; g) Approval of payments to statutory auditors for any other services rendered by the statutory auditors; h) Reviewing with the management, performance of statutory and internal auditors, adequacy of the internal control systems; i) Discussion with internal auditors of any significant findings and follow up there on; j) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board; k) Reviewing the periodical reviews/returns/ statements placed before it as per the approved calendar of items. l) Approval or any subsequent modification of transactions of the Bank with related parties; m) Review internal audit reports relating to internal control weaknesses; n) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern; o) Consider and comment on rationale, cost- benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Bank and its shareholders. p) Periodical review of policies as per the relevant Act, Rule, Regulations /assigned by the Board from time to time.
Other Responsibilities	a) The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee; b) Review of Statement of deviations: i. Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1). ii. Annual statement of funds utilised for purposes other than those stated in the offer document/ prospectus/ notice in terms of Regulation 32(7). c) Review the functioning of the whistle blower mechanism; d) Oversight over the vigil mechanism established by the Bank and the Chairman of Audit Committee shall directly hear grievances of victimization of employees and directors, who used vigil mechanism to report genuine concerns; e) Look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors; f) Approval of the appointment of the chief financial officer after assessing the qualifications, experience and background, etc., of the candidate; g) Reviewing the utilisation of loans and/or advances from/investment by the holding company in the subsidiary exceeding ₹ 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision; h) Approval or any subsequent modification/ material modification of transactions of the Bank with related parties; i) To define the term "material modifications" and disclose it as part of the policy on materiality of related party transactions and on dealing with related party transactions; j) Lay down the criteria for granting the omnibus approval in line with the Bank's Policy on materiality of Related Party Transactions and on dealing with Related Party Transactions : k) Review of all related party transactions entered into by the Bank on a quarterly basis, including those transactions for which omnibus approvals accorded : l) Scrutiny of inter-corporate loans and investments;

m) Valuation of undertakings or assets of the company, wherever it is necessary;

n) Carrying out any other functions as is mentioned in the terms of reference of the Audit Committee;

o) To review Management discussion and analysis of financial condition and results of operations.

p) Exercising oversight of IS Audit of the Bank.

q) Review and approval of IS Audit policy.

r) Review critical issues highlighted related to IT / information security / cyber security and provide appropriate direction and guidance to the Management.

s) To decide whether non-implementation (fully/partially) of trading plan approved by the Compliance Officer under Securities Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, is bona fide or not.

t) To review on an annual basis the compliance with the relevant provisions of Securities Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, and further to verify that the internal control system in the Bank in this connection is adequate and is operating effectively.

u) To review the cases of wilful default and recommend steps to be taken to prevent such occurrences as well as its early detection.

v) To review the process of identifying root causes of wilful default and address deficiencies, if any, in the process adopted by the Bank for wilful defaulter classification.

Composition of Audit Committee

Name of the Director	Category	No. of meetings held during the tenure	Meetings attended
Ms. Sharmila Abhay Karve	Chairperson	12	12
Mr. Sharad Kumar Saxena	Member	12	12
Mr. Deepak Maheshwari	Member	12	10
Ms. Sheetal Rupesh Sancheti*	Member	4	4
Mr. Madhavan Menon#	Member	7	7

** Appointed as a member of the Committee w.e.f. November 06, 2025*

 # Ceased to be member of the Committee w.e.f. October 20, 2025, due to completion of tenure of appointment as a Non-Executive director.

The Company Secretary acts as the Secretary to the Committee. The Chairman of the Audit Committee was present at the last Annual General Meeting of the Bank held on August 26, 2025.

During the year under review, there were no instances of non-acceptance of the recommendation of the Audit Committee, by the Board of Directors.

During the financial year, the Audit Committee met twelve (12) times and not more than one hundred and twenty days lapsed between two consecutive meetings of the Audit Committee of the Board. The dates of the meetings are as under:

April	April 28, 2025		October	-	
May	May 20, 2025	May 30, 2025	November	November 05, 2025	
June	June 20, 2025		December	December 19, 2025	
July	July 17, 2025		January	January 16, 2026	January 28, 2026
August	August 13, 2025		February	-	
September	September 12, 2025		March	March 06, 2026	

NOMINATION & REMUNERATION COMMITTEE (NRC)

Nomination & Remuneration Committee, inter-alia, looks after the due diligence and recommendation process for appointment/re-appointment of Directors and their remuneration, remuneration perquisites, ESOPs, etc., to MD & CEO and other key managerial and senior management personnel of the Bank, monitoring of the compensation policy of the Bank, etc. The Committee shall specify the manner for effective evaluation of performance of Board, its committees and individual directors.

The Nomination & Remuneration Committee (NRC) was last reconstituted by the Board vide Resolution No. DB-1 dated September 26, 2025.

Terms of reference

a) Identification of persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down;

b) Undertake the due diligence of candidates before their appointment/re-appointment as directors;

c) Recommend to the Board on appointment of directors, senior management personnel and their removal;

d) Devising a policy on diversity of board of directors;

e) Formulate the criteria for determining qualification, positive attributes and independence of a director, key managerial personnel and other employees;

f) Recommend to the Board the policy for evaluation of performance of board, its committees and individual directors;

g) To oversee the framing, review and implementation of the Bank's overall compensation structure and related policies on remuneration packages payable to whole time directors, the Managing Director and Chief Executive Officer and other staff as may be prescribed from time to time including performance linked incentives, perquisites, stock option scheme, etc., with a view to attract, motivate and retain employees and review compensation levels;

h) To implement and administer the CSB Employee Stock Option Schemes;

i) To formulate detailed terms and conditions of the scheme, administer and supervise the same and

j) to allot shares in compliance with the scheme, guidelines and other applicable laws;

k) To obtain necessary clearances and approvals from regulatory authorities and do such other things as may be necessary in respect of the Schemes;

l) To make suggestions to amend any stock option plans or incentive plans, provided that all amendments to such plans shall be subject to consideration and approval of the Board;

m) To review the compensation structure/policy on a periodical basis;

   i. To approve the overall compensation structure of the new recruitment of the executives at top level management including performance linked incentives, perquisites, stock option scheme, etc.; and

   ii. To conduct annual review of their performance and to revise their compensation structure in tandem with their performance/target achieved.

n) Any other matters regarding remuneration of whole time directors, the Managing Director and Chief Executive Officer and other staff of the Bank as may be prescribed as and when permitted by the Board;

o) Any other matters regarding compensation structure as and when permitted by the Board;

p) To fulfil such other powers and duties as may be delegated to it by the Board;

q) Specify the manner for effective evaluation of performance of Board, its committees and individual directors;

r) Identifying 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;

s) Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors; and

t) To allot shares pursuant to the options granted to the eligible employees/officers under the ESOP scheme which is existing and to be framed in Future:

Report on Corporate Governance (Contd.)

Composition of the Nomination & Remuneration Committee

Name of the Director	Category	No. of meetings held during the tenure	Meetings attended
Mr. Sharad Kumar Saxena	Chairman	10	10
Mr. Sumit Maheshwari	Member	10	10
Mr. Sudhin Choksey	Member	10	9
Ms. Renu Kohli	Member	10	9
Mr. D N Narasimha Raju	Member	10	10
Mr. Biswamohan Mahapatra *	Member	4	4

** Appointed as a member of the Committee w.e.f. May 01, 2025, and ceased to be a member of the Committee w.e.f. September 27,2025.*

The Committee met Ten (10) times during the financial year 2025–26 and the dates of the meetings are as under:

April	April 16, 2025	April 28, 2025	October	-
May	May 30, 2025		November	November 05, 2025
June	June 24, 2025		December	December 12, 2025
July	-		January	January 28, 2026
August	August 13, 2025		February	-
September	September 26, 2025		March	March 25, 2026

STAKEHOLDERS RELATIONSHIP COMMITTEE (SRC)

The Stakeholders Relationship Committee was last reconstituted by the Board vide Resolution No. DB-1 dated November 05, 2025.

Terms of reference

a. Resolving the grievances of the security holders of the Bank including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/ duplicate certificates, general meetings, etc.;

b. Review of measures taken for effective exercise of voting rights by shareholders;

c. Review of adherence to the service standards adopted by the Bank in respect of various services being rendered by the Registrar to an Issue and Share Transfer Agent;

d. Review of the various measures and initiatives taken by the Bank for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/ annual reports/ statutory notices by the shareholders of the Bank;

e. Issue and allotment of shares subject to the provisions of the Section 39 of the Companies Act, 2013, read with the Companies (Prospectus and Allotment of Securities) Rules, 2014, Section 46 of the Companies Act, 2013, read with Companies (Share Capital and Debentures) Rules, 2014 and subject to the Memorandum and Articles of Association of the Bank;

f. To transfer, transposition and transmission of securities;

g. To consider and approve, split, consolidation and duplication of shares or other securities;

h. To approve dematerialisation and re-materialization of shares;

i. To seek any information it requires from the employees, directors of the Bank in order to perform its functions;

j. To do all such other things as are necessary thereto pursuant to and in accordance with the employee stock option schemes and the decision of the Board in connection with allotment of shares under the schemes;

k. Investor relations and redressal of shareholders' grievances in general and relating to non-receipt of dividends, interest, non-receipt of balance sheet etc.; and

l. Such other matters as may be, from time to time, required by any statutory, contractual or other regulatory requirements to be attended to by such committee.

Report on Corporate Governance (Contd.)

Composition of Stakeholders Relationship Committee

Name of the Director	Category	No. of meetings held during the tenure	Meetings attended
Ms. Renu Kohli	Chairperson	4	4
Mr. Pralay Mondal, MD & CEO	Member	4	4
Mr. Sudhin Choksey	Member	4	4
Mr. Biswamohan Mahapatra *	Member	4	4
Ms. Sheetal Rupesh Sancheti#	Member	2	2
Mr. Madhavan Menon ^	Member	2	2

** Appointed as the Member of the Committee w.e.f. May 01, 2025*

 # Appointed as the Member of the Committee w.e.f. November 06, 2025

^ Ceased to be member of the Committee w.e.f. October 20, 2025, due to completion of tenure of appointment as non-executive director.

Mr. Sijo Varghese, Company Secretary is designated as the Compliance Officer.

The Committee met four (4) times during the financial year 2025–26, and the dates of the meetings are as under:

June	June 10, 2025	December	December 11, 2025
September	September 26, 2025	March	March 25, 2026

SEBI INVESTOR COMPLAINTS REDRESSAL SYSTEM (SCORES/ODR MECHANISM)

SCORES platform of SEBI facilitates online filing of investor grievance/ complaints and online view of the status of the same. The Bank endeavours to redress the grievance/ complaints of the Investors within the prescribed time frame, from the date of lodgement of complaint in SCORES platform. The details of each grievance /complaint (category wise) received and redressed are furnished to the Stakeholders Relationship Committee of the Board (SRC) and to the Board on a quarterly basis.

Further, SEBI vide circular no. SEBI/HO/OIAE/OIAE_IAD- 1/P/CIR/2023/131 dated July 31, 2023, has introduced an Online Dispute Resolution (ODR) mechanism for investors/clients. As per the mechanism, shareholders can initiate dispute resolution through the ODR portal https://smartodr.in/ login without having to go through the SCORES portal if the grievance lodged with the Company is not resolved satisfactorily. Dispute resolution through the ODR portal can be initiated only if such complaint/ dispute is not pending before any arbitral process, court, tribunal or consumer forum. In review period, no complaint was received through ODR portal.

STATUS OF THE INVESTOR COMPLAINTS

Status of the Investor complaints received though SCORES platform during the period from April 01, 2025 and up to March 31, 2026 are given under:

Number of Investor Complaints including through SEBI SCORES platform received during the period April 01, 2025 to March 31, 2026	No. of Complaints
Investor complaints pending as on April 01, 2025	0
Investor complaints received during the period	
1. Investor complaints received through SEBI SCORES Platform of the Bank	*2*
2. Investor complaints received through RTA	*2*
Total number of complaints disposed off	4
Number of complaints not solved to the satisfaction of shareholders	0
Complaints pending as on March 31, 2026	0

RISK MANAGEMENT COMMITTEE (RMC)

The Risk Management Committee was last reconstituted by the Board vide Resolution No. DB-1 dated November 05, 2025.

Terms of reference

Risk Management Committee, the apex body of the Bank's risk management architecture, is responsible for aligning various risk management policies of the Bank with the risk appetite and risk philosophy articulated by the Board.

The role of the Committee shall, inter alia, include the following:	a) To formulate a detailed risk management policy and strategy which shall include: i. A framework for identification of internal and external risks specifically faced by the Bank, in particular including credit, financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee. ii. Measures for risk mitigation including systems and processes for internal control of identified risks. iii. Business continuity plan. b) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Bank; c) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems; d) To periodically review the risk management policy and plan, every year, including by considering the changing industry dynamics and evolving complexity; e) To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken; f) The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee; g) To effectively co-ordinate between the credit risk management committee, asset liability management committee and other risk management committees of the Bank, if any; h) The Committee functions as the Managerial and Supervisory Committee of Directors for asset liability management functions; i) To review cyber security related matters; j) To review the periodical returns/reviews/statements placed before it as per the approved calendar of items; k) To seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary; l) To maintain close co-ordination with Nomination & Remuneration Committee in order to achieve effective alignment between remuneration and risks; m) To coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the Board of Directors; n) To review Stress Testing Results & Back-testing report; o) To review the Asset Liability Management (ALM) of the Bank on a regular basis; p) To oversee the effectiveness of the framework for Early Warning Signals (EWS) and Red Flagging of Accounts (RFA). q) Review the status of red flagged accounts, including the Early Warning Signals (EWS) alerts / triggers, remedial actions initiated by the Bank. r) To examine the effectiveness of alignment between compensation structure and risks framework in the Bank. s) Any other functions as may be stipulated by SEBI, Ministry of Corporate Affairs, RBI, Stock Exchanges and any other statutory authorities from time to time.

Composition of Risk Management Committee

Name of the Director	Category	No. of meetings held during the tenure	Meetings attended
Mr. Sudhin Choksey	Chairman	5	5
Mr. Pralay Mondal, MD & CEO	Member	5	5
Mr. Sharad Kumar Saxena	Member	5	5
Ms. Renu Kohli	Member	5	5
Mr. D N Narasimha Raju	Member	5	5
Mr. Biswamohan Mahapatra *	Member	5	5
Ms. Sheetal Rupesh Sancheti#	Member	2	2
Mr. Madhavan Menon^	Member	3	3
Mr. Deepak Maheshwari@	Member	0	0

** Appointed as the Member of the Committee w.e.f. May 01, 2025*

 # Appointed as the Member of the Committee w.e.f. November 06, 2025

^ Ceased to be member of the Committee w.e.f. October 20, 2025, due to completion of tenure of appointment as non-executive director.

@ Ceased to be member of the Committee w.e.f. May 01, 2025

The Committee met five (5) times during the financial year 2025–26 and the dates of the meetings are as under:

May	May 20, 2025	December	December 16, 2025
June	June 10, 2025	March	March 12, 2026
September	September 24, 2025		

MANAGEMENT COMMITTEE (MC)

The Management Committee was last reconstituted by the Board vide Resolution no. DB-1 dated April 28, 2025. Pursuant to the decision of the Board, vide resolution dated June 24, 2024 to dissolve the Credit Committee of the Board w.e.f. June 25, 2024, all the powers hitherto vested with the Credit Committee of the Board are now vested with the Management Committee of the Board with effect from the said date.

Terms of reference

Sanctioning Credit facilities	• shall discharge and exercise the Credit sanctioning powers delegated to it from time to time under Discretionary Powers for Sanctioning of Credit Facilities by the Board. • shall consider proposals for approval, renewal or any modification in sanctioned terms and conditions of various types of funded and non-funded credit facilities to customers within the delegated powers fixed by the Board from time to time. • monthly consolidated statement of Credit sanctioning powers, etc., exercised by the Committee is put up to the Board for information and control purposes.
HR and Admin Functions	shall discharge and exercise the powers and functions, inter alia administrative, including financial matters incidental thereto.
Other functions	a. Reviews the periodical Reviews/ Returns/ Statements placed before it as per the approved calendar of items. b. Assist/support the Board and Management to develop business ideas and optimise the operations in a better and most efficient manner. c. Empowered with the powers to take investment strategy/decision in Financial Markets. d. Functioning as Review Committee in the mechanism for identification of borrowers as wilful defaulters. e. Discharge such functions and other responsibilities as may be delegated by the Board of Directors from time to time.

Composition of Management Committee

Name of the Director	Category	No. of meetings held during the tenure	Meetings attended
Mr. Deepak Maheshwari	Chairman	18	18
Mr. Pralay Mondal, MD & CEO	Member	18	18
Mr. B K Divakara *	Member	17	17
Mr. Sudhin Choksey	Member	18	14
Mr. Sharad Kumar Saxena	Member	18	17
Mr. Biswamohan Mahapatra *	Member	17	17

** Appointed as the Member of the Committee w.e.f. May 01, 2025*

The Committee met Eighteen (18) times during the financial year 2025–26 and the dates of the meetings are as under:

April	April 28, 2025		October	October 28, 2025	
May	May 20, 2025		November	November 20, 2025	
June	June 11, 2025	June 24, 2025	December	December 17, 2025	December 22, 2025
July	July 24, 2025		January	January 22, 2026	

August	August 13, 2025	August 26, 2025	February	February 17, 2026		
September	September 15, 2025	September 25, 2025	March	March 02, 2026	March 12, 2026	March 18, 2026

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR)

The Corporate Social Responsibility Committee was last reconstituted by the Board vide Resolution passed by circulation dated September 27, 2024.

In terms of Section 135 of the Companies Act, 2013, Bank constituted the Corporate Social Responsibility Committee of the Board.

Terms of reference	a) Formulate and recommend to the Board, a Corporate Social Responsibility Policy as per Schedule VII of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014. b) Recommend the amount of expenditure to be incurred on the activities referred to in clause (a). c) Monitor the corporate social responsibility policy of the Bank from time to time. d) Formulate and recommend to the Board, an annual action plan in pursuance of its CSR policy, which shall include the following, namely: i. the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act; ii. the manner of execution of such projects or programmes as specified in sub-rule (1) of rule 4; iii. the modalities of utilisation of funds and implementation schedules for the projects or programmes; iv. monitoring and reporting mechanism for the projects or programmes; and v. details of need and impact assessment, if any, for the projects undertaken by the Bank provided that Board may alter such plan at any time during the financial year, as per the recommendation of its CSR Committee, based on reasonable justification to that effect. e) Make decisions on responsible business conduct and sustainability related issues.

Composition of the Corporate Social Responsibility Committee

Name of the Director	Category	No. of meetings held during the tenure	Meetings attended
Ms. Renu Kohli	Chairperson	3	3
Mr. Pralay Mondal, MD & CEO	Member	3	3
Mr. Sumit Maheshwari	Member	3	3
Mr. Sudhin Choksey	Member	3	3
Ms. Sharmila Abhay Karve	Member	3	3

The Committee met three (3) times during the financial year 2025-26 and the dates of the meetings are as under:

June	June 20, 2025
January	January 28, 2026
March	March 25, 2026

IT STRATEGY COMMITTEE (ITSC)

As per the RBI guidelines on Information Technology, all banks are advised to form an Independent IT Committee of the Board. The Bank formed the Committee on November 14, 2013 The IT Strategy Committee was last reconstituted by the Board vide Resolution No. DB-1 dated November 05, 2025. IT Strategy Committee, inter alia, approves IT strategy and policy documents, etc.,

Terms of reference; the powers, of the Committee:	a. Perform oversight functions over the IT Steering Committee (at a senior management level). b. Investigate activities within this scope. c. Seek Information from any employee. d. Obtain outside legal or professional advice. e. Secure attendance of outsiders with relevant expertise, if it considers necessary. f. Work in partnership with other Board Committees and Senior Management to provide input, review and amend the aligned corporate and IT strategies.
the roles and responsibilities of the Committee:	a) Approving IT strategy and policy documents. b) Ensuring that the management has put an effective strategic planning process in place. c) Guide in preparation of IT Strategy and ensure that the IT Strategy aligns with the overall strategy of the Bank towards accomplishment of its business objectives. d) Ratify that the business strategy is indeed aligned with IT strategy. e) Ensuring that the IT organisational structure complements the business model and its direction. f) Ascertaining that management has implemented process and practices that ensure that the IT delivers value to the business. g) Ensuring IT investments represent a balance of risks and benefits and that budgets are acceptable. h) Ensuring the budgetary allocations for the IT function (including for IT security), cyber security are commensurate with the Bank's IT maturity, digital depth, threat environment and industry standards and are utilised in a manner intended for meeting the stated objectives. i) Monitoring the method that management uses to determine the IT resources needed to achieve strategic goals and provide high-level direction for sourcing and use of IT resources. j) Ensuring proper balance of IT investments for sustaining Bank's growth. k) Becoming aware about exposure towards IT risks and controls, and evaluating effectiveness of management's monitoring of IT risks. l) Assessing Senior Management's performance in implementing IT strategies. m) Issuing high-level policy guidance (e.g. related to risk, funding, or sourcing tasks). n) Confirming whether IT or business architecture is to be designed, so as to derive the maximum business value from IT. o) Satisfy itself that the IT Governance and Information Security Governance structure fosters accountability, is effective and efficient, has adequate skilled resources, well defined objectives and unambiguous responsibilities for each level in the Bank; p) Ensuring processes for assessing and managing IT and cybersecurity risks are put in place; q) Review, on an annual basis, the adequacy and effectiveness of the Business Continuity Planning and Disaster Recovery Management. r) Committee has been empowered with the financial power in respect of the IT related matters. s) The authority to sanction all expenses in respect of the IT and IT related matters.

Composition of the IT Strategy Committee

Name of the Director	Category	No. of meetings held during the tenure	Meetings attended
Mr. Sharad Kumar Saxena	Chairman	5	5
Mr. Pralay Mondal, MD & CEO	Member	5	5
Mr. Biswamohan Mahapatra *	Member	2	2
Ms. Sheetal Rupesh Sancheti *	Member	2	2
Mr. Madhavan Menon #	Member	3	3
Mr. Deepak Maheshwari ^	Member	3	3

** Appointed as a member of the Committee w.e.f. November 06, 2025*

 # Ceased to be member of the Committee w.e.f. October 20, 2025, due to completion of tenure of appointment as non-executive director.

^ Ceased to be member of the Committee w.e.f. November 06, 2025

The Committee met five (5) times during the financial year 2025–26 and the dates of the meetings are as under:

April	April 16, 2025	November	November 20, 2025
June	June 10, 2025	February	February 12, 2026
August	August 20, 2025		

COMMITTEE FOR MONITORING AND FOLLOW-UP OF CASES OF FRAUDS (CMF)

In line with the directives of the RBI, the Bank constituted the Committee for Monitoring Large Value Frauds (CMF) for the exclusive purpose of monitoring and following up on fraud cases involving amounts of ₹ 1 crore and above. Subsequently, pursuant to the RBI Master Direction on Fraud Risk Management in Commercial Banks dated July 15, 2024, the Board, vide its resolution dated July 29, 2024, approved the re-alignment of the functions of the CMF, and further, in accordance with this re-alignment, the Committee was renamed as the "Committee for Monitoring and Follow-up of Cases of Frauds".

The Committee was last reconstituted by the Board vide Resolution No. DB-1 dated November 05, 2025.

Terms of reference

a. To monitor and review all the frauds of ₹ 1 crore and above.
b. Identify the systemic lacunae, if any, that facilitated perpetration of fraud and put in place measures to plug the same.
c. Identify the reasons for delay, if any, in detection and reporting to top management of the Bank and RBI.
d. Monitor progress of CBI/Police Investigation and recovery position.
e. Ensure that staff accountability is examined at all levels in all the cases of frauds and staff side action, if required, is completed quickly without loss of time.
f. Review the efficacy of the remedial action taken to prevent recurrence of frauds, such as strengthening of internal controls.
g. Put in place other measures as may be considered relevant to strengthen preventive measures against frauds.
h. To monitor and follow up Red Flagged Accounts and Fraud Accounts (Accounts beyond the threshold limit of ₹ 50 crore and above).
i. Such other functions as may be decided/delegated by the Board of Directors/advised by the Reserve Bank of India, from time to time.

The meeting of the Committee has to be scheduled once in a quarter, and as and when a fraud involving an amount of ₹ 100 lakh and above comes to light.

Name of the Director	Category	No. of meetings held during the tenure	Meetings attended
Mr. D N Narasimha Raju*	Chairman	4	4
Mr. Pralay Mondal, MD & CEO	Member	4	4
Mr. B K Divakara	Member	4	4
Ms. Sharmila Abhay Karve	Member	4	3
Ms. Sheetal Rupesh Sancheti#	Member	2	2
Mr. Madhavan Menon^	Chairman	2	2

** Member of the Committee till November 05, 2025, and appointed as the Chairman of the Committee w.e.f. November 06, 2025*

 # Appointed as a member of the Committee w.e.f. November 06, 2025

^ Ceased to be the Member and Chairman of the Committee w.e.f. October 20, 2025, due to completion of tenure of appointment as non-executive director.

The Committee met four (4) times during the financial year 2025–26, and the dates of the meetings are as under:

May	May 20, 2025	November	November 20, 2025
August	August 20, 2025	March	March 06, 2026

Report on Corporate Governance (Contd.)

CUSTOMER SERVICE COMMITTEE (CSC)

The Committee strives to bring about ongoing improvements in the quality of Customer Service provided by the Bank. The Customer Service Committee was last reconstituted by the Board vide Resolution No. DB-1 dated April 28, 2025. The functioning of the Committee shall be reviewed on a half yearly basis (September/March) and the review shall be put up to the Board of Directors within one month from the end of the relevant half-year.

Terms of reference

The Committee shall, inter alia, not only oversee the functioning of the Standing Committee on Customer Services, including compliance with recommendations of the CPPAPS (Committee on Procedures and Performance Audit on Public Services constituted by the RBI), but shall also mount innovative measures for enhancing the quality of Customer Service and improving the level of customer satisfaction for all categories of clientele.

The Committee shall review the progress in reduction of inoperative/ frozen accounts and the special efforts made by the Bank in this regard, on quarterly basis.

Composition of the Customer Service Committee

Name of the Director	Category	No. of meetings held during the tenure	Meetings attended
Mr. D N Narasimha Raju	Chairman	4	4
Mr. Pralay Mondal, MD & CEO	Member	4	4
Mr. B K Divakara	Member	4	4
Mr. Deepak Maheshwari	Member	4	4
Mr. Biswamohan Mahapatra *	Member	4	4

** Appointed as the Member of the Committee w.e.f. May 01, 2025.*

The meeting of the Committee has to be scheduled once in a quarter. The Committee met four (4) times during the financial year 2025–26, and the dates of the meetings are as under:

June	June 20, 2025	December	December 16, 2025
September	September 10, 2025	March	March 18, 2026

NPA MANAGEMENT COMMITTEE (NPAMC)

To lay added thrust on NPA recovery, a separate Committee of the Board named 'NPA Management Committee' has been formed exclusively for considering and sanctioning compromise settlement proposals of NPA accounts, for a speedy consideration and quick disposal of such proposals. The NPA Management Committee was last reconstituted by the Board vide Resolution No. DB-1 dated September 26, 2025.

Terms of reference

To consider and sanction compromise settlement proposals of NPA accounts, for a speedy consideration and quick disposal of such proposals. The Committee shall be vested with discretion to consider and sanction all compromise settlement proposals of NPA accounts.

The Committee also reviews the periodical Reviews/ Returns/Statements placed before it as per the approved calendar of items.

Composition of NPA Management Committee

Name of the Director	Category	No. of meetings held during the tenure	Meetings attended
Mr. D N Narasimha Raju	Chairman	4	4
Mr. Sumit Maheshwari *	Member	2	2
Ms. Renu Kohli	Member	4	4
Mr. Pralay Mondal, MD & CEO	Special Invitee	4	4
Ms. Sharmila Abhay Karve #	Member	2	1
Mr. B K Divakara^	Member	0	0

** Appointed as the Member of the Committee w.e.f. September 27, 2025*

 # Ceased to be the Member of the Committee w.e.f. September 27, 2025

^ Ceased to be a Member of the Committee w.e.f. May 01, 2025

The Committee met four (4) times during the financial year 2025–26 and the dates of the meetings are as under:

June	June 24, 2025	December	December 12, 2025
September	September 26, 2025	March	March 12, 2026

REVIEW COMMITTEE FOR WILFUL DEFAULTERS AND NON-COOPERATIVE BORROWERS

In compliance with Reserve Bank of India Master Direction on Treatment of Wilful Defaulters and Large Defaulters dated July 30, 2024, the Board, vide Resolution No. EB-1 dated December 13, 2024, constituted 'Review Committee for Wilful Defaulters and Non-Cooperative Borrowers'.

Terms of reference	(a) Review and confirm the order(s) passed by the Identification Committee identifying a borrower as a wilful defaulter / non-cooperative borrower. (b) Review of accounts classified as wilful defaulter and non-cooperative borrower. (c) Any other matters identified or advised by the Board from time to time.

Composition of the Review Committee for Wilful Defaulters and Non-Cooperative Borrowers

Name of the Director	Category
Mr. Pralay Mondal, MD & CEO	Chairman
Ms. Renu Kohli	Member
Ms. Sharmila Abhay Karve	Member

There were no instances necessitating convening the meeting of the Committee during the financial year 2025-26.

MEETING OF THE INDEPENDENT DIRECTORS

Pursuant to the provisions of the Companies Act, 2013 and Regulation 25(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the performance of Non– Independent Directors and the Board as a whole is to be evaluated by the Independent Directors.

Terms of Reference	a. Review the performance of Non–Independent Directors and the Board as a whole; b. Review the performance of the Chairperson of the Bank, taking into account the views of Executive Directors and Non–Executive Directors; c. Assess the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.
Meeting of Independent Directors for the financial year	Meetings of the Independent Directors were held on December 12, 2025 and March 10, 2026, and all the Independent Directors attended the meetings.
Feedback and action	During the financial year, the Bank acted upon the feedback received from the meeting of the independent directors conducted in FY 2024–25. The Board and Committees discussed the evaluation report and various suggestions received from independent directors in FY 2025–26, and agreed on an action plan.

BOARD LEVEL PERFORMANCE EVALUATION

In accordance with the relevant provisions of the Companies Act, 2013, Listing Regulations and as per the Guidance Note on Board Evaluation issued by SEBI, Nomination and Remuneration Committee of the Board formulated the methodology and criteria/policy for evaluation of the Individual Directors including Independent Directors and Non-Independent Directors, Chairperson, Managing Director & CEO, Executive Directors, Committees of the Board and the Board as a whole. The performance of the Board was evaluated by the Board after seeking inputs from all the Directors on the basis of criteria such as the board composition and structure, effectiveness of board processes, information and functioning, etc.

Report on Corporate Governance (Contd.)

EVALUATION PROCESS

Process for performance evaluation	a) Independent Directors evaluate the performance of Non–Independent Directors including Chairman of the Bank and the Board as a whole. b) The Board evaluates the performance of the Independent Directors, excluding the Director being evaluated. On the basis of the report of the performance evaluation, it would be determined whether to extend or continue the term of appointment of Independent Directors. c) The Board evaluates the performance of Board level Committees. d) The Nomination and Remuneration Committee shall specify the manner for effective evaluation of performance of Board, its Committees and individual directors.
CRITERIA FOR PERFORMANCE EVALUATION:	
Performance Evaluation of Chairperson	Attendance at the meetings; Participation and contribution; Responsibility towards stakeholders; Contribution in Strategic Planning; Compliance and Governance; Updation of Knowledge; Performance of the Bank; Recognition and Awards to the Bank; Managing Relationships and Communications; Resources; Conduct of Meetings, effective leadership, open-mindedness, decisiveness, courteousness, display of professionalism, impartiality in conducting discussions, seeking of views and dealing with dissent.
Performance Evaluation of Whole-time Directors	Knowledge, Experience & Competency, Qualification, Fulfilment of functions, Leadership qualities, Strategy formulation and execution, Financial planning, monitoring and evaluation of performance, Relationships with the Board, External Relations, Human Resources Management/Relations, Succession planning, Product/ Service Knowledge, actively and timely taking of initiatives with respect to various areas, Availability and Attendance, Contribution to conduct of Board and Committee meetings, Adequacy of preparation for the meetings, Integrity, Personal Qualities & Behaviour and seeking opportunities for self- development.
Performance Evaluation of Independent Directors	Attendance at meetings of the Board and Committees, knowledge & ethics, understanding of the roles, responsibilities and duties as Director/Chairperson of the Committees; contributions at Board / Committee meetings including on strategy and risk management, professional conduct, adherence to standards, fulfilment of responsibilities and independence from the management as laid down in the code for Independent Directors as per Schedule IV to the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
Performance Evaluation of Non-Executive Directors	Attendance at the meetings; Participation and contribution; Responsibility towards stakeholders; Contribution in Strategic Planning; Compliance and Governance; Updation of Knowledge; Performance of the Bank; Recognition and Awards to the Bank; Leadership; Relationships and Communications; Resources; Conduct of Meetings.
Performance Evaluation of Board	Composition and Diversity; Committees of the Board; Board & Committee meetings; Understanding of the business of the Bank and Regulatory environment; Contribution to effective corporate governance and transparency in the Bank's operations; Deliberations/ decisions on the Bank's strategies, policies, plans and guidance to the Executive Management; Monitoring the implementation of the strategies and the executive management's performance and Quality of Decision making and Board's Communication with all stakeholders.
Performance Evaluation of the Board Level Committees	The performance and effectiveness of the Committee; Frequency and duration; Spread of talent and diversity in the Committee; Understanding of regulatory environment and developments; Interaction with the Board. The flow of information to the Board and its Committees is excellent.
Outcome of the board evaluation for the financial year 2025-26	The Board had a well-balanced composition and received positive feedback on their effectiveness in all key aspects. Directors were satisfied with the agenda notes and discussions at meetings, as well as the management's receptiveness to suggestions and feedback from the Board and Committees. The Management has taken all steps to implement suggestions received during the said period.

NOMINATION POLICY – POLICY FOR APPOINTMENT OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHERS

The Board of Directors of the Bank on the recommendation of the Nomination & Remuneration Committee, has adopted 'Nomination Policy' for appointment of Part–time Chairperson, Managing Director & CEO, Directors (Executive and Non-Executive Directors), Key Managerial Personnel and Senior Management team in the Bank and the same is displayed on the website of the Bank at: https://www.csb.bank.in/sites/default/files/annexure-VI_9_nomination_policy.pdf

As per the Policy, the Nomination & Remuneration Committee decides/ recommends on the Directors' / KMPs' and Senior Management team's appointment, remuneration including criteria for appointment/ re– appointment. The appointment of Directors is subject to due diligence process in compliance with the Banking Regulation Act, 1949, Reserve Bank of India directives on Fit & Proper Criteria, all other applicable provisions of the Companies Act, 2013, including any amendments

from time to time, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Articles of Association of the Bank and Nomination Policy of the Bank and Board and it's Committees. Policy document on corporate governance, principles and procedures. Nomination and Remuneration Committee formulated the criteria for determining qualifications, positive attributes and independence of a Director to adhere with the various provisions and guidelines.

The disclosures as per Section 178(3) and (4) of the Companies Act, 2013, are as given below:

a) Appointment Criteria and Qualifications

1. Subject to the extant RBI Guidelines as applicable, all other applicable provision of the Companies Act, 2013 including any amendments from time to time, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Articles of Association of the Bank and Nomination policy of the Bank, the Nomination & Remuneration Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Part–time Chairman, Managing Director & CEO, Whole-time Directors, Non-Executive Directors, Non-Executive independent directors and recommend to the Board his / her appointment.
2. The Committee, while considering nomination/ co-option of the Directors, should be guided by certain broad 'fit and proper' norms for Directors, viz. formal qualification, experience, track record, integrity, etc. For assessing integrity and suitability, features like criminal records, financial position, civil actions initiated to pursue personal debts, refusal of admission to or re-expulsion from professional bodies, sanctions applied by regulators or similar bodies, previous questionable business practices, etc, should be considered. The Committee has, therefore, evolved appropriate systems for ensuring 'fit and proper' norms for directors, which includes calling for information by way of self-declaration, verification reports from market, etc.
3. A person should possess adequate educational qualification, knowledge and skills , competence, expertise and experience, track record, integrity and judgement for performing the duties and responsibilities for the position he / she is considered for appointment/re-appointment. The Nomination & Remuneration Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
4. Special knowledge or practical experience in Banking, Accountancy, Agriculture and Rural Economy, Co-operation, Economics, Finance, Information Technology, Law, Small-Scale Industry, Payment & Settlement Systems, Human Resources, Risk Management and Business Management or any other field useful to the Banking Company in the opinion of Reserve Bank of India, from time to time.
5. The candidate shall be able to devote sufficient time and attention required to properly discharge his/her fiduciary duties in his/her capacity as Director of the Bank.
6. The prior experience of the candidate shall be suitable to the present and/or potential future needs and the requirements of the Bank vis-à-vis its stature and complexity of its operations.
7. The Bank shall not appoint or continue the employment of any person as Whole–time Director, Managing Director or Manager who has attained the age of seventy years.
8. The Bank shall not appoint or re–appoint any person as Non-Executive Director if he/she has attained the age of seventy-five years.
9. The Bank shall appoint or re–appoint any person as its Part–time Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re– appointment shall be made earlier than one year before the expiry of term.
7. Subject to the statutory approvals required from time to time, the post of the MD&CEO or WTD cannot be held by the same incumbent for more than 15 years. Thereafter, the individual will be eligible for re-appointment as MD&CEO or WTD in the Bank, if considered necessary and desirable by the Board, after a minimum gap of three years, subject to meeting other conditions. During this three-year cooling period, the individual shall not be appointed or associated with the Bank or its group entities in any capacity, either directly or indirectly.
11. No Non-Executive Independent Director shall hold office continually for more than two consecutive terms on the Board, provided that a single term of appointment shall not exceed five years, and that the total tenure of directorship/appointment shall not exceed eight years altogether.

12. The total tenure of a Non-Executive Director, continuously or otherwise, on the Board of the Bank, shall not exceed eight years. Subject to Section 152 of the Companies Act, 2013, regarding retirement by rotation, the total tenure of Non-Executive Director(s) continuously or otherwise, on the Board of the Bank shall not exceed eight years. Post completion of the eight years' term, Non- Executive Director(s) may be considered for re-appointment only after a minimum gap of three years' cooling period. This will not preclude him/her from being appointed as a director in another Bank subject to meeting the requirements.
13. The candidate should normally be a graduate (which can be relaxed while selecting directors for the categories of farmers, depositors, artisans, etc.).
14. The Director shall furnish his/her Director Identification Number and a declaration that he/ she is not disqualified to become a director under the Companies Act, 2013.
15. He / she should not be a Member of Parliament / Member of Legislative Assembly / Member of Legislative Council.
16. He / she should not be a director in any other Bank.
17. Any other factors as the Nomination & Remuneration Committee may deem fit and in the best interests of the Bank and its stakeholders.

b) Criteria for determining Independence of a Director

The Criteria of Independence of a director is determined based on conditions as laid down in the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Independent Director shall at the first meeting of the Board in which he/she participates as a director and thereafter at the first meeting of the Board in every financial year or whenever there is any change in the circumstances which may affect his/her status as an independent director, give a declaration that he/she meets the criteria of independence.

Further pursuant to Rule 6(3) of The Companies (Appointment and Qualifications of Directors) Rules, 2014, as amended, independent director shall submit a declaration of compliance of sub-rule (1) and sub-rule (2) to the Board, each time he submits the declaration required under sub-section (7) of section 149 of the Act.

The terms and conditions of appointment of Independent Directors is disclosed on the website of the Bank and a web link there to, is: https://www.csb.bank.in/pdf/Independent-Directors_Terms_and_Conditions.pdf

c) Disqualification/Conflicts of interest

- The Bank's Directors shall be subject to the disqualifications/prohibitions contained in the Companies Act, 2013, the Banking Regulation Act, 1949 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, with respect to directorship of companies in general or banking companies in particular.
- Director shall not be a director of any other company, or partner or proprietor of a firm, where such directorship, partnership or proprietorship involves or is likely to involve actual or potential conflicts of interest as a Director of the Bank.
- A Director shall promptly inform the Board/ Committee of any actual or potential conflicts of interest with respect to any matter that may come up for the consideration of the Board or of any committee of which he is a member and shall refrain from participating in a discussion on the matter.

COMPENSATION/REMUNERATION POLICY

Compensation Policy of the Bank deals with the compensation and benefits of the employees, Material Risk Takers (MRTs), Whole–time Directors including Managing Director & CEO, Part–time Chairman, Executive and Non–Executive Directors of the Bank. This Policy is in tune with the directions issued by the Reserve Bank of India, provisions of the Companies Act, 2013, and the Listing Regulations, amended from time to time. The Policy is also in tune with Reserve Bank of India (Commercial Banks – Governance) Directions, 2025, dated November 28, 2025.

The objectives of the compensation policy are four fold:

- To align compensation with prudent risk taken.
- To ensure effective governance of the compensation in the organisation.
- To ensure effective supervisory oversight and stakeholder engagement in compensation.
- To attract and retain talent.

The policy covers all aspects of the compensation structure such as fixed pay, perquisites, variable pay in form of cash or non-cash instrument, (share-linked instruments e.g. Employee Stock Option Scheme, CSAR" or "Cash Settled – Stock Appreciation Rights/or any similar/other mode of pay as designed by the Bank from time to time as per eligibility

and Bank's policy), pension plan, gratuity, guaranteed bonus, etc.

While formulating the Policy, the Committee has strived to ensure that –

- the cost/income ratio of the Bank supports the remuneration package consistent with maintenance of sound capital adequacy ratio;
- the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Bank successfully;
- relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- remuneration to Directors, Material Risk Takers (MRTs), Key Managerial Personnel and Senior Management involves a balance between fixed and variable pay (as applicable) reflecting short and long- term performance objectives appropriate to the working of the Bank and its goals.

Remuneration of Part-time Chairperson

The Nomination & Remuneration Committee recommends the remuneration of the Part–time Chairperson to the Board which is considered and approved by the Board in the same manner subject to Shareholders' and regulatory approvals.

The remuneration payable to the Part–time Chairperson is subject to prior approval of the Reserve Bank of India (RBI). Therefore, payment of remuneration or any revision in remuneration of the Part–time Chairperson requires approval from RBI. The remuneration payable to the Part–time Chairperson is also subject to approval of the shareholders as per the provisions of the Companies Act, 2013, and as per the Articles of Association of the Bank.

The Non-Executive Chairman of the Bank shall not be entitled to any profit linked commission and Stock Options.

Remuneration of Managing Director & CEO/ Whole Time- Executive Directors/Material Risk Takers (MRTs)

- The fixed compensation is determined based on the industry standards, the exposure, skill sets, talent and qualification attained by the official over his/her career span subject to adherence with statutory requirements. All the fixed items of compensation, including the perquisites, will be treated as part of fixed pay. All perquisites that are reimbursable should also be included in the fixed pay so long as there are monetary ceilings on these reimbursements. Contributions towards superannuation/retiral benefits will be treated as part of fixed pay.
- The variable compensation which is at least 50 % of the total pay and up to 300 % of the fixed pay is fixed based on performance and responsibility in the Bank. The grant of total variable pay shall be based on individual performance, unit-level performance as well as the organisational performance. Individual performance is assessed based on quantitative and qualitative measures as defined in the balanced scorecard in the Performance Management system of the Bank. The Bank's performance is based on the various financial indicators like revenue earned, cost deployed, profit earned, assets quality, owners' wealth creation, compliance, governance and misconduct risk, divergence in bank's provisioning for Non-Performing Assets and other intangible factors like leadership and employee development. Variable pay is paid purely based on performance.
- The variable pay can be in the form of share-linked instruments, or a mix of cash and share-linked instruments in the manner as per the compensation policy. There should be proper balance between the cash and share linked components in the variable pay. Only 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 limits as per the policy.
- Approval from Reserve Bank of India is to be obtained to decide compensation for MD & CEO/ WTDs. The payment of compensation also requires approval of the shareholders of the Bank pursuant to the Bank's Articles of Association read with the Section 196 of the Companies Act, 2013. Grant of share-linked instruments is also subject to approval of the respective scheme by the shareholders of the Bank.
- Variable pay including grant of share-linked instruments is subject to Malus and Clawback arrangement.

The Bank does not pay any commission/share of profits to the Managing Director & CEO/Whole Time Directors.

Remuneration of Non-Executive Directors / Independent Directors

The Non–Executive Directors are paid sitting fees for attending each meeting of the Board of Directors or any committee thereof as recommended by the Nomination & Remuneration Committee and approved by the Board, within the permissible limit prescribed under the Companies Act, 2013, and other regulatory guidelines, as amended from time to time. Any change in sitting fees within the permissible limit shall be recommended by the Nomination & Remuneration Committee and approved by the Board of Directors of the Bank.

Report on Corporate Governance (Contd.)

In addition to sitting fees and expenses related to attending meetings of the Board and its committees as per extant statutory norms/ practices, the Bank may, subject to applicability of various regulations, provide for payment of compensation to NEDs in the form of a fixed remuneration commensurate with an individual director's responsibilities and demands on time and which are considered sufficient to attract qualified competent individuals. However, such fixed remuneration for an NED, other than the Chair of the board, shall not exceed ₹ 30 lakh per annum.

A non-executive director who is not a promoter or member of the promoter group, nor an independent director are eligible for stock option.

The Bank does not pay any commission on profit to the Non–Executive Directors.

The Non–Executive Directors are entitled to reimbursement of expenses for participation in the meeting of the Board and Committee thereof.

Remuneration of Key Managerial Personnel, Executives and Officers (IBA and Non IBA Package) and other officers and staff (IBA Package) of the Bank

The remuneration of all Key Managerial Personnel (KMPs), Executives, and other officers and staff of the Bank either on CTC or IBA pattern is governed by the compensation policy of the Bank.

(a) Key Managerial Personnel

The KMP's are paid salary and benefits as agreed upon by the Bank and the employee while making the offer for appointment which is in line with the compensation policy of the Bank.

(b) Risk control and compliance staff

Members of staff engaged in financial and risk control, including internal audit should be compensated in a manner that is independent of the business areas they oversee and commensurate with their key role in the Bank.

The grant of total variable pay shall be based on individual performance as well as the organisational performance. Individual performance is assessed based on financial and non-financial measures as defined in the balanced scorecard in the Performance Management System of the Bank.

The requirement of minimum 50% of total compensation to be paid in the form of variable pay will not be applicable for this category of staff. However, a reasonable proportion of compensation has to be in the form of variable pay, so that exercising the options of malus and/or clawback, when warranted, is not rendered infructuous. Total Variable Pay can be paid in the form of both cash and/or non-cash (ESOS/ CSAR or Cash Settled – Stock Appreciation Rights/or any similar/other mode of pay as designed by the Bank from time to time as per eligibility and Bank's policy) instruments as per eligibility and Bank's policy. ESOS shall be granted to eligible employees and shall be governed as defined in the Bank's ESOS Scheme. Grant of CSAR or any similar/other mode of variable pay shall be governed as per respective guidelines/policy.

(c) Senior executives/Other Officers (Non IBA Scheme)

The compensation structure for officers other than on the IBA Scheme shall be on a cost to company basis and for employees recruited laterally, as freshers/ at entry level, the same will be fixed in line with the Lateral Recruitment Policy of the Bank. In line with Bank's compensation philosophy, the CTC shall be determined considering the role, market competitiveness, internal pay parity, qualification, level of experience and seniority, skills and capabilities they bring and their last drawn fixed pay.

The grant of total variable pay shall be based on individual performance as well as the organisational performance. Individual performance is assessed based on financial and non-financial measures as defined in the balanced scorecard in the Performance Management System of the Bank.

Total Variable Pay can be paid in the form of both cash and/or non-cash (ESOS/ CSAR or Cash Settled – Stock Appreciation Rights/or any similar/other mode of pay as designed by the Bank from time to time as per eligibility and Bank's policy) instruments as per eligibility and Bank's policy. ESOS shall be granted to eligible employees and shall be governed as defined in the Bank's ESOS policy. Grant of CSAR or any similar/ other mode of variable pay shall be governed as per respective guidelines/policy.

(d) Compensation paid to Other Officers and staff members on IBA Scheme

The compensation paid to other officials that include Award staff and Officers coming under Scale I to III and Senior Executives coming under Scale IV to VII is fixed based on 10th bipartite settlement / 7th Joint Note. However, it is the discretion of the Bank either to continue with the existing compensation structure prevailing under IBA scheme or modify the structure partially or fully on need basis or discontinue the existing structure in to and switch over to different structure which is prevailing in banking industry by keeping in view, various parameters like industry level, peer group status, burden on the Bank, etc.

It is prerogative of the Bank either to utiliseise the service of IBA in matter of structuring compensation or device the compensation structure on its own based on the prevailing practice in the banking industry.

Performance Linked Variable Pay (PLVP) may be adopted for select categories of the staff on IBA terms who are not otherwise covered under the Annual Performance based Variable Pay. The Performance Linked Variable Pay may be based on Employee performance (Balanced Scorecard) defined from time to time.

The ESOS scheme/ CSAR or Cash Settled – Stock Appreciation Rights/or any similar/other mode of pay as designed by the Bank from time to time as per eligibility and Bank's policy, may be extended to select categories of employees at the discretion of the Board / Nomination & Remuneration Committee and form part of the overall performance management program at the discretion of the Board. However, the grant of stock option is as per CSB Employees Stock Option Scheme and grant of CSAR or any similar/ other mode of variable pay shall be governed as per respective guidelines/policy. Grant of stock option is subject to Malus and Clawback arrangement.

Details of Remuneration paid to the Directors and Key Managerial Personnel during the financial year ended March 31, 2026, are given in the MGT-7 forms part of the Report.

PARTICULARS OF SENIOR MANAGEMENT PERSONNEL AND CHANGES IN THE FINANCIAL YEAR 2025-26

Name of Senior Management Personnel ("SMP")	Designation	Changes if any, since the previous financial year (Yes / No)	Nature of change and effective date
Mr. Ajith Jose	Chief Compliance Officer	No	-
Mr. Alok Singh	Head- Treasury	No	-
Mr. Chinmay Adhikari	Chief Human Resources Officer	No	-
Mr. Jaikumar S	Chief Internal - Vigilance Officer	No	-
Mr. K Chandrasekhar	Head – Operations	No	-
Mr. Manish Agarwal	Chief Credit Officer	No	-
Mr. Manish Modi	Head – Wholesale Banking	No	-
Mr. Narendra Kumar Dixit	Head – Retail Banking	No	-
Mr. Punit Saruparia	Head - Audit & Inspection	No	-
Mr. Rajesh Choudhary	Chief Technology Officer	No	-
Mr. Satish S Gundewar	Chief Financial Officer	No	-
Mr. Satyendra Sharma	Chief Risk Officer	No	-
Mr. Shyam Chandher Mani	Head – Business Lending Group & TBG	No	-
Mr. Sijo Varghese	Company Secretary	No	-

GENERAL BODY MEETINGS HELD DURING THE LAST THREE YEARS

Location, time and where the General Body Meetings were held during the last three years:

No. of Meetings	Day, Date and Time	Venue of the Meeting	Special Resolution passed
102nd	August 08, 2023 at 11.00 a.m.	Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") mode	• Re-appointment of Mr. Sudhin Bhagwandas Choksey (DIN: 00036085) as Non-Executive Independent Director of the Bank. • Appointment of Mr. Biswamohan Mahapatra (DIN: 06990345) as Non-Executive Independent Director of the Bank.
103rd	August 23, 2024 at 11.00 a.m.	Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") mode	• Appointment of Mr. Deepak Maheshwari (DIN: 08163253) as Non-Executive Independent Director of the Bank.
104th	August 26, 2025 at 11.00 a.m	Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") mode	• Approval for payment of remuneration to Mr. Biswamohan Mahapatra (DIN: 06990345), Non Executive (Part-time) Chairman of the Bank for the Financial Year 2025-26 which would be in excess of fifty percent of the total annual remuneration payable to all the Non-Executive Directors of the Bank for said Financial Year

Report on Corporate Governance (Contd.)

Whether any special resolution passed last year through postal ballot

Yes.

POSTAL BALLOT - I

The following special resolution was passed by postal ballot on April 10, 2025, pursuant to section 110 of the Companies Act, 2013:

SPECIAL RESOLUTION : To approve the eligibility for re-appointment and re-appointment of Mr. Biswamohan Mahapatra (DIN: 06990345) as an Independent Director of the Bank

Details of voting pattern

Manner of voting	No. of votes cast		Total number of shares	% of total number of votes cast	
	In Favour	Against		In Favour	Against
E–Voting	9,24,75,550	30,00,326	9,54,75,876	96.86 %	3.14%
Postal Ballot	NA	NA	NA	NA	NA
Total	**9,24,75,550**	**30,00,326**	**9,54,75,876**	**96.86 %**	**3.14%**

A	Person who conducted the postal ballot exercise.	Mr. Vincent P.D, FCS, Practicing Company Secretary, Managing Partner, SVJS & Associates, Company Secretaries, 65/2364 A, Ponoth Road, Kaloor, Kochi- 682 017, Kerala. Membership No.3067 and Certificate of Practice No.7940
B	Whether any special resolution is proposed to be conducted through postal ballot?	No Special Resolution requiring Postal Ballot is being proposed on or before the ensuing Annual General Meeting of the Bank.
C	Procedure for the postal ballot.	The postal ballot was carried out as per the provisions of Sections 108 and 110 and other applicable provisions of the Act, read with the General Circular Nos. 14/2020 dated April 08, 2020, 17/2020 dated April 13, 2020, followed by General Circular Nos. 20/2020 dated May 05, 2020, and subsequent circulars issued in this regard, the latest being 03/2025 dated September 22, 2025, issued by the Ministry of Corporate Affairs ("MCA") (hereinafter collectively referred to as "MCA Circulars"), Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
D	Whether any extraordinary general meeting held during the financial year 2025-26	No.

SHAREHOLDING PATTERN OF THE BANK AS ON 31.03.2026

Shareholding pattern of the Bank as on March 31, 2026, is given below:

Sr. No	Particulars	No. of Shares	% of Shares
A.	**PROMOTER & PROMOTER GROUP**		
1	FIH Mauritius Investments Ltd	6,93,94,331	40.00
B.	**MUTUAL FUNDS**		
2	SBI Mutual Fund	1,10,00,000	6.34
3	Sundaram Mutual Fund	39,25,953	2.26
4	ICICI Prudential Multicap Fund	32,32,780	1.86
5	Other Mutual Funds	32,45,980	1.87
	Sub-Total	**2,14,04,713**	**12.34**

Sr. No	Particulars	No. of Shares	% of Shares
C.	**INSTITUTIONS - (DOMESTIC)**		
6	Alternate Investment Funds	49,00,479	2.82
7	NBFC's registered with RBI	1,00,355	0.06
	Sub-Total	**50,00,834**	**2.88**
D.	**FOREIGN PORTFOLIO INVESTORS**		
8	Amansa Holdings Private Limited	79,40,625	4.58
9	Theleme India Master Fund Limited	44,99,831	2.59
10	Other Foreign Portfolio Investors (Category – I&II)	98,40,659	5.67
	Sub-Total	**2,22,81,115**	**12.84**
E.	**RESIDENT INDIVIDUALS**		
11	Resident Individuals	3,32,49,512	19.17
F.	**NON-RESIDENT INDIVIDUALS (NRI)**		
12	Yusuffali Musaliam Veettil Abdul Kader	35,81,722	2.06
13	Zafar Ahmadullah	18,50,100	1.07
14	Other Non Resident Indians (NRIs)	50,39,029	2.90
	Sub-Total	**1,04,70,851**	**6.04**
G.	**NON-INSTITUTIONS/INDIVIDUALS/PUBLIC /OTHERS**		
15	Foreign Companies	5,46,842	0.32
16	Bodies Corporate	45,10,275	2.60
17	Investor Education and Protection Fund (IEPF)	7,06,790	0.41
18	Independent Director or his relatives	11,000	0.01
19	Any Others	19,01,324	1.10
	Sub-Total	**76,76,231**	**4.42**
H.	**NON-PROMOTER - NON PUBLIC SHAREHOLDING**		
20	CSB ESOS Trust	40,08,240	2.31
TOTAL		**17,34,85,827**	**100.00**

DETAILS OF SHAREHOLDERS HOLDING SHARES 1% AND ABOVE AS ON MARCH 31, 2026

Sl. no.	Name of the Shareholder	No. of Shares	% of Share Holding
1.	FIH Mauritius Investments Ltd	6,93,94,331	40.0000
2.	SBI Small Cap Fund	1,10,00,000	6.3406
3.	Amansa Holdings Private Limited	79,40,625	4.5771
4.	Theleme India Master Fund Limited	44,99,831	2.5938
5.	CSB ESOS Trust	40,08,240	2.3104
6.	Sundaram Mutual Fund A/C Sundaram Financial Services Opportunities Fund	39,25,953	2.2630
7.	Yusuffali Musaliam Veettil Abdul Kader .	35,81,722	2.0646
8.	ICICI Prudential Multicap Fund	32,32,780	1.8634
9.	Persistence Capital Fund I	22,72,117	1.3097
10.	Zafar Ahmadullah	18,50,100	1.0664

Report on Corporate Governance (Contd.)

DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2026

Category	No. of Shareholders				No. of Shares			
	Physical	Demat	Total	%	Physical	Demat	Total	%
Up to 5,000	10,690	55,248	65,938	98.16	26,13,860	1,49,19,317	1,75,33,177	10.10
5,001 to 10,000	39	567	606	0.90	2,66,860	41,09,064	43,75,924	2.52
10,001 to 20,000	9	290	299	0.45	1,25,284	42,09,634	43,34,918	2.50
20,001 to 30,000	3	90	93	0.14	71,066	22,17,825	22,88,891	1.32
30,001 to 40,000	2	49	51	0.08	66,666	16,85,993	17,52,659	1.01
40,001 to 50,000	0	28	28	0.04	0	12,98,500	12,98,500	0.75
50,001 to 1,00,000	0	76	76	0.11	0	54,59,766	54,59,766	3.15
1,00,001 & Above	0	84	84	0.12	0	13,64,41,992	13,64,41,992	78.65
Total	**10,743**	**56,432**	**67,175**	**100.00**	**31,43,736**	**17,03,42,091**	**17,34,85,827**	**100.00**

DEMATERIALISATION OF SHARES

As on March 31, 2026, 98.19% of the Bank's shares were in demat mode and the balance in physical mode, as per the statement given below:

Category	No. of Shares	Percentage of Holding
In Physical Form	31,43,736	1.81%
In Dematerialized Form:		
CDSL	2,24,14,395	12.92%
NSDL	14,79,27,696	85.27%
Total	**1,73,485,827**	**100.00%**

As per Regulation 40 of Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialised form with effect from April 01, 2019. Further, as per SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2022, transmission or transposition of securities held in physical form shall be effected only in dematerialised form, with effect from January 24, 2022. Transfer of Equity Shares in dematerialised form are done through depositories with no involvement of the Bank.

Shareholders holding shares in physical form are requested to dematerialise their shares in order to avail the benefit of free transferability as any request for transfer of shares will not be permitted if the shares are held in physical mode. The Shareholders of the Bank who have not dematerialised their shares so far may approach any of the Depository Participants (DP) of National Securities Depository Ltd. (NSDL) or Central Depository Services (India) Ltd. (CDSL) for dematerialising their shareholding. The Shareholder is required to fill in a Demat Request Form (DRF) and submit the same along with the Share Certificate(s) to the DP. The DP will allocate a demat request number and shall forward the request physically and electronically, through NSDL/CDSL to the Registrar to an Issue and Share Transfer Agent (RTA). On receipt of the demat request, both physically and electronically and after verification, the Shares are dematerialised, and an electronic credit of shares is given in the account of the Shareholder.

Physical shareholders are also requested to contact the Registered Office of the Bank or RTA of the Bank; MUFG Intime India Private Limited, Coimbatore, for further information in this regard.

RECONCILIATION OF SHARE CAPITAL AUDIT

The Bank has complied with SEBI requirements with regard to reconciliation of share capital audit for the purpose of reconciliation of the total admitted capital in physical mode as also with both the Depositories NSDL & CDSL. The total issued, paid up and listed capital of the Bank and other matters covered under the directions of SEBI are part of the scope of the audit.

REGISTRAR & SHARE TRANSFER AGENTS

MUFG Intime India Private Limited is the Registrar to an Issue and Share Transfer Agent of the Bank. The shareholders may lodge their requests/ complaints either with the Registrar & Share Transfer Agents or with the Bank in the following:

MUFG Intime India Private Limited	**The Company Secretary**
Surya 35, May Flower Avenue, Behind Senthil Nagar, Sowripalayam Road, Coimbatore – 641028. Tel : +91 422 2314792, 2315792, 4958995, 2539835, 2539836 Email : coimbatore@in.mpms.mufg.com Website: www.in.mpms.mufg.com	CSB Bank Limited, "CSB Bhavan", P. B. No. 502, St. Mary's College Road, Thrissur – 680 020. Tel: 0487 – 2333020 |Fax: 0487 – 2338764 E–mail: investors@csb.bank.in

SHARE TRANSFER SYSTEM

Registrar to an Issue and Share Transfer Agent	MUFG Intime India Private Limited, the Registrar & Share Transfer Agents looks after the share transfer system in the Bank. Further, the Board delegated the authority for approving transfer, transmission, etc., of the Bank's securities to the Stakeholders' Relationship Committee of the Board.
Share Transfer Physical System	Pursuant to the Ministry of Corporate Affairs (MCA) Notification regarding Companies (Prospectus and allotment of securities) 3rd Amendment Rules, 2018 dated September 10, 2018, the Bank will not permit transfer of shares in physical form with effect from October 02, 2018. Further, Securities and Exchange Board of India has barred physical transfer of shares of listed companies effective from April 01, 2019 and mandated the share transfer only through Electronic Mode. Subsequently, Securities and Exchange Board of India, vide circular dated September 07, 2020, permits re-lodgment of transfer deeds with a cut-off date of March 31, 2021 for those shareholders whose transfer deeds were lodged prior to deadline of April 01, 2019 and rejected / returned due to deficiency in the documents. The shares that are re-lodged for transfer (including those request that are pending with the listed company / RTA, as on date) shall be issued only in demat mode. However, an investor is not prohibited from holding the shares in physical form; investor has the option of holding shares in physical form even after October 02, 2018/ April 01, 2019 as the case may be. Provided further that transmission or transposition of securities held in physical form shall be effected only in dematerialised form, with effect from January 24, 2022, as per SEBI Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB /P/CIR/2022/8 dated January 25, 2022. Subject to the above SEBI circular, the requests for transmission/ transposition, etc., as and when received, are duly verified and processed after complying with rules in force. Transfers of equity shares in electronic form are effected through the depositories with no involvement of the Bank. Further to the above, SEBI has simplified the procedure and standardize the formats of documents for issuance of duplicate securities certificates vide its Circular no. SEBI/HO/MIRSD/ MIRSD_RTAMB/P/CIR/2022/70 dated May 25, 2022.
Special Window for Transfer and Dematerialisation of Physical Securities	Pursuant to SEBI Circular dated July 02, 2025, a special window was opened to facilitate ease of investing and to safeguard investor rights by enabling relodgement of transfer requests in respect of shares held in physical form and lodged prior to April 01, 2019, which were earlier rejected, returned, or not processed due to deficiencies. The said window was operational from July 07, 2025 to January 06, 2026, during which such securities were required to be transferred and issued only in dematerialised form. Subsequently, SEBI, vide Circular dated January 30, 2026, has opened another special window for the same purpose. This window is operational from February 05, 2026 to February 04, 2027, and securities transferred under this facility shall be mandatorily credited in dematerialised form, subject to a lockin period of one year from the date of registration of transfer and compliance with prescribed conditions. The Bank, along with its Registrar to an Issue and Share Transfer Agent, has been complying with the applicable SEBI guidelines and extending necessary support to eligible investors in this regard.
Direct Credit of Securities in Dematerialised Form	Pursuant to SEBI Circular dated January 30, 2026, the requirement of issuance of Letter of Confirmation (LOC) for various investor service requests, including transmission, issuance of duplicate securities, transposition, and claims from unclaimed suspense accounts, has been dispensed with. Under the revised framework, after due diligence and subject to submission of a valid Client Master List (not older than two months), the Bank/Registrar to an Issue and Share Transfer Agent directly credits securities to the investor's demat account, thereby eliminating intermediary steps and timelines associated with the earlier LOC mechanism. The revised process, effective April 02, 2026, streamlining procedures and reduce reliance on physical documentation, and strengthening investor protection. The Bank has initiated necessary steps for implementation of the revised regulatory framework.

Investors Service Requests & Dematerialisation	Pursuant to SEBI Circular No. HO/38/13/(3)2026-MIRSD-POD/I/ 3763/2026 dated January 30, 2026, the earlier process requiring issuance of a Letter of Confirmation (LOC) for investor service requests such as transmission, issuance of duplicate share certificates, transposition, and claims from unclaimed suspense accounts has been dispensed with. Previously, upon verification, the RTA/Bank issued an LOC, which was valid for 120 days, within which the shareholder/claimant was required to submit a dematerialisation request to the Depository Participant (DP), failing which the securities were credited to a Suspense Escrow Demat Account. In cases involving transmission of securities held jointly, RTAs were required to follow the provisions of the Companies Act, 2013 and transmit securities to the surviving holder(s), irrespective of any disputes raised by legal heirs of the deceased holder(s). Under the revised framework, eliminating the LOC requirement, the Bank/RTA shall, after due diligence and subject to submission of a valid Client Master List (not older than two months), directly credit the securities to the investor's demat account, thereby streamlining the process and removing the need for intermediary steps and timelines associated with the earlier LOC mechanism.
Information to Non-Resident Shareholders	The non-resident shareholders are requested to notify the following to the Bank/RTA in respect of shares held in physical form and to their depository participants in respect of shares held in the dematerialised form: • Indian address for sending all communications, if not provided so far; • Change in their residential status on return to India for permanent settlement • Particulars of Bank Account maintained with a Bank in India, if not furnished earlier • RBI permission reference number with the date to facilitate credit of dividend in their bank account.

DEMATERIALIZATION OF SHARES AND LIQUIDITY

As on March 31, 2026, 98.19% of the total paid-up equity shares were held in dematerialised form. The Bank's shares are actively traded on the stock exchanges. There was no instance of suspension of trading in the equity shares of the Bank during the Financial Year 2025-26.

DISCLOSURES UNDER THE SEXUAL HARASSMENT OF WOMEN AT THE WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL), ACT, 2013

The Prevention of Sexual Harassment (PoSH) Act has been implemented with the aim of to preventing and protecting women from sexual harassment at the workplace and thereby ensuring a safe working environment for women. The PoSH Act, as mandatory compliance, requires to constitute an Internal Complaints Committee ("ICC") in the prescribed manner in order to receive and address complaints of any sort of sexual harassment from women in a time-bound and extremely confidential manner. The ICC will have the power to investigate and redress complaints of sexual harassment in the manner enumerated under the PoSH Act and PoSH Rules.

At the Bank, every employee has the right to be treated with dignity and respect. The Bank shows no leniency toward harassment of women at workplace and this is strictly forbidden as it could lead to vicious act. The Bank has formulated a policy on "Prevention, Prohibition and Redressal of sexual harassment of women employees at workplace and Redressal of Complaints of sexual harassment" in compliance with the PoSH Act and Rule to ensure a harmless workplace for the women employees in the Bank.

As per Section 4 of "The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act- 2013", the Bank constitutes an Internal Complaints Committee to preclude Women harassment at workplace to provide them with better atmosphere.

The disclosure required under section 22 of the Sexual Harassment of Women at the workplace (Prevention, Prohibition & Redressal) Act, 2013, as amended, are given below:

Number of complaints pending as on the beginning of the financial year	2
Number of complaints of sexual harassment received in the year	15
Number of complaints disposed off during the year	15

Number of complaints pending as on the end of the financial year	2
Number of cases pending for more than ninety days	Nil
Remedial measures taken by the Bank	Conducting exclusive session for PoSH as part of weekly Induction Program (Neev)
No of workshops or awareness programme against sexual harassment	52
Nature of action taken by employer/district officer	

Total Cases Disposed of	15
Termination/Dismissal	3
Warning	4
Complaint Withdrawn	1
Allegation not proved	7
Stoppage of Bonus/Incentive (Full/ Partial) for the Financial Year 2025-26	Nil

A STATEMENT BY THE BANK WITH RESPECT TO THE COMPLIANCE OF THE PROVISIONS RELATING TO THE MATERNITY BENEFIT ACT 1961

During FY 2025-26, the Bank has complied with all the applicable provisions relating to the Maternity Benefit Act, 1961.

OTHER DISCLOSURES

Related party transactions	All transactions entered into by your Bank with related parties in the ordinary course of business and on an arm's length basis were placed before the Audit Committee of the Board for approval. Omnibus approval was obtained from the Audit Committee for transactions which are repetitive in nature and the same are reviewed on a periodic basis. As per the amendments made in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, effective from April 01, 2022, all related party transactions and subsequent material modifications shall require prior approval of the Audit Committee of the Bank and further all material related party transactions and subsequent material modifications as defined by the Audit Committee and the Board, shall require the prior approval of the members of the Bank. Accordingly, your Bank has obtained prior approval of the Audit Committee, the Board, and the members of the Bank via postal ballot resolutions/ at the annual general meeting for related party transactions/material related party transactions as per the said amendments, effective/since from April 01, 2022. There were no materially significant related party transactions which could have had a potential conflict with the interests of the Bank. No transactions were entered into with related parties, which were not in the ordinary course of the business of the Bank or which were not on an arm's length basis. Bank has formulated a policy on materiality of related party transactions and also on dealing with related party transactions pursuant to the provisions of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the same is displayed on the website of the Bank at : https://www.csb.bank.in/pdf/Annexure-II_Policy_on_dealing_with_Related_Party_Transaction_15072024.pdf Details of related party transactions in terms of AS-18 entered into during the FY 2025-26 are given in notes to the financial statements.

Whistle Blower Policy/Vigil Mechanism:	The Bank has put in place a 'Whistle Blower Policy/ Vigil Mechanism' in compliance of the provisions of Regulations 4(2) (d) and 22 of the SEBI LODR Regulations, the Companies Act, 2013 and SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended. The Bank affirms that no employee/s has been denied access to the Audit Committee of the Board under the Whistle Blower/ Vigil Mechanism in the Bank. The details of the Whistle Blower Policy is available on the website of the Bank at : https://www.csb.bank.in/pdf/Whistle_Blower_Policy-2024_16022024.pdf
Outstanding GDRs/ ADRs/ Warrants or any Convertible Instruments, conversion date and likely impact on equity:	Not applicable. The Bank has not yet issued GDRs/ ADRs and hence the same is not applicable in the Bank's case. The Bank does not have any outstanding Warrants or any other convertible instruments as on March 31, 2026.
Plant Locations:	As the Bank is engaged in the business of Banking/ Financial Services, this is not applicable in the Bank's case. However, the Bank has 862 Branches and 832 ATM/CRMs as on March 31, 2026.
Commodity Price Risks and Commodity hedging activities:	Risk is an integral part of the banking business and the Bank's aim is to maintain portfolio quality by making appropriate risk/reward trade-offs. Key risks that the Bank is exposed to are credit, concentration, market, country exposure, liquidity, operational and reputational risk. The Board of Directors of the Bank has oversight of all the risk assumed by the Bank and has delegated its power to manage risk to Risk Management Committee (RMC) of the Board. The Bank does not have direct exposure on any commodities. However, the Bank has exposure to borrowers which are secured against various commodities.
Commodity price risk or foreign exchange risk and hedging activities:	To monitor Foreign Exchange risk, the Bank has envisaged Forex VaR, Net Overnight Open Position (NOOP) limit and Aggregate Gap Limit (AGL) which are being monitored on daily basis by Market Risk Department. The Bank also has Investment, Forex policy to define and regulate Forex operations taken up by the Bank. Treasury also monitors foreign currency assets liabilities gap to hedge it in the market. Bank hedges its foreign currency position using derivatives including SWAPs and outright Forwards. Bank is not involved in commodity trading and its hedging activities, hence the disclosure required as per SEBI Master Circular No. HO/49/14/14(7)2025-CFD-POD2/I/3762/2026 dated January 30, 2026, is not applicable.
Exposure of the Bank to Commodity and Commodity Risks faced by the Bank throughout the year	The Bank does not deal in commodities and hence the disclosure pursuant to SEBI Master Circular dated January 30, 2026, is not applicable to the Bank during the period under review.
Certificate under Regulation 34(3) of Listing Regulations	Pursuant to the Regulation 34(3) read with Schedule V (C)(10)(i) of the Listing Regulations, a certificate has been obtained from "M/s. BNP and Associates", Company Secretaries, confirming that none of the Directors on the Board of the Bank have been debarred or disqualified from being appointed or continuing as Directors of the Companies either by Securities and Exchange Board of India or the Ministry of Corporate Affairs or any other Statutory Authorities.
Fees paid to statutory auditors and all entities in the network firm/network entity of which the statutory auditor is a part	The total fees paid by the Bank for services rendered by Statutory Auditors during the financial year 2025-26, are given below:

Fee paid (excluding taxes)	**Walker & Chandiok Co. LLP**	**Sundaram & Srinivasan**	**Total**
Audit fee	1,37,50,000.00	75,00,000.00	2,12,50,000.00
Other certifications	10,00,000.00	1,70,000.00	11,70,000.00
Reimbursement of Expenses	13,75,000.00	5,50,188.13	19,25,188.13
Total	**1,61,25,000.00**	**82,20,188.13**	**2,43,45,188.13**

Details of utilisation of funds:	During the year under review, there were no preferential allotment or qualified institutional placement as specified under Regulation 32(7A) of the SEBI LODR Regulations.
Policies of the Bank	As a part of good Corporate Governance, the Bank has adopted various policies/codes from time to time which are hosted on the website of the Bank at https://www.csb.bank.in/investor-policies The link of various policies/codes are also provides in page no. 209 of this Annual Report.

Disclosure of the compliance with corporate governance requirements specified in regulations 17 to 27 and clause (b) to (i) of sub regulation (2) of Regulation 46 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015	All disclosures in compliance with the Corporate Governance requirement specified in regulations 17 to 27 and clause (b) to (i) of sub regulation (2) of Regulation 46 to the extent applicable are hosted in Banks' website www.csb.bank.in as well as the same are forms part of this report and have complied with the said regulations.
Accounting Policy	The Bank's primary accounting policies are detailed in Schedule 17 of the financial statements. In preparing these financial results, the Bank has followed the same accounting policies as those applied in the annual financial statements for the financial year ended March 31, 2026. For further details, please refer to Schedule 17 of the financial statements.
Material Subsidiaries	The Bank does not have material subsidiaries, joint ventures or associate companies.
Strictures and Penalties	There have been no instances of non-compliance by the Bank, and no penalties or strictures have been imposed by stock exchanges, SEBI, or any statutory authority, on any matter related to capital markets, during the last three years.

DECLARATION OF COMPLIANCE WITH THE CODE OF CONDUCT

GOVERNANCE CODES	The Bank has adopted a 'Code of Conduct and Ethics for Board of Directors and Senior Management Personnel of the Bank' which is applicable to the Board of Directors and Senior Management personnel of the Bank. The code requires Directors and Senior Management Team members to act honestly, fairly, ethically and with integrity, conduct themselves in professional, courteous and respectful manner. All the Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct as approved and adopted by the Board of Directors. An annual confirmation of the Code of Conduct is taken from all the Directors and Senior Managerial Personnel to whom the Code applies. Managing Director & CEO's affirmation that the Code of Conduct has been complied with by the persons covered under the Code is given at the end/part of this report as per the requirements of Regulation 34(3) read with Schedule V (D) of the Listing Regulations.
CONFLICT OF INTERESTS	Each Director informs the Bank on an annual basis about the Board and the Committee positions he occupies in other companies including Chairpersonships and notifies changes during the year. The members of the Board while discharging their duties, avoid conflict of interest in the decision making process. The Members of Board restrict themselves from any discussion and voting in transactions in which they have concern or interest.

LINKS OF KEY INFORMATION AVAILABLE ON THE WEBSITE

Particulars	Website links
Basic Information	https://www.csb.bank.in/about-us
Board of Directors	
Vision Mission Statement	
Key Managerial Personnel	
Senior Management Team	
Board Committees	https://www.csb.bank.in/pdf/List-of-Sub-Committees-of-the-Board-w.e.f.06.11.2025.pdf
Terms and conditions of appointment of Independent Directors	https://www.csb.bank.in/pdf/Independent-Directors_Terms_and_Conditions.pdf
Disclosure on Familiarisation Programmes for Independent Directors	https://www.csb.bank.in/pdf/Directors_Training_27052025.pdf

Report on Corporate Governance (Contd.)

Disclosure on Related Party Transactions	https://www.csb.bank.in/investor-relations - Corporate Governance
Annual Secretarial Compliance Report	
Compliance certificate under Regulation 7(3) of the Listing Regulation	
Compliance report on Corporate Governance	
Report on Reconciliation of Share Capital Audit	
Statement of Investor Complaints	
General Meetings	https://www.csb.bank.in/investor-relations - General Meetings
Postal Ballots	https://www.csb.bank.in/investor-relations - Postal Ballots
Investor Assistance	https://www.csb.bank.in/investor-relations - Investor Corner Overview
Details of Key Managerial Personnel for the purpose of determining of events and making disclosures to stock exchanges	https://www.csb.bank.in/pdf/Details_of_Key_Managerial_Personnel_for_the_purpose_of_determining_materiality_of_events_and_making_disclosures_to_stock_exchanges_29092023.pdf
Disclosure as per Regulation 46(2) of SEBI (LODR)	https://www.csb.bank.in/disclosure-as-per-regulation

GOVERNANCE POLICIES

Aligned with the Bank's commitment to upholding the utmost ethical business practices and corporate governance standards, and to ensure fairness, accountability, responsibility, and transparency to all stakeholders, the Bank has implemented various policies and codes. These documents are readily accessible on the Bank's website, detailed under.

LINKS OF CORPORATE POLICIES AND CODES

Policy for Determining Material Subsidiaries	https://www.csb.bank.in/pdf/Annexure-I_Policy_for_Determining_Material_Subsidiaries_15072024.pdf
Code of Conduct and Ethics for Board of Directors and Senior Management Personnel of the Bank	https://www.csb.bank.in/sites/default/files/annexure-II_2_code_of_conduct_ethics_for_directors.pdf
CSR Policy	https://www.csb.bank.in/sites/default/files/annexure-III_3_csr_policy.pdf
Policy for preservation of documents	https://www.csb.bank.in/sites/default/files/annexure-IV_4_policy_for_preservation_of_documents.pdf
Whistle Blower Policy	https://www.csb.bank.in/pdf/Whistle_Blower_Policy-2024_16022024.pdf
Policy on materiality of Related Party Transactions and on dealing with Related Party Transactions	https://www.csb.bank.in/pdf/Annexure-II_Policy_on_dealing_with_Related_Party_Transaction_15072024.pdf
Policy on Appointment of Statutory Auditors (SAs)	https://www.csb.bank.in/pdf/4_Policy_on_Appointment_of_Statutory_Auditors_28022025.pdf
Policy on Evaluation of the Board	https://www.csb.bank.in/pdf/Annexure-III_Board_Evaluation_PolicY_15072024.pdf
Nomination Policy	https://www.csb.bank.in/sites/default/files/annexure-VI_9_nomination_policy.pdf
Disclosure on Familiarisation Programmes for Board of Directors	https://www.csb.bank.in/pdf/Disclosure_on_Familiarisation_Programmes_for_Board_of_Directors_22032024.pdf
Policy on Determination of Materiality of Events	https://www.csb.bank.in/pdf/POLICY_ON_DETERMINATION_OF_MATERIALITY_OF_EVENTS_29092023.pdf
Policy on Board Diversity	https://www.csb.bank.in/pdf/Annexure-IV_Policy_on_Board_Diversity_15072024.pdf
Remuneration criteria for Non- Executive / Independent Directors	https://www.csb.bank.in/pdf/Remuneration-criteria-for-Non-Executive-or-Independent-Directors-27042022-.pdf
Code of Conduct - Prohibition of Insider Trading Policy	https://www.csb.bank.in/pdf/14_Prohibition_of_Insider_Trading_Policy_20022024.pdf
Code of Practices and Procedures for Fair Disclosure	https://www.csb.bank.in/pdf/Code_of_Practices_and_Procedures_for_Fair_Disclosure_29012024.pdf
Policy On Archival Of Documents	https://www.csb.bank.in/pdf/Annexure-V_Policy_on_Archival_of_Documents_15072024.pdf

Dividend Policy	https://www.csb.bank.in/sites/default/files/annexure-IX_17_dividend_distribution_policy.pdf
Excerpts from Compensation Policy of the Bank	https://www.csb.bank.in/pdf/Excerpts-from-Compensation-Policy-27042022.pdf

COMPLIANCE WITH SEBI (PROHIBITION OF INSIDER TRADING) REGULATIONS, 2015

The Bank had adopted a "Code of Conduct- Prohibition of Insider Trading Policy" in accordance with the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended (PIT Regulations), to regulate, monitor and report trading in Securities of the Bank by Designated Persons and their Immediate Relatives. The code is applicable to Promoters and Promoter's Group, all Directors, Designated Persons, connected persons and their immediate relatives who are expected to have access to unpublished price sensitive information(UPSI) relating to the Bank. The objective of this Code is the preservation of confidentiality of UPSI, to prevent misuse of such information and to prohibit Designated Persons and their Immediate Relatives from trading in the Bank's Securities while in possession of UPSI.

The Company Secretary has been designated as the Compliance Officer for this purpose and is responsible for setting forth policies, procedures and monitoring adherence to the SEBI Regulations and Bank's Code of Conduct.

This Code also lays down the ethical standards to be adhered to while trading in Securities of the Bank. The Code requires that trading by Designated Persons and their Immediate Relatives shall be subject to pre- clearance by the Compliance Officer, if the value of the proposed trade(s) is above a minimum threshold limit of ₹ 10,00,000/- (Rupees Ten lakh only) in value (either in one transaction or series of transaction) over any calendar quarter, or such other limits as the Board may stipulate. This is a mandatory requirement even when the trading window is open. Further it prohibits the purchase or sale of Bank's securities by the Promoters, Directors, KMPs, Auditors, Designated Persons, other Connected Persons and their immediate relatives of the Bank while in possession of UPSI in relation to the Bank. Further, trading window shall be closed from the end of every quarter till 48 hours after the declaration of financial results. The details of Trading Window closure during the period under review are mentioned below:

Trading Window Closure Period	Purpose of closure of Trading Window
April 01, 2025 to April 30, 2025	For announcement/declaration of the Audited Financial Results of the Bank for the quarter and financial year ended on March 31, 2025.
July 01, 2025 to August 18, 2025	For announcement/declaration of the unaudited financial results of the Bank for the quarter ended on June 30, 2025.
October 01, 2025 to November 07, 2025	For announcement/declaration of the unaudited financial results of the Bank for the quarter and half year ended on September 30, 2025.
January 01, 2026 to January 30, 2026	For announcement/declaration of the unaudited financial results of the Bank for the quarter and nine months ended on December 31, 2025.
April 01, 2026 to May 06, 2026	For announcement/declaration of the Audited Financial Results of the Bank for the quarter and financial year ended on March 31, 2026.

The Bank has also formulated 'The Code of Practices and procedures for fair disclosure of Unpublished Price Sensitive Information' in compliance with PIT Regulations and this code is displayed on the Bank's website at www.csb.bank.in.

DIVIDEND DISTRIBUTION POLICY

Pursuant to Regulation 43A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), the Board has approved "Dividend Distribution Policy". The Policy has been displayed on the website of the Bank at : https://www.csb.bank.in/sites/default/files/annexure-IX_17_dividend_distribution_policy.pdf. The Bank shall declare dividend only after ensuring compliance with the Banking Regulation Act, 1949, various regulatory guidelines on dividend declaration issued by RBI from time to time, the provisions of the Companies, Act, 2013 and the rules made there under, Listing Regulations, as amended to the extent applicable for Banking Companies.

UNCLAIMED DIVIDEND

As per the provisions of Section 124 (5) of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended from time to time, the Bank is statutorily required to transfer to the Investor Education & Protection Fund ('IEPF'), established by the Central Government, all dividends remaining unpaid/unclaimed for a period of 7 years, from the date of such transfer to the unclaimed dividend account. Once such amounts are transferred to IEPF, no claim of the shareholder shall lie against the Bank.

All the unclaimed dividends pertaining to the prior period/ financial years were transferred to the Fund in the corresponding previous financial years within the stipulated time and in the manner as prescribed in Section 124(6) of the Companies Act, 2013, read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended from time to time. No claim shall lie against the Bank for unpaid/unclaimed dividends once such dividends have been transferred.

Since the Bank had not declared any dividends since the financial year 2014-15, no amount was required to be transferred to the Investor Education and Protection Fund (the "Fund") by the Bank for the financial year ended March 31, 2026.

In terms of Rule 5(8) of IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, the Bank had uploaded the information regarding the unclaimed dividend due to be transferred to Investor Education Protection Fund (IEPF) on the Ministry of Corporate Affair's Website and also on Bank's Website in the respective financial year within the prescribed time. The Shareholders may claim the unclaimed/unpaid amount due to them by making a request to the Bank/RTA giving their particulars before the same are transferred to IEPF.

INTIMATION TO THE SHAREHOLDERS FOR CLAIMING OF DIVIDENDS

Reminders to encash the unclaimed dividend on shares are sent to the relevant shareholders at regular intervals as required.

TRANSFER OF SHARES TO IEPF AUTHORITY

In terms of the provisions of the Section 124(6) of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended and other applicable rules, notifications and circulars, if any, every company is required to transfer the shares, in respect of which dividend remains unpaid / unclaimed for a period of seven (7) consecutive years or more to the Investor Education Protection Fund (IEPF) Authority. Subsequent to such transfer of shares to "IEPF Authority", all future benefits which may accrue, on these shares, including future dividend, will be credited to the said IEPF Authority only.

Since the Bank has not declared any dividend since

FY 2014–15, no shares were required to be transferred to the IEPF during the financial year ended March 31, 2026.

However, the Bank had transferred to the IEPF the shares in respect of which dividends declared prior to FY 2014–15 had remained unclaimed for a period of seven consecutive years or more, in compliance with the aforesaid provisions.

The information pertaining to unpaid/unclaimed dividends and the details of such members whose unclaimed dividend/ shares have been transferred to IEPF Authority is made available on the Bank's website www.csb.bank.in.

GUIDELINES FOR CLAIMING REFUND OF SHARES AND DIVIDEND TRANSFERRED TO INVESTOR EDUCATION AND PROTECTION FUND AUTHORITY

Pursuant to Section 124(6) of the Companies Act, 2013 read with Rule 7 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall be transferred by the Bank in the name of Investor Education and Protection Fund.

Any person whose shares have been transferred as per the above provision, can make an application for refund of shares and dividend by filing web Form IEPF-5 available on the website www.iepf.gov.in. The claimants need to register themselves on MCA portal by creating Login ID credentials. After successful login into MCA portal, claimants have to click on MCA services tab and choose IEPF- 5 option under "Investor Services" and follow the due process for filing the form. Claimants are requested to read the instructions provided in the website (instruction kit for filing e-Form IEPF-5) which includes the steps to file the e-form IEPF-5.

On successful submission of the Form, an Acknowledgement/challan will be generated indicating the Service Request Number (SRN). Claimants may please note the SRN for future communications and tracking of the form. The claimant has to send the print out of duly filled and uploaded claim form IEPF-5; with claimant signature and if joint holders are involved, then the Form should be signed by all the joint holders, copy of acknowledgement generated after uploading the claim Form IEPF-5, Indemnity Bond (original) with claimant signature, original share certificate(s) where shares in physical form are claimed, original cancelled cheque leaf along with other necessary documents as may be prescribed by the Authority, to the Nodal Officer (IEPF) of the Bank at its registered office in an envelope marked "Claim for refund from IEPF Authority" for initiating the verification for claim.

Upon submission of the all the above mentioned documents, the Bank shall issue "Letter of entitlement" duly signed the nodal officer to be submitted to the IEPF authority along with the e- verification report filed by the Bank.

If the shares/dividend claimed are in respect of shares under the process of transmission/the original share certificate of which are lost/under name correction etc., the shareholders shall follow the instructions prescribed in the relevant rules and regulations in force.

The general information about the Bank required for filing the Form are given below:

Name of the Company	CSB Bank Limited
Name of the Nodal Officer	Mr. Sijo Varghese
Corporate Identification Number (CIN) of the Bank	L65191KL1920PLC000175
Address of registered office of the Bank	CSB Bhavan, Post Box No. 502, St. Mary's College Road, Thrissur - 680 020, Kerala, India. Telephone: 0487 - 2333 020 Fax: 0487 - 2338 764
E-mail ID of the Bank	investors@csb.bank.in

MANDATORY KYC UPDATION

The Securities and Exchange Board of India vide its Circulars no. SEBI/HO/ MIRSD/MIRSD_RTAMB /P/CIR/2021/655 dated November 03, 2021 and Circular no. SEBI/HO/MIRSD/MIRSD_RTAMB/P/ CIR/2021/687 December 14, 2021, mandates all the listed companies to record the PAN, Address with PIN code, Email address, Mobile Number, Bank Account details, Specimen Signature and Nomination by holders of physical securities. Necessary communication for KYC updation has been sent to the shareholders holding shares in physical mode in this connection to update their records.

Members are requested to note that pursuant to the SEBI circulars dated November 03, 2021, December 14, 2021, March 16, 2023 and November 17, 2023, it is mandated that the security holders (holding securities in physical form), whose folio(s) do not have PAN or Choice of Nomination or Contact Details or Mobile Number or Bank Account Details or Specimen Signature updated, shall not be eligible for any payment including dividend, interest or redemption in respect of such folios, with effect from April 01, 2024. Members are requested to take note of the above and ensure compliance to the directions from SEBI.

Further, SEBI vide its Circular No. SEBI/HO/MIRSD/ MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022, pursuant to Issuance of Securities in dematerialised form in case of Investor Service Requests which states that henceforth listed companies shall issue the securities in dematerialised form only while processing certain service request. Investors holding securities in physical mode are advised to take a note of instructions mentioned in the said circular and get in touch with MUFG Intime India Private Limited, Registrar to an Issue and Share Transfer Agent (RTA) of the Bank for processing certain service requests.

ONLINE PROCESSING OF INVESTOR SERVICE REQUESTS AND COMPLAINTS BY RTAS – SWAYAM

As advised by SEBI vide Circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/72 dated June 08, 2023, titled 'Online processing of investor service requests and complaints by RTAs', the Bank is delighted to announce the launch of 'SWAYAM', secure, user-friendly web-based application, developed by MUFG Intime India Private Limited, the Bank's Registrar to an Issue and Share Transfer Agent (RTA), that empowers shareholders to effortlessly access various services and Track Service Requests/Complaints. We request shareholders to get registered and have first-hand experience of the portal.

This application can be accessed at https://swayam.in.mpms.mufg.com

NOMINATION IN RESPECT OF SHARES

Section 72 of the Companies Act, 2013 provides facility for making nominations by Members in respect of their holding of shares. Such nomination greatly facilitates transmission of shares from the deceased Member to his/her nominee without being required to go through the process of obtaining Succession Certificates/ Probate of the Will, etc. It would, therefore, be in the best interest of the Members holding shares as a sole holder to make such nomination.

Members holding shares in physical mode are advised to submit form SH-13 to the Registrar to an Issue and Share Transfer Agent of the Bank for making nomination. Members holding shares in demat form are advised to contact their DP for making nominations.

DISCLOSURE UNDER REGULATION 39(4) OF THE SEBI LISTING REGULATIONS

Regulation 39(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, inter alia requires every listed company to comply with certain procedures while dealing with securities issued pursuant to the public issue or any other issue, physical or otherwise, which remain unclaimed and/or are lying in the escrow account, as applicable.

The disclosure in terms of Regulation 39(4) and Schedule VI of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is given below. Holding of shares in 'Unclaimed Suspense Account', is subject to Sections 124(5) and 124(6) of the Companies Act, 2013 in the matter of transfer of unpaid or unclaimed dividend and shares underlying thereon.

Sl. No.	Particulars	Number of Shareholders	No. of shares
1	Number of shareholders and the outstanding shares as on April 01, 2025	72	9,029
2	Add: Aggregate Number of shareholders and the outstanding shares transferred during the financial year to Unclaimed Suspense Account	0	0
3	Less: No. of shareholders who approached the Bank for transfer of shares and to whom shares were transferred during the fiscal FY 2025-26	0	0
4	Less: No. of Shares transferred to the IEPF authority in terms of Section 124(6) of the Companies Act, 2013	0	0
5	Aggregate Number of shareholders and the outstanding shares as on March 31, 2026, in the Unclaimed Suspense Account*	72	9,029

** Voting rights on these shares shall remain frozen till the rightful owners of such shares claim these shares.*

DISCLOSURE UNDER REGULATION 39 OF THE SEBI LISTING REGULATIONS READ WITH SEBI CIRCULAR NO. SEBI/HO/MIRSD/MIRSD_RTAMB /P/CIR/2022/8 DATED JANUARY 25, 2022

The Bank, in compliance with Regulation 39 of Listing Regulations read with Securities and Exchange Board of India Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB /P/CIR/2022/8 dated January 25, 2022, opened 'Suspense Escrow Account' to credit those shares in respect of letter of confirmation issued by the Bank/RTA in lieu of physical certificate, but the shareholder to whom the letter of confirmation has been issued failed to make a request through the Depository Participant for dematerialisation of said shares within 120 days from the date of the said letter.

Sl. No.	Particulars	No. of shares
1	Number of outstanding shares as on April 01, 2025	5,165
2	Add: Aggregate Number of outstanding shares transferred during the financial year to Suspense Escrow Account	22,299
3	Less: Shareholders who approached the Bank for transfer of shares from Suspense Escrow Demat Account during the year	19,598
4	Aggregate Number of outstanding shares as on March 31, 2026, in the Suspense Escrow Account	7,866

LISTING AGREEMENT WITH STOCK EXCHANGES

Bank's shares were listed on the exchanges with effect from December 04, 2019, and the listing fees payable to the stock exchanges for the financial year 2026-27, has been paid to National Stock Exchange of India Ltd. (NSE) and BSE Ltd. (BSE) on April 27, 2026, respectively.

STOCK MARKET PRICE DATA OF BANK'S SHARES

The monthly high and low prices of the Bank's shares traded on the National Stock Exchange of India Ltd. (NSE) and BSE Ltd. (BSE) during the period from April 01, 2025, to March 31, 2026, are as under:

BSE Ltd. (BSE)			National Stock Exchange of India Ltd. (NSE)		
Month	**High**	**Low**	**Month**	**High**	**Low**
April	368.60	270.00	April	369.00	287.55
May	375.90	329.35	May	376.00	334.15
June	402.25	350.10	June	400.80	364.05
July	433.55	351.05	July	434.05	390.25
August	445.00	352.30	August	445.60	352.20
September	380.55	345.20	September	381.00	345.50
October	427.00	366.65	October	427.50	366.15
November	446.20	406.15	November	447.00	404.10
December	461.05	377.60	December	461.30	377.10
January	574.70	386.30	January	574.40	386.50
February	433.20	371.05	February	433.25	373.60
March	397.50	322.10	March	397.75	324.80

FINANCIAL CALENDAR FOR PUBLICATION OF FINANCIAL RESULTS FOR FY 2025-26

Quarter ending	Date of approval
June 30, 2025	August 13, 2025
September 30, 2025	November 05, 2025
December 31, 2025	January 28, 2026
March 31, 2026	May 04, 2026

MEANS OF COMMUNICATION

Quarterly/ Yearly Financial Results	After the approval of Quarterly/Yearly Financial Results ('Results') by the Board of Directors, the same are being disclosed to the Stock Exchange/s, formal presentations are made to analysts by the Management and the same is also placed on the Bank's website at www.csb.bank.in The results are communicated through newspaper advertisements, press releases and by posting information on the Bank's website. Results are generally published in the Business Standard and Malayalam Daily "Deepika" on the next day of results declaration. The quarterly/ yearly financial results are sent to the shareholders via e-mail.
Earnings Call/ Investors Presentations/ Media Releases	The Bank conducts meetings/call with Institutional Investors and Analysts in every quarter, after the results are declared. The Investors Presentations and transcript/audio recordings of the Institutional Investors and Analysts call are uploaded in the Bank's website at www.csb.bank.in and also submitted to the stock exchanges. The Bank is also uploading the audio recordings of the Institutional Investors and Analysts meetings/call in the Bank's website at www.csb.bank.in, with a reporting of the same to the stock exchanges.
Annual Report	The results, Annual Report including the Notice and Explanatory Statement are also displayed on the Bank's website at www.csb.bank.in
Others	Other information, such as press releases, stock exchange disclosures/ statutory filings and presentations made to investors and analysts, etc., are regularly updated on the Bank's website at www.csb.bank.in.

MD & CEO/CFO CERTIFICATION

The certification by Managing Director & CEO and Chief Financial Officer pursuant to the Regulation 17(8) read with Part B of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 on the financial statements and internal controls relating to financial reporting has been obtained and the same forms part of the Report.

GREEN INITIATIVE IN CORPORATE GOVERNANCE

As part of the 'Green Initiative in Corporate Governance' programme initiated by the Ministry of Corporate Affairs (MCA), the Bank has already put in place mechanism for sending all notices/documents including Notice of the Shareholders' Meeting, Balance Sheet, Profit and Loss Account, Auditors' Report, Directors' Report and so on, in electronic form.

Pursuant to Sections 101 and 136 of the Act read with the Companies (Management and Administration) Rules, 2014 and Companies (Accounts) Rules, 2014 and Regulation 36 of SEBI (LODR) Regulations, the Bank can send Notice of Annual General Meeting, Financial Statements and other communication in electronic form. Your Bank will send the Annual Report including the Notice of Annual General Meeting, Audited Financial Statements, Board's Report along with their annexure etc., for the Financial Year 2025-26, in electronic mode to the shareholders who have registered their e-mail addresses with the Bank or their respective Depository Participants (DPs).

Shareholders have been requested on several occasions to update their e-mail IDs in their folio/demat a/c to help accelerate the Bank's migration to paperless compliances. The Bank seeks your support to the said green initiatives, as it is designed to protect the environment.

COMPLIANCE WITH MANDATORY REQUIREMENTS

The Bank's shares were listed on the Stock Exchanges on December 04, 2019. The Bank has complied with all mandatory recommendations prescribed in Listing Agreement/ SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 from the date of listing or from the respective date of applicability of the same in the Bank's case, whichever is earlier. A certificate to this effect issued by M/s. BNP & Associates Company Secretaries, is annexed.

COMPLIANCE WITH NON-MANDATORY REQUIREMENTS

In addition to the Mandatory Requirements, your Bank has ensured the implementation of the non-mandatory requirements as suggested in Regulation 27 read with Part E of Schedule II of the Listing Regulations.

The Board	Part-time Chairperson is entitled to maintain his office at the administrative/other office space of the Bank which is at the expenses of the Bank, though no office has been specifically allotted to the present chairperson. Part-time Chairman is entitled and allowed for reimbursement of expenses incurred in performance of his duties.
Shareholders' rights	The Bank publishes its financial results once approved by the Board of Directors to the Stock Exchanges within 30 minutes (Regulation 30 of the Listing Regulations) of the conclusion of the agenda/meeting. The same are also available on the websites of the Stock Exchanges. Quarterly/Annual Financial statements are also published in the Newspapers and uploaded in the Bank's website. Shareholders/Investor presentations on Quarterly / Annual financial statements are uploaded in the Bank's website and intimated to Stock Exchanges and where shares of the Bank are listed. The quarterly/ yearly financial results, press release published thereon, and investor presentations are sent to the shareholders via e-mail.
Unmodified audit opinion /reporting	The Auditors have expressed an unmodified opinion on the financial statement of the Bank for the financial year ended March 31, 2026.
Separate posts of Chairperson and the Managing Director or the Chief Executive Officer	The Bank has separated the positions of the Chairperson and the Managing Director & Chief Executive Officer. The Part-time Chairperson is a non-executive independent director and is not related to the Managing Director and Chief Executive Officer as per the definition of the term "relative" defined under the Companies Act, 2013.
Reporting of Internal Auditor	The Internal Auditor report directly to the Audit Committee of the Board to ensure independence of the Internal Audit function
Meeting of Independent Directors:	The independent directors of the Bank held two meetings during the year, without the presence of non-independent directors and members of the management and all the independent directors were present at such meetings

INVESTOR HELP DESK

Share transfers, dividend payments, if any, and all other investor related activities are attended to and processed at the office of the Bank/ Bank's Registrar to an Issue and Share Transfer Agent (RTAs).

Pursuant to Regulation 6(2)(d) of the Listing Regulations, Bank has created a separate e-Mail ID viz. investors@csb.bank.in for redressal of Investor Complaints and Grievances.

By Order of the Board

Sd/-
Biswamohan Mahapatra
Chairperson
(DIN: 06990345)

Place: Thrissur
Date : June 25, 2026

Report on Corporate Governance (Contd.)

GENERAL INFORMATION FOR SHAREHOLDERS

Financial Calendar	April 01, 2025 to March 31, 2026	
Date of the Board Meeting at which the final accounts were approved	May 04, 2026	
Dividend	Nil	
105th Annual General Meeting	Date :	August 21, 2026
	Day :	Friday
	Time :	11.00 a.m. IST
	Venue/ Virtual meeting	The Bank is conducting meeting through VC / OAVM, pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs (MCA) followed by Circular No. 20/2020 dated May 05, 2020, Circular No. 02/2021 dated January 13, 2021, Circular No. 02/2022 dated May 05, 2022, General Circular No. 10/2022, General Circular No. 11/2022, dated December 28, 2022, General Circular No. 09/2023 dated September 25, 2023 and the latest being 03/2025 dated September 22, 2025 (collectively referred to as "MCA Circulars") and Securities and Exchange Board of India ("SEBI") Circular dated October 07, 2023 and October 3, 2024 ("SEBI Circular") and as such there is no requirement to have a venue for the AGM. For details please refer to the Notice of this AGM
Date of the Book Closure	August 15, 2026 to August 21, 2026 (both days are inclusive)	
Listing on Stock Exchanges	**BSE Limited,** Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400001.	**National Stock Exchange of India Ltd.,** Exchange Plaza, 5th floor, Bandra-Kurla Complex, Bandra (E), Mumbai 400051.
Stock Code	**542867**	**CSBBANK**
Date of Listing	December 04, 2019	
Corporate Identity Number (CIN)	L65191KL1920PLC000175	
ISIN	INE679A01013	

CREDIT RATINGS

Instrument(s)	Amount Up to (crore)	Rating	
		CRISIL	India Ratings & Research
Certificate of Deposits	2,000	[CRISIL] A1+	-
Short Term Fixed Deposits	2,000	[CRISIL] A1+	-
Tier II, Basel III compliant bonds*	500	CRISIL A/Stable	IND A/ Positive

**The Bank has not yet issued any bonds as part of the programme.*

Bank's Address for correspondence / Address of the Compliance Officer.	Mr. Sijo Varghese, Company Secretary, **CSB Bank Limited,** "CSB Bhavan", Post Box No. 502, St. Mary's College Road, Thrissur - 680 020 Kerala. Phone No.: +91 487 2333 020|Fax: +91 487 2338 764 E-mail: investors@csb.bank.in |Website: www.csb.bank.in

Address of the Registrar to an Issue and Share Transfer Agent; of the Bank.	**MUFG Intime India Private Limited** Surya 35, May Flower Avenue, Behind Senthil Nagar, Sowripalayam Road, Coimbatore - 641028. Tel : +91 422 2314792, 2315792, 4958995, 2539835, 2539836 Fax : 022-49186060 E-mail : coimbatore@in.mpms.mufg.com Website: www.in.mpms.mufg.com

AFFIRMATION OF COMPLIANCE WITH CODE OF CONDUCT

I, Pralay Mondal, Managing Director & CEO hereby declare that the Bank's Code of Conduct and Ethics for Board of Directors and Senior Management Personnel of the Bank has been accepted and the members of board of directors and senior management personnel have affirmed compliance with the code of conduct of board of directors and senior management as required under Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 on "Corporate Governance".

By Order of the Board

Sd/-
Pralay Mondal
Managing Director & CEO
(00117994)

Place: Thrissur
Date : June 25, 2026

Annexure - IX
CEO / CFO Certification

We, Pralay Mondal, Managing Director & CEO and Satish Gundewar, Chief Financial Officer, of CSB Bank Limited hereby certify that:

(A) We have reviewed financial statements and the cash flow statement for the quarter and year ended March 31, 2026, and that to the best of our knowledge and belief:

(1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

(2) these statements together present a true and fair view of the Bank's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

(B) There are, to the best of our knowledge and belief, no transactions entered into by the Bank during the period which are fraudulent, illegal or violative of the Bank's code of conduct.

(C) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Bank pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps taken or propose to take to rectify these deficiencies.

(D) We have indicated to the auditors and the Audit Committee:

(1) there has not been any significant changes in internal control over financial reporting during the period;

(2) There are no significant changes in accounting policies during the period; and

(3) There are no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Bank's internal control system over financial reporting.

Sd/-
Satish Gundewar
Chief Financial Officer

Sd/-
Pralay Mondal
Managing Director & CEO

Place: Thrissur
Date: May 04, 2026

Annexure - X

Corporate Governance Certificate

CERTIFICATE ON COMPLIANCE WITH THE CORPORATE GOVERNANCE REQUIREMENTS UNDER SEBI (LISTING OBLIGATION AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To,
The Members
CSB Bank Limited
Head Office, CSB Bhavan,
St. Mary's College Road,
Thrissur-680020.

We, BNP & Associates, Practicing Company Secretaries, have examined the compliance of conditions of Corporate Governance by **CSB Bank Limited** (hereinafter referred as "the Bank"), for the financial year ended March 31, 2026, as prescribed under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and Paragraphs C, D and E of Schedule V of Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

We state that ensuring compliance of the conditions of Corporate Governance is the responsibility of the management of the Bank, and our examination is limited to the procedures and implementation thereof, adopted by the Bank for ensuring the compliance of the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Bank.

In our opinion, and to the best of our information and according to the explanations given to us, we certify that the Bank has complied with the conditions of Corporate Governance as specified in the aforesaid 'Listing Regulations'.

We further state that the above certification is neither an assurance as to the future viability of the Bank nor the efficiency or effectiveness with which the management has conducted the affairs of the Bank during the financial year.

This certificate is issued solely for the purpose of complying with the Listing Regulations and may not be suitable for any other purpose.

For BNP & Associates
Company Secretaries
[Firm Regn. No. P2014MH037400]
PR No. 7353/2025

Sd/-
Venkataraman Krishnan
Partner
ACS No.: 8897
COP No.: 12459
UDIN: A008897H000686640
Date: June 25, 2026
Place: Mumbai

Annexure - XI

Certificate of Non-Disqualification of Directors

[Pursuant to Regulation 34(3) and clause 10(i) of Para C of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Member of
CSB Bank Limited
Head Office, CSB Bhavan,
St. Mary's College Road,
Thrissur 680020

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **CSB Bank Limited [CIN.: L65191KL1920PLC000175]** (hereinafter called the **"Bank"**) having its Registered Office at Head Office, CSB Bhavan, St. Mary's College Road, Thrissur 680020 and also the information provided by the Bank, its officers and the authorised representatives for the purpose of issuance of the Certificate, in accordance with Regulation 34 (3) read with Schedule V Para-C clause 10 (i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) 2015 **("LODR")**, as amended from time to time.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Bank and its officers, we hereby certify that none of the Directors on the Board of the Bank as stated below for the Financial Year ended on March 31, 2026 have been debarred or disqualified from being appointed or continuing as Directors of the Bank by Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority.

Sr. No.	Name of the Director	DIN	Designation	Date of Appointment in the Company*
1.	Mr. Biswamohan Mahapatra	06990345	Chairperson - Independent Director	April 16, 2025
2.	Mr. Pralay Mondal	00117994	Managing Director & CEO	February 17, 2022
3.	Mr. Bellur Krishna Bhat Divakara	06439053	Executive Director	March 15, 2024
4.	Mr. Sumit Maheshwari	06920646	Non-Executive Non-Independent Director	September 03, 2018
5.	Ms. Sheetal Rupesh Sancheti	10119781	Non-Executive Non-Independent Director	November 05, 2025
6.	Ms. Sharmila Abhay Karve	05018751	Non-Executive Independent Director	July 20, 2020
7.	Mr. Sudhin Bhagwandas Choksey	00036085	Non-Executive Independent Director	March 30, 2021
8.	Mr. Sharad Kumar Saxena	08238872	Non-Executive Independent Director	February 19, 2022
9.	Ms. Renu Kohli	07981627	Non-Executive Independent Director	December 14, 2023
10.	Mr. Deepak Maheshwari	08163253	Non-Executive Independent Director	June 12, 2024
11.	Mr. Narasimha Raju Narasappa Doddahosahalli	01070476	Non-Executive Independent Director	December 13, 2024

** Dates of appointment of Directors, incorporated above, are as appearing on MCA Portal.*

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Bank. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Bank nor of the efficiency or effectiveness with which the management has conducted the affairs of the Bank.

For BNP & Associates
Company Secretaries
[Firm Regn. No. P2014MH037400]
PR No. 7353/2025

Sd/-
Venkataraman Krishnan
Partner
ACS No.: 8897
CP No.: 12459
UDIN: A008897H000686706
Date: June 25, 2026
Place: Mumbai

Financial Statements

Independent Auditor's Report

To the Members of CSB Bank Limited

Report on the Audit of the Financial Statements

OPINION

1. We have audited the accompanying financial statements of **CSB Bank Limited** ('the Bank'), which comprise the Balance Sheet as at **31 March 2026**, the Profit and Loss Account and the Cash Flow Statement for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Banking Regulation Act, 1949 as well as the Companies Act, 2013 ('the Act') and circulars and guidelines issued by the Reserve Bank of India ('the RBI'), in the manner so required for banking companies and give a true and fair view, in conformity with the Accounting Standards specified under section 133 of the Act, read with the Companies (Accounting Standards) Rules, 2021 and other accounting principles generally accepted in India, of the state of affairs of the Bank as at 31 March 2026, and its profit and its cash flows for the year ended on that date.

BASIS FOR OPINION

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Bank in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

5. We have determined the matters described below to be the key audit matters to be communicated in our report.

Classification of advances, identification of non-performing advances, income recognition and provisioning for advances

As at 31 March 2026, the Bank reported total loans and advances (net of provisions) of ₹ 39,848 crores (2025: ₹ 31,507 crores), gross NPAs of ₹ 670 crores (2025: ₹ 498 crores), and provision for non-performing assets (including claim) of ₹ 512 crores (2025: ₹ 334 crores).

Refer schedule 9 and schedule 18 (2.4) to the Financial Statements.

Key audit matter	How our audit addressed the key audit matter
Advances include Bills purchased and discounted, Cash credits, Overdrafts, Loans repayable on demand and Term loans. The Bank's advances portfolio majorly comprises of gold loans disbursed against pledge of gold collateral.	*Our key audit procedures included but were not limited to the following:* • Understood and considered the Bank's accounting policies for NPA identification and provisioning and assessing compliance with the IRACP norms prescribed by the RBI including the additional provisions made on advances. • Obtained an understanding of management's approach, interpretation, systems and controls implemented in relation to NPA computation. • Assessed the design, implementation and operating effectiveness of key internal financial controls (including application controls for system driven identification of NPAs) over approval, recording, monitoring and recovery of loans, monitoring overdue / stressed accounts, measurement of provision, valuation of security, assessing the reliability of management information which included testing overdue reports.

Independent Auditor's Report (Contd.)

Key audit matter	How our audit addressed the key audit matter
The classification of advances and identification of non-performing advances involves establishment of proper mechanism and judgement is applied to identify and determine the amount of provision required against non-performing assets ('NPA') and restructured advances as per the policy approved by the Board of Directors of the Company and based on management's assessment of the degree of impairment of the advances subject to the minimum provisioning levels prescribed under the Reserve Bank of India (Commercial Banks - Income Recognition, Asset Classification and Provisioning) Directions, 2025 ("IRACP norms") prescribed by the Reserve Bank of India (the "RBI") from time to time. Similarly, the Bank is also required to make judgements to identify advances which are non-recoverable and thereby determined to be written off. The provision for advances is estimated based on ageing and classification of such advances, underlying valuation, adequacy and existence of the security amongst other factors. In case of restructured accounts, provision is made in accordance with the RBI guidelines. The management also makes provisions on exposures on the basis of advances lent to certain stressed sectors. The management of the Bank relies on the CBS (Core Banking Solutions) along with other allied IT systems accompanied by various estimates, prudent judgements relating to credit assessment of borrowers, valuation of collateral, including services of independent valuers, professionals for completeness and timing of recognition of NPAs, asset classification, income recognition and provisioning thereon. We have identified classification of advances, identification of NPAs, provisioning of advances and income recognition as a key audit matter because this requires proper control mechanism, significant level of management judgement especially in determining the provision and the valuation of the security, heightened regulatory compliances and its significance to the overall financial statements of the Bank.	• Understood the Bank's policy over appointment of external appraiser for gold loans and storage of pledged gold. Further, assessed the design, implementation and operating effectiveness of key controls identified. • Obtained an understanding for contingency provision carried by the Bank and verified the underlying assumptions for such estimate along with events identified by the management for usage for such provision. • Tested review controls over measurement of provisions including documentation of the relevant approvals along with basis and rationale of the provision and disclosures in financial statements. • Tested the application controls on sample basis including testing of automated and manual controls, reports and system reconciliations, in relation to income recognition, asset classification, provisioning pertaining to advances. **Substantive tests** • Performed test of details over of calculation of NPA provisions, including provisions on restructured loans for assessing the completeness, accuracy and relevance of data and to ensure that the same is in compliance with the Bank's NPA provision policy and IRACP Norms and tested manual adjustments made by the management for classification and provisioning of advances owing to system migration during the year. • Tested samples of advances (based on quantitative and qualitative thresholds) where impairment indicators had been identified by management. Obtained management's assessment of the recoverability of these exposures (including individual provisions calculations) and challenged whether individual impairment provisions, or lack of, were appropriate. • Evaluated the statement of accounts, approval process, credit review of customer, review of SMA reports, valuation reports of collaterals for corporate loans and other related documents to assess recoverability and the classification of the advance. • For selected samples for gold loans, inspected external appraiser's valuation report certifying the purity of the pledged gold and checked the quantity and weight mentioned in the valuation report. Conducted independent visits to branches/offices to examine documentation and other records relating to advances and to verify existence of pledged gold for samples selected. Further, for the gold appraiser's valuation reports relied upon by the management, assessed the competency, independence, scope of work for the purpose of our audit. • Verified on sample basis whether the loan write-offs during the year is in accordance with Board approved policythe year is in accordance with Board approved policy. • Sought independent confirmation of account balances for sample borrowers.

Independent Auditor's Report (Contd.)

Key audit matter	How our audit addressed the key audit matter
	• Read the minutes of management committees and credit committee meetings and performing inquiries with the credit, credit monitoring, risk, asset recovery, compliance and vigilance departments to ascertain key changes and observations. • Considered key observations arising out of Internal Audits, Systems Audits and Concurrent Audits conducted as per the policies and procedures of the Bank. • Considered the RBI Annual Financial Inspection report on the Bank, the Bank's response to those observations and other communications with RBI. Assessed disclosures included in the financial statements in respect of asset classification, and provisioning, including specific disclosures required by IRACP norms.
Information Technology ('IT') System and controls	
Key audit matter	**How our audit addressed the key audit matter**
The IT environment of the Bank is complex as it involves a number of independent and inter-dependent IT systems which are used in the operations of the Bank for processing and recording a large volume of transactions at numerous locations on a daily basis. As a result, there is a high degree of reliance and dependency on the IT systems for the Bank's financial accounting and reporting processes which impacts key financial accounting and reporting items such as advances, interest income, provision on advances amongst others and thereby there exists a risk that gaps in the IT control environment could result in the financial accounting and reporting records being materially misstated. Amongst its multiple IT systems, we scoped in systems that are key for the overall financial reporting. **Migration of IT systems during the year** During the year, the Bank has migrated to a new core banking system for its retail and wholesale loans and deposits Such significant system change increases the risk to the internal financial control environment. These changes represent a financial reporting risk while migration takes place as controls and process that have been established earlier are updated and migrated to a new environment. Hence, our audit strategy focused on this migration of IT systems due to the risk of error and the impact such an error could have on the Bank's financial accounting and reporting process.	We included specialized IT auditors as part of our audit team to perform audit procedures which included, but were not limited to the following: • Obtained an understanding of IT applications landscape implemented at the Bank, followed by process understanding, mapping of applications to the processes related to financial reporting. • Based on our understanding, we have evaluated and tested relevant IT general controls and IT application controls on the systems ('in-scope') identified as relevant for our audit of the financial statements. • On such in-scope IT systems, we have tested key IT general controls with respect to the following domains: a. User access management which includes user access provisioning, de-provisioning, access review, password management, sensitive access rights and segregation of duties to ensure that privilege access to applications, operating system and databases in the production environment were granted only to authorized personnel. b. Program change management which includes controls on moving program changes to production environment as per defined procedures and with relevant segregation of environments. c. Other areas that were assessed under the IT control environment included backup management and incident management. • Evaluated the design and tested the operating effectiveness of key IT application controls in key business processes, which included loan origination, sanctioning, disbursements, repayments and covered automated calculations and automated accounting procedures, as applicable, focusing on advances, interest income, provision on advances amongst others.

Key audit matters	How our audit addressed the key audit matters
Accordingly, we have identified testing of such IT systems and related control environment, migration of IT system as key audit matter because of the high level of automation, significant number of systems being used by the Bank for processing financial transactions, importance in relation to accurate and timely financial reporting and its impact on the financial records and financial reporting process of the Bank.	• Where deficiencies were identified, tested compensating controls or performed alternative procedures. Apart from above, we performed below procedures in relation to migration of IT systems: • Obtained an understanding of the migration process and evaluated the controls established by the Bank for such migration activity; • Verified system migration reports approved by appropriate personnel, mock run observations and remediations, general ledger wise balance transfer, system access controls reconciliations, etc. to ensure accuracy and completeness of transfer of data between the systems; • Verified on sample basis for transfer of amount outstanding as on the cutoff date for advances including classification of such advances, deposits etc; • Validated whether appropriate approvals and go-live sign-offs were taken from the respective authorized personnel; and • Obtained the reports of external expert engaged by the management for overseeing the data migration activity and exception reports generated during the activity and ensured that exceptions, if any, have been rectified and concluded by the management.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

6. The Bank's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report including the Pillar III Disclosure under the New Capital Adequacy Framework (Basel III disclosures) but does not include the financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

   Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

   In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

7. The accompanying financial statements have been approved by the Bank's Board of Directors. The Bank's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Bank in accordance with the Accounting Standards specified under section 133 of the Act, read with the Companies (Accounting Standards) Rules, 2021 and other accounting principles generally accepted in India, and provisions of section 29 of the Banking Regulation Act, 1949 and circulars and guidelines issued by the RBI from time to time. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Bank and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

8. In preparing the financial statements, the Board of Directors is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.
9. The Board of Directors is also responsible for overseeing the Banks's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

10. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
11. As part of an audit in accordance with Standards on Auditing specified under section 143(10) of the Act, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
    - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
    - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Bank has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;
    - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
    - Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern; and
    - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

15. The Balance Sheet and the Profit and Loss Account have been drawn up in accordance with the provisions of section 29 of the Banking Regulation Act, 1949 and section 133 of the Act.

16. As required by sub-section (3) of section 30 of the Banking Regulation Act, 1949, we report that:

    a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit and have found them to be satisfactory;

    b) The transactions of the Bank, which have come to our notice, have been within the powers of the Bank;

    c) We have visited 42 branches to examine the books of accounts and other records maintained at the branch for the purpose of our audit. Since the key operations of the Bank are automated with the key applications integrated to the core banking system, the audit is carried out at centrally as all the necessary records and data required for the purposes of our audit are available therein.

17. With respect to the matter to be included in the auditor's report under section 197(16) of the Act, we report that since the Bank is a banking company, as defined under the Banking Regulation Act, 1949; the reporting under section 197(16) in relation to whether the remuneration paid by the Bank is in accordance with the provisions of section 197 of the Act and whether any excess remuneration has been paid in accordance with the aforesaid section is not applicable.

18. Further, as required by section 143 (3) of the Act, based on our audit, we report, to the extent applicable, that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying financial statements;

    b) In our opinion, proper books of account as required by law have been kept by the Bank so far as it appears from our examination of those books;

    c) The Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;

    d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2021, to the extent they are not inconsistent with the accounting policies prescribed by RBI;

    e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2026 from being appointed as a director in terms of section 164(2) of the Act;

    f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Bank as on 31 March 2026 and operating effectiveness of such controls, refer to our separate report in Annexure I wherein we have expressed an unmodified opinion; and

    g) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

        i. The Bank, as detailed in Schedule 12 and Schedule 18- note 3.13 to the financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2026;

        ii. The Bank, as detailed in Schedule 5 and Schedule 18- note 3.13 to the financial statements, has made provision as at 31 March 2026, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

        iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Bank during the year ended 31 March 2026.;

        iv. a. The management has represented that, to the best of its knowledge and belief, as disclosed in Schedule 18- note 4.8(a) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Bank to or in any person(s) or entity(ies), including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Bank ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;

        b. The management has represented that, to the best of its knowledge and belief, as disclosed in Schedule 18- note 4.8(b) to the financial statements, no funds have been received by the Bank from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Bank shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

        c. Based on such audit procedures performed, as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.

        v. The Bank has not declared or paid any dividend during the year ended 31 March 2026.

        vi. As stated in Schedule 18- note 4.9 to the financial statements and based on our examination which included test checks, the Bank, in respect of financial year commencing on 01 April 2025, has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with. Furthermore, the audit trail has been preserved by the Bank as per the statutory requirements for record retention.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No.: 001076N/N500013

Sd/-
Sudhir N. Pillai
Partner
Membership No. 105782
UDIN: 26105782PYHCBO1641

Place: Mumbai
Date: 04 May 2026

For Sundaram & Srinivasan
Chartered Accountants
Firm Registration No:004207S

Sd/-
P Menakshi Sundaram
Partner
Membership No. 217914
UDIN:26217914QFGZYK4274

Place: Mumbai
Date: 04 May 2026

Annexure I

TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE TO THE MEMBERS OF CSB BANK LIMITED ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

Independent Auditor's Report on the Internal Financial Controls Over Financial Reporting with reference to Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

Opinion

1. We have audited the internal financial controls over financial reporting with reference to financial statements of **CSB Bank Limited** ('the Bank') as at **31 March 2026** in conjunction with our audit of the financial statements of the Bank for the year ended on that date.
2. In our opinion, the Bank has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2026, based on the internal control over financial reporting criteria established by the Bank considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('the ICAI').

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls Over Financial Reporting with reference to Financial Statements

3. The Bank's Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Bank considering the essential components of internal controls stated in the Guidance Note issued by the ICAI. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Bank's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility for the Audit of the Internal Financial Controls Over Financial Reporting with reference to Financial Statements

4. Our responsibility is to express an opinion on the Bank's internal financial controls over financial reporting with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing ('the Standards'), issued by the ICAI and deemed to be prescribed under Section 143(10) of the Act. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.
5. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting with reference to financial statements included obtaining an understanding of internal financial controls over financial reporting with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
6. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Bank's internal financial controls over financial reporting with reference to financial statements.

Meaning of Internal Financial Controls Over Financial Reporting with Reference to Financial Statements

7. A bank's internal financial controls over financial reporting with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A bank's internal financial controls over financial reporting with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the bank; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the bank are being made only in accordance with authorisations of management and directors of the bank; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the bank's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting with reference to Financial Statements

8. Because of the inherent limitations of internal financial controls over financial reporting with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to financial statements to future periods are subject to the risk that the internal financial controls over financial reporting with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No.: 001076N/N500013

Sd/-
Sudhir N. Pillai
Partner
Membership No. 105782
UDIN: 26105782PYHCBO1641

Place: Mumbai
Date: 04 May 2026

For Sundaram & Srinivasan
Chartered Accountants
Firm Registration No:004207S

Sd/-
P Menakshi Sundaram
Partner
Membership No. 217914
UDIN:26217914QFGZYK4274

Place: Mumbai
Date: 04 May 2026

Balance Sheet

As on March 31, 2026

(₹ in thousand)

	Schedule	As on March 31, 2026	As on March 31, 2025
CAPITAL AND LIABILITIES			
Capital	1	173 , 53 , 81	173 , 53 , 81
Employees stock options outstanding	1A	32 , 39 , 41	23 , 83 , 32
Reserves and surplus	2	4688 , 35 , 44	4300 , 36 , 02
Deposits	3	44245 , 91 , 74	36861 , 48 , 81
Borrowings	4	7154 , 44 , 46	5546 , 28 , 39
Other liabilities and provisions	5	1431 , 86 , 96	930 , 76 , 84
Total		**57726 , 51 , 82**	**47836 , 27 , 19**
ASSETS			
Cash and balances with Reserve Bank of India	6	4016 , 65 , 12	3187 , 28 , 30
Balances with banks and money at call and short notice	7	80 , 14 , 71	404 , 89 , 63
Investments	8	11955 , 28 , 75	11389 , 33 , 76
Advances	9	39847 , 83 , 65	31507 , 04 , 85
Fixed assets	10	709 , 80 , 70	628 , 68 , 39
Other assets	11	1116 , 78 , 89	719 , 02 , 26
Total		**57726 , 51 , 82**	**47836 , 27 , 19**
Contingent liabilities	12	10331 , 19 , 74	7368 , 08 , 33
Bills for collection		358 , 55 , 70	76 , 88 , 82
Significant accounting policies	17		
Notes to accounts	18		

The schedules and accompanying notes to accounts referred to above form an integral part of the Balance Sheet

As per our attached report of even date

For Sundaram & Srinivasan
Chartered Accountants
Firm Registration No:004207S

Sd/-
P. Menakshi Sundaram
Partner
(Membership No. 217914)

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No:001076N/N500013

Sd/-
Sudhir N. Pillai
Partner
(Membership No. 105782)

Date : May 04, 2026
Place : Mumbai

For and on behalf of the Board of Directors

Sd/-
Biswamohan Mahapatra
Chairperson
DIN:06990345

Sd/-
Sharmila Abhay Karve
Chairperson-Audit Committee
DIN:05018751

Sd/-
Pralay Mondal
Managing Director & CEO
DIN: 00117994

Sd/-
B.K. Divakara
Executive Director
DIN: 06439053

Sd/-
Sijo Varghese
Company Secretary

Sd/-
Satish Gundewar
Chief Financial Officer

Date : May 04, 2026
Place : Mumbai

Profit & Loss Account

For the year ended March 31, 2026

(₹ in thousand)

	Schedule	Year ended March 31, 2026	Year ended March 31, 2025
I INCOME			
Interest earned	13	4505 , 19 , 29	3597 , 14 , 44
Other income	14	1176 , 59 , 39	972 , 05 , 26
Total		**5681 , 78 , 68**	**4569 , 19 , 70**
II EXPENDITURE			
Interest expended	15	2784 , 86 , 64	2120 , 96 , 93
Operating expenses	16	1811 , 52 , 68	1537 , 99 , 23
Provisions and contingencies		452 , 21 , 39	316 , 43 , 77
Total		**5048 , 60 , 71**	**3975 , 39 , 93**
III PROFIT/LOSS			
Net profit for the year		633 , 17 , 97	593 , 79 , 77
Profit / (-)Loss brought forward from previous year		956 , 28 , 87	622 , 57 , 04
Total		**1589 , 46 , 84**	**1216 , 36 , 81**
IV APPROPRIATIONS			
Transfer to statutory reserves		158 , 29 , 49	148 , 44 , 94
Transfer to capital reserves		-	-
Transfer to special reserve		5 , 06 , 76	4 , 40 , 00
Transfer to investment fluctuation reserve		-	107 , 23 , 00
Balance carried over to balance sheet		1426 , 10 , 59	956 , 28 , 87
Total		**1589 , 46 , 84**	**1216 , 36 , 81**
Earnings per equity share:			
(1) Basic (in ₹)		36.50	34.23
(2) Diluted (in ₹)		36.50	34.23
(Face value ₹ 10 per share)			
Significant accounting policies	17		
Notes to accounts	18		

The schedules and accompanying notes to accounts referred to above form an integral part of the Profit & Loss Account

As per our attached report of even date

For Sundaram & Srinivasan
Chartered Accountants
Firm Registration No:004207S

Sd/-
P. Menakshi Sundaram
Partner
(Membership No. 217914)

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No:001076N/N500013

Sd/-
Sudhir N. Pillai
Partner
(Membership No. 105782)

Date : May 04, 2026
Place : Mumbai

For and on behalf of the Board of Directors

Sd/-
Biswamohan Mahapatra
Chairperson
DIN:06990345

Sd/-
Sharmila Abhay Karve
Chairperson-Audit Committee
DIN:05018751

Sd/-
Pralay Mondal
Managing Director & CEO
DIN: 00117994

Sd/-
B.K. Divakara
Executive Director
DIN: 06439053

Sd/-
Sijo Varghese
Company Secretary

Sd/-
Satish Gundewar
Chief Financial Officer

Date : May 04, 2026
Place : Mumbai

Cash Flow Statement

For the year ended March 31, 2026

(₹ in thousand)

	Year ended March 31, 2026	Year ended March 31, 2025
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit before tax	**851 , 16 , 49**	**799 , 52 , 58**
Adjustments for:		
Depreciation on fixed assets	107 , 32 , 56	76 , 38 , 67
Provision for depreciation in value of investments	9 , 86 , 32	2 , 33 , 88
Provision towards non performing advances	242 , 18 , 32	154 , 49 , 52
Provision for standard assets	34 , 88 , 00	26 , 62 , 36
Employee stock option expense	11 , 47 , 31	9 , 78 , 54
(-)Profit / Loss on sale of fixed assets	(51 , 14)	26 , 04
(-)Amortisation of discount on investments	(716 , 50)	(99 , 06)
Other provisions and contingencies	56 , 59	2 , 42 , 79
Cash flow before changes in working capital	**1249 , 77 , 95**	**1070 , 85 , 32**
Adjustments for:		
(-)Increase in investments (excluding Held to Maturity investments)	(214 , 78 , 85)	(5948 , 18 , 17)
(-)Increase in advances	(8582 , 97 , 12)	(7325 , 96 , 79)
(-)Increase in other assets	(371 , 21 , 01)	(101 , 35 , 07)
Increase in deposits	7384 , 42 , 93	7142 , 68 , 46
Increase in other liabilities & provisions	465 , 65 , 54	125 , 55 , 79
	(69 , 10 , 56)	**(5036 , 40 , 46)**
Direct taxes paid (net of refunds)	(244 , 54 , 15)	(219 , 11 , 57)
Net cash flow (used in) operating activities (A)	**(313 , 64 , 71)**	**(5255 , 52 , 03)**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets and intangible assets	(191 , 37 , 17)	(300 , 23 , 68)
Proceeds from sale of fixed assets	3 , 43 , 44	82 , 14
(-)Increase / Decrease in Held to Maturity investments	(601 , 95 , 73)	2203 , 32 , 35
Net cash flow (used in) / from investing activities (B)	**(789 , 89 , 46)**	**1903 , 90 , 81**
C. CASH FLOW FROM FINANCING ACTIVITIES		
Net proceeds from borrowings	1608 , 16 , 07	3788 , 90 , 39
Net cash flow from financing activities (C)	**1608 , 16 , 07**	**3788 , 90 , 39**

Cash Flow Statement
For the year ended March 31, 2026 (Contd.)

(₹ in thousand)

	Year ended March 31, 2026	Year ended March 31, 2025
D. NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	**504 , 61 , 90**	**437 , 29 , 17**
Cash and cash equivalents at the beginning of the year	3592 , 17 , 93	3154 , 88 , 76
Cash and cash equivalents at the end of the year	4096 , 79 , 83	3592 , 17 , 93
NET INCREASE AS DISCLOSED ABOVE	**504 , 61 , 90**	**437 , 29 , 17**

Cash and cash equivalents include Cash and balances with Reserve Bank of India and Balances with banks and money at call and short notice (Refer Schedule 6 and Schedule 7).

As per our attached report of even date

For Sundaram & Srinivasan
Chartered Accountants
Firm Registration No:004207S

Sd/-
P. Menakshi Sundaram
Partner
(Membership No. 217914)

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No:001076N/N500013

Sd/-
Sudhir N. Pillai
Partner
(Membership No. 105782)

Date : May 04, 2026
Place : Mumbai

For and on behalf of the Board of Directors

Sd/-
Biswamohan Mahapatra
Chairperson
DIN:06990345

Sd/-
Pralay Mondal
Managing Director & CEO
DIN: 00117994

Sd/-
Sharmila Abhay Karve
Chairperson-Audit Committee
DIN:05018751

Sd/-
B.K. Divakara
Executive Director
DIN: 06439053

Sd/-
Sijo Varghese
Company Secretary

Sd/-
Satish Gundewar
Chief Financial Officer

Date : May 04, 2026
Place : Mumbai

Schedules Forming Part of Balance Sheet

SCHEDULE 1. CAPITAL

(₹ in thousand)

	As on March 31, 2026	As on March 31, 2025
Authorised Capital		
22,00,00,000 (Previous year 22,00,00,000) Equity shares of ₹ 10/- each	220 , 00 , 00	220 , 00 , 00
Equity share capital		
Issued, subscribed and paid-up capital		
17,34,85,827 (Previous Year 17,34,85,827) Equity shares of ₹ 10/- each fully paid-up	173 , 48 , 58	173 , 48 , 58
	173 , 48 , 58	173 , 48 , 58
Add: Shares issued during the year	-	-
Add: Forfeited equity shares	5 , 23	5 , 23
TOTAL	**173 , 53 , 81**	**173 , 53 , 81**

SCHEDULE 1A. EMPLOYEES STOCK OPTIONS OUTSTANDING

(₹ in thousand)

	As on March 31, 2026	As on March 31, 2025
Opening balance	23 , 83 , 32	17 , 29 , 56
Additions during the year	11 , 47 , 31	9 , 78 , 54
Deductions during the year	2 , 91 , 22	3 , 24 , 78
Closing balance	**32 , 39 , 41**	**23 , 83 , 32**

SCHEDULE 2. RESERVES AND SURPLUS

(₹ in thousand)

	As on March 31, 2026	As on March 31, 2025
I Statutory Reserves		
Opening balance	746 , 15 , 58	597 , 70 , 64
Additions during the year	158 , 29 , 49	148 , 44 , 94
	904 , 45 , 07	746 , 15 , 58
Deductions during the year	-	-
	904 , 45 , 07	**746 , 15 , 58**
II Revaluation Reserves		
Opening balance	173 , 83 , 26	175 , 83 , 57
Additions during the year	-	-
	173 , 83 , 26	175 , 83 , 57
Deductions during the year	2 , 99 , 80	2 , 00 , 31
	170 , 83 , 46	**173 , 83 , 26**
III Capital Reserves		
Opening balance	209 , 54 , 16	209 , 54 , 16
Additions during the year	-	-
	209 , 54 , 16	209 , 54 , 16
Deductions during the year	46	-
	209 , 53 , 70	**209 , 54 , 16**

Schedules Forming Part of Balance Sheet (Contd.)

(₹ in thousand)

	As on March 31, 2026	As on March 31, 2025
IV Share Premium		
Opening balance	1804 , 24 , 46	1801 , 02 , 61
Additions during the year	2 , 85 , 04	3 , 21 , 85
	1807 , 09 , 50	1804 , 24 , 46
Deductions during the year	-	-
	1807 , 09 , 50	**1804 , 24 , 46**
V Revenue and other Reserves		
a) General Reserves		
Opening balance	106 , 63 , 69	103 , 49 , 11
Additions during the year	3 , 05 , 99	3 , 14 , 58
	109 , 69 , 68	106 , 63 , 69
Deductions during the year	-	-
	109 , 69 , 68	**106 , 63 , 69**
b) Investment Fluctuation Reserve (Refer note 2.3.2 of Schedule 18)		
Opening balance	170 , 32 , 36	59 , 07 , 73
Additions during the year	-	111 , 24 , 63
	170 , 32 , 36	170 , 32 , 36
Deductions during the year	-	-
	170 , 32 , 36	**170 , 32 , 36**
c) Investment Reserve Account		
Opening balance	-	4 , 01 , 63
Additions during the year	-	-
	-	4 , 01 , 63
Deductions during the year	-	4 , 01 , 63
	-	**-**
d) Special Reserve (Section 36 (1)(viii) of IT Act,1961)		
Opening balance	43 , 89 , 82	39 , 49 , 82
Additions during the year	5 , 06 , 76	4 , 40 , 00
	48 , 96 , 58	43 , 89 , 82
Deductions during the year	-	-
	48 , 96 , 58	**43 , 89 , 82**
VI Contingency Reserve		
Opening balance	5 , 00	5 , 00
Additions during the year	-	-
	5 , 00	5 , 00
Deductions during the year	-	-
	5 , 00	**5 , 00**
VII AFS-Reserve		
Opening balance	89 , 38 , 82	-
Additions during the year	-	89 , 38 , 82
	89 , 38 , 82	89 , 38 , 82
Deductions during the year	248 , 09 , 32	-
	(158 , 70 , 50)	**89 , 38 , 82**
VIII Balance in Profit and Loss Account	**1426 , 10 , 59**	**956 , 28 , 87**
TOTAL (I,II,III,IV,V,VI,VII and VIII)	**4688 , 35 , 44**	**4300 , 36 , 02**

Schedules Forming Part of Balance Sheet (Contd.)

SCHEDULE 3. DEPOSITS

(₹ in thousand)

			As on March 31, 2026	As on March 31, 2025
A.	I.	**Demand Deposits**		
	[i]	From banks	81 , 92 , 46	10 , 92 , 21
	[ii]	From others	1852 , 15 , 00	2304 , 84 , 57
			1934 , 07 , 46	**2315 , 76 , 78**
	II.	**Savings Bank Deposits**	**6897 , 48 , 35**	**6602 , 70 , 50**
	III.	**Term Deposits**		
	[i]	From banks	9442 , 95 , 33	4569 , 44 , 99
	[ii]	From others	25971 , 40 , 60	23373 , 56 , 54
			35414 , 35 , 93	**27943 , 01 , 53**
TOTAL [I,II, and III]*			**44245 , 91 , 74**	**36861 , 48 , 81**
B	[i]	Deposits of branches in India	44245 , 91 , 74	36861 , 48 , 81
	[ii]	Deposits of branches outside India	-	-
TOTAL			**44245 , 91 , 74**	**36861 , 48 , 81**

*Includes lien marked deposits of ₹ 3,491.56 crore (Previous Year ₹ 3,483.05 crore)

SCHEDULE 4. BORROWINGS

(₹ in thousand)

			As on March 31, 2026	As on March 31, 2025
I.		**Borrowings in India**		
	[i]	Reserve Bank of India	-	300 , 00 , 00
	[ii]	Other banks	-	-
	[iii]	Other institutions and agencies*	2981 , 70 , 46	1784 , 54 , 64
TOTAL (I)			**2981 , 70 , 46**	**2084 , 54 , 64**
II.		**Borrowings outside India**	4172 , 74 , 00	3461 , 73 , 75
TOTAL (I and II)			**7154 , 44 , 46**	**5546 , 28 , 39**

*Secured borrowings included in I and II above: Nil (previous year: Nil) except borrowings of ₹ 1,384.20 crore (previous year: ₹ 1,099.47 crore) under repurchase transactions (including tri-party repo) and transactions under Liquidity Adjustment Facility.

SCHEDULE 5. OTHER LIABILITIES AND PROVISIONS

(₹ in thousand)

		As on March 31, 2026	As on March 31, 2025
I.	Bills payable	71 , 92 , 54	95 , 25 , 26
II.	Inter-office adjustments (net)	-	-
III.	Interest accrued	562 , 56 , 61	223 , 72 , 55
IV.	Contingent provisions against standard assets (Refer note 2.15 of Schedule 18)	266 , 41 , 26	231 , 53 , 27
V.	Derivative Liabilities	26 , 05 , 77	42 , 69 , 73
VI.	Others (Including Provisions)	504 , 90 , 78	337 , 56 , 03
	TOTAL	**1431 , 86 , 96**	**930 , 76 , 84**

Schedules Forming Part of Balance Sheet (Contd.)

SCHEDULE 6. CASH AND BALANCES WITH RESERVE BANK OF INDIA

(₹ in thousand)

			As on March 31, 2026	As on March 31, 2025
I.		Cash in hand(including foreign currency notes)	149 , 73 , 26	143 , 14 , 67
II		Balances with Reserve Bank of India		
	[i]	in Current Account	1124 , 91 , 86	1341 , 13 , 63
	[ii]	in Other Accounts*	2742 , 00 , 00	1703 , 00 , 00
			3866 , 91 , 86	3044 , 13 , 63
TOTAL (I AND II)			**4016 , 65 , 12**	**3187 , 28 , 30**

*Represents the Standing Deposit Facility with Reserve Bank of India

SCHEDULE 7. BALANCES WITH BANKS AND MONEY AT CALL AND SHORT NOTICE

(₹ in thousand)

			As on March 31, 2026	As on March 31, 2025
I.		**In India**		
	[i]	**Balances with banks**		
		(a) in Current Accounts	11 , 08 , 45	13 , 49 , 35
		(b) in Other Deposit Accounts	2 , 50	2 , 50
			11 , 10 , 95	13 , 51 , 85
	[ii]	**Money at call and short notice**		
		(a) with banks	-	-
		(b) with other Institutions	-	299 , 71 , 67
			-	299 , 71 , 67
TOTAL (i and ii)			**11 , 10 , 95**	**313 , 23 , 52**
II.		**Outside India**		
	(i)	in Current Accounts	69 , 03 , 76	48 , 92 , 36
	(ii)	in Other Deposit Accounts	-	42 , 73 , 75
	(iii)	Money at call and short notice	-	-
TOTAL			**69 , 03 , 76**	**91 , 66 , 11**
GRAND TOTAL (I and II)			**80 , 14 , 71**	**404 , 89 , 63**

SCHEDULE 8. INVESTMENTS

(₹ in thousand)

		As on March 31, 2026	As on March 31, 2025
I.	Investments in India in		
	[i] Government securities	11188 , 43 , 72	10875 , 65 , 57
	[ii] Other approved securities	-	-
	[iii] Shares	39 , 38 , 22	29 , 90 , 36
	[iv] Debentures and Bonds	631 , 22 , 67	382 , 27 , 87
	[v] Subsidiaries and/or joint ventures	-	-
	[vi] Others (Certificate of Deposits, Commercial Paper, Security Receipts, AIF and PTC)	94 , 19 , 77	99 , 36 , 38
TOTAL		**11953 , 24 , 38**	**11387 , 20 , 18**

Schedules Forming Part of Balance Sheet (Contd.)

(₹ in thousand)

		As on March 31, 2026	As on March 31, 2025
II.	Investments outside India		
	[i] Government securities (including local authorities)	-	-
	[ii] Subsidiaries and / or joint ventures abroad	-	-
	[iii] Others investments:		
	(a) Shares	2 , 04 , 37	2 , 13 , 58
TOTAL		**2 , 04 , 37**	**2 , 13 , 58**
GRAND TOTAL (I and II)		**11955 , 28 , 75**	**11389 , 33 , 76**

SCHEDULE 9. ADVANCES

(₹ in thousand)

		As on March 31, 2026	As on March 31, 2025
A.	[i] Bills purchased and discounted	437 , 14 , 77	412 , 29 , 97
	[ii] Cash credits, overdrafts and loans repayable on demand	25042 , 33 , 57	9187 , 89 , 79
	[iii] Term loans	14368 , 35 , 31	21906 , 85 , 09
	TOTAL	**39847 , 83 , 65**	**31507 , 04 , 85**
B.	[i] Secured by tangible assets*	36460 , 25 , 63	29042 , 38 , 81
	[ii] Covered by Bank/Government guarantees**	227 , 82 , 10	192 , 99 , 49
	[iii] Unsecured	3159 , 75 , 92	2271 , 66 , 55
	TOTAL	**39847 , 83 , 65**	**31507 , 04 , 85**
C.	**I. Advances in India**		
	[i] Priority sectors	24833 , 64 , 32	16832 , 54 , 17
	[ii] Public sector	171 , 35 , 75	73 , 11 , 63
	[iii] Banks	-	1
	[iv] Others	14842 , 83 , 58	14601 , 39 , 04
	TOTAL	**39847 , 83 , 65**	**31507 , 04 , 85**
	II. Advances outside India	-	-
	GRAND TOTAL (C.I and II)	**39847 , 83 , 65**	**31507 , 04 , 85**

* Includes advances against book debts

**Includes advances against LCs issued by banks

SCHEDULE 10. FIXED ASSETS

(₹ in thousand)

	As on March 31, 2026	As on March 31, 2025
I. Premises (including land)		
At cost as on March 31 of the preceding year	204 , 55 , 19	205 , 09 , 57
Additions during the year	-	-
Deductions during the year	142 , 90	54 , 38
Total Cost to date	**203 , 12 , 29**	**204 , 55 , 19**
Depreciation		
As on March 31 of preceding year	28 , 63 , 02	27 , 04 , 71
Charge during the year	1 , 76 , 64	1 , 86 , 04
Deductions during the year	9 , 29	27 , 73
Depreciation to date	30 , 30 , 37	28 , 63 , 02
TOTAL (I)	**172 , 81 , 92**	**175 , 92 , 17**

Schedules Forming Part of Balance Sheet (Contd.)

(₹ in thousand)

	As on March 31, 2026	As on March 31, 2025
II. Other Fixed Assets (including furniture and fixtures)		
At cost as on March 31 of the preceding year	518 , 97 , 63	522 , 05 , 51
Additions during the year	368 , 91 , 94	121 , 18 , 66
Deductions during the year	6 , 89 , 69	124 , 26 , 54
Total Cost to date	**880 , 99 , 88**	**518 , 97 , 63**
Depreciation		
As on March 31 of preceding year	245 , 26 , 43	294 , 18 , 80
Charge during the year	105 , 55 , 92	74 , 52 , 64
Deductions during the year	5 , 31 , 01	123 , 45 , 01
Depreciation to date	**345 , 51 , 34**	**245 , 26 , 43**
TOTAL (II)	**535 , 48 , 54**	**273 , 71 , 20**
III. Capital-Work-in progress	**1 , 50 , 24**	**179 , 05 , 02**
GRAND TOTAL (I,II and III)	**709 , 80 , 70**	**628 , 68 , 39**

SCHEDULE 11. OTHER ASSETS

(₹ in thousand)

		As on March 31, 2026	As on March 31, 2025
I.	Inter - Office Adjustments (net)	-	-
II.	Interest accrued	318 , 50 , 21	218 , 18 , 36
III.	Tax paid in advance/tax deducted at source (Net of provisions)	84 , 69 , 35	65 , 64 , 70
IV.	Stationery and stamps	53	94
V.	Non-banking assets acquired in satisfaction of claims	-	-
VI.	Deferred tax assets (net)	74 , 43 , 39	66 , 92 , 41
VII.	Deposits placed with NABARD/SIDBI/NHB for meeting shortfall in Priority Sector Lending	55 , 07 , 26	83 , 85 , 06
VIII.	Derivative Asset	219 , 46 , 24	8 , 59 , 80
IX.	Others	364 , 61 , 91	275 , 80 , 99
	TOTAL	**1116 , 78 , 89**	**719 , 02 , 26**

SCHEDULE 12. CONTINGENT LIABILITIES

(₹ in thousand)

		As on March 31, 2026	As on March 31, 2025
I.	Claims against the Bank not acknowledged as debts - taxation	32 , 71 , 73	52 , 85 , 58
II.	Claims against the Bank not acknowledged as debts - others	22 , 09 , 68	21 , 61 , 63
III.	Liability for partly paid investments	-	-
IV.	Liability on account of outstanding forward exchange contracts	5680 , 90 , 37	5276 , 65 , 20
V.	Guarantees given on behalf of constituents		
	(a) In India	2162 , 90 , 58	1345 , 78 , 17
	(b) Outside India	507 , 96 , 31	-
VI.	Acceptance, endorsements and other obligations	1796 , 43 , 05	577 , 18 , 64
VII.	Other items for which the Bank is contingently liable*	128 , 18 , 02	93 , 99 , 11
TOTAL		**10331 , 19 , 74**	**7368 , 08 , 33**

* includes ₹ 93.66 crore (Previous Year : ₹85.55 crore) being amount transferred to DEA Fund Cell, RBI and outstanding, as per RBI circular DBOD.No.DEAF Cell.BC.114/30.01.002/2013-14 (Refer Note 2.10 of Schedule 18).

Schedules Forming Part of Profit and Loss Account

SCHEDULE 13. INTEREST EARNED

(₹ in thousand)

		Year ended on March 31, 2026	Year ended on March 31, 2025
I.	Interest/discount on advance / bills	3707 , 47 , 47	2930 , 64 , 11
II.	Income on investments	762 , 86 , 90	621 , 73 , 42
III.	Interest on balances with Reserve Bank of India and other inter -bank funds	25 , 24 , 31	19 , 85 , 76
IV	Others	9 , 60 , 61	24 , 91 , 15
TOTAL		**4505 , 19 , 29**	**3597 , 14 , 44**

SCHEDULE 14. OTHER INCOME

(₹ in thousand)

		Year ended on March 31, 2026	Year ended on March 31, 2025
I.	Commission, Exchange and Brokerage	797 , 07 , 13	593 , 54 , 60
II.	Profit on sale of investments (Net)	68 , 13 , 09	100 , 29 , 29
III.	Loss on revaluation of investments (Net)	(9 , 86 , 32)	(2 , 33 , 88)
IV.	Loss on sale of land, buildings and other assets (Net)	72 , 39	(26 , 04)
V.	Profit / (loss) on exchange / derivative transactions (Net)	18 , 24 , 41	20 , 70 , 23
VI.	Income earned by way of dividends etc.from subsidiaries/companies and/or joint ventures abroad/in India	-	-
VII.	Miscellaneous Income (Refer Note 2.16 - Schedule 18)	302 , 28 , 69	260 , 11 , 06
TOTAL		**1176 , 59 , 39**	**972 , 05 , 26**

SCHEDULE 15. INTEREST EXPENDED

(₹ in thousand)

		Year ended on March 31, 2026	Year ended on March 31, 2025
I.	Interest on deposits	2387 , 63 , 14	1886 , 95 , 13
II.	Interest on Reserve Bank of India/ inter -bank borrowings	105 , 96 , 38	46 , 70 , 97
III.	Others	291 , 27 , 12	187 , 30 , 83
TOTAL		**2784 , 86 , 64**	**2120 , 96 , 93**

SCHEDULE 16. OPERATING EXPENSES

(₹ in thousand)

		Year ended on March 31, 2026	Year ended on March 31, 2025
I.	Payments to and provisions for employees*	932 , 34 , 33	754 , 25 , 29
II.	Rent, taxes and lighting	187 , 56 , 67	168 , 66 , 15
III.	Printing and Stationery	11 , 92 , 76	10 , 98 , 12
IV.	Advertisement and publicity	5 , 29 , 46	5 , 51 , 19
V.	Depreciation on bank's property	107 , 32 , 56	76 , 38 , 67
VI.	Directors' fees, allowances and expenses	2 , 04 , 46	1 , 60 , 45
VII.	Auditors' fees and expenses	2 , 40 , 73	2 , 44 , 18
VIII.	Law charges	4 , 99 , 62	2 , 65 , 08
IX.	Postages, Telegrams, Telephones etc.	32 , 42 , 35	29 , 65 , 21
X.	Repairs and maintenance	33 , 01 , 41	41 , 00 , 80
XI.	Insurance	43 , 05 , 96	37 , 01 , 77
XII.	Other expenditure (Refer Note 2.16 - Schedule 18)	449 , 12 , 37	407 , 82 , 32
TOTAL		**1811 , 52 , 68**	**1537 , 99 , 23**

* Includes estimated incremental cost of ₹ 5.22 crore pursuant to new Labour Codes.

Schedule 17:

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES APPENDED TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

1. BACKGROUND

CSB Bank Limited ("the Bank") having Corporate Identity Number (CIN) L65191KL1920PLC000175, was incorporated in 1920 is a publicly held banking company engaged in providing a range of banking and financial services including Retail banking, Corporate banking SME banking and Treasury operations. The Bank is governed by the Banking Regulation Act, 1949 and the Companies Act, 2013. The Bank's shares are listed on Bombay Stock Exchange Limited and National Stock Exchange of India Limited.

2. BASIS OF PREPARATION

a) The financial statements have been prepared in accordance with the requirements prescribed under the Third Schedule of the Banking Regulation Act, 1949. The accounting and reporting policies of the Bank used in the preparation of these financial statements conform to Generally Accepted Accounting Principles in India (Indian GAAP), the circulars and guidelines issued by the Reserve Bank of India (RBI) from time to time, the Accounting Standards (AS) notified under Section 133 of the Companies Act, 2013 read together with the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Rules, 2021 to the extent applicable and practices generally prevalent in the banking industry in India.

b) The Bank follows the historical cost convention and the accrual method of accounting, in the preparation of the financial statements. The accounting policies adopted in the preparation of financial statements are consistent with those followed in the previous year.

3. USE OF ESTIMATES

The preparation of the financial statements, in conformity with the generally accepted accounting principles, requires management to make estimates and assumptions that are considered in the reported amounts of assets and liabilities (including contingent liabilities), as of the date of financial statements and the reported income and expenses during the reporting period. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results could differ from these estimates. The impact of any revision in these estimates is recognised prospectively from the period of change

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 Revenue Recognition

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Bank and the revenue can be reliably measured.

a) Interest/discount on advances/bills is recognised on accrual basis, except in case of non-performing assets in which case the income is recognised as per The Reserve Bank of India (Commercial Bank – Income Recognition, Asset Classification and Provisioning) Directions, 2025 ("IRCAP norms") issued by RBI.

b) Guarantee commission, commission on letter of credit are recognised on a straight-line basis over the period of contract.

c) Income on insurance commission are accounted on right to receive basis.

d) Interest on income tax refund is recognised in the year of receipt of Assessment Orders.

e) Loan processing fee is accounted for upfront when it becomes due.

f) Income on instruments discounted by Bank is recognised over the tenure of the instrument on a straight line basis.

g) Income on Investments (other than dividend on shares & mutual funds, interest on Pass Through Certificates and income on non performing investments) is recognised on accrual basis.

h) Dividend income is recognised as income when the right to receive payment is established.

i) Fee paid/received for priority sector lending certificates (PSLC) is recognised in the year of sale/purchase.

j) All other fees are recognised when due, where the Bank is reasonably certain of ultimate collection.

k) Credit card related charges / fees are booked on due basis net off corresponding charges / fees shared with service provider.

l) Legal expenses incurred on suit filed accounts are expensed in profit and loss account as per RBI guidelines. Such amount when recovered is treated as income.

4.2 Advances

a) The Bank classifies its loans and investments, into performing and NPAs in accordance with the applicable regulatory guidelines. Further, NPAs are classified into sub-standard, doubtful and

loss assets based on the criteria stipulated by RBI.

b) Interest on non-performing advances is transferred to an interest suspense account and not recognised in profit and loss account until received.

c) The Bank considers an account as restructured, where for economic or legal reasons relating to the borrower's financial difficulty, the Bank grants concessions to the borrower, that the Bank would not otherwise consider. The moratorium granted to the borrowers based on RBI guidelines is not accounted as restructuring of loan. Certain specified guidelines by RBI requires the asset classification to be maintained as "Standard". Therefore, the borrowers where resolution plan was implemented under these guidelines are classified as standard restructured. Non-performing and restructured loans are upgraded to standard as per the extant RBI guidelines regulations, as applicable.

d) Provision for Non-Performing Advances comprising Sub-standard, Doubtful and Loss Assets is made in accordance with the RBI guidelines, which prescribe minimum provision levels and encourage banks to make a higher provision based on sound commercial judgement. In respect of identified NPAs, provision is recognised at borrower level based on ageing of loans. As per the Board Approved policy, the provisioning done is at rate higher than the minimum rate prescribed under the RBI guidelines.

e) In respect of loans reported as fraud to RBI the entire amount is provided outrightly when such fraud is detected.

f) The Bank makes provision on restructured loans subject to minimum requirements as per RBI guidelines. Provision due to diminution in the fair value of restructured/rescheduled loans and advances is made in accordance with the applicable RBI guidelines. Non-performing and restructured loans are upgraded to standard as per the extant RBI guidelines.

g) In terms of RBI guidelines, Non performing advances are written off in accordance with the Bank's policy, and any subsequent recoveries from such written off accounts are recorded under provisions and contingencies.

h) The Bank maintains general provision on performing loans and advances in accordance with the RBI guidelines, including provisions on loans to borrowers having unhedged foreign currency exposure. These provisions are included under in Item No. IV of Schedule 5 – Other Liabilities & Provisions.

i) The amount of advances shown in the Balance Sheet is net of provisions against NPA and interest suspense, ECGC claims received.

j) In the event of substantial erosion in value of loan and remote possibility of collection, non performing loans with adequate provisions are evaluated for technical / prudential write off based on Bank's policy and the RBI guidelines. Such write off does not have an impact on the Bank's legal claim against the borrower. The Bank may also write off non performing loans on one time settlement with the borrower or otherwise. Amounts recovered from borrowers against debts written off is recognised in the Profit and Loss Account.

4.3 Country risk

In addition to the provisions required to be held according to the asset classification status, provisions are held for individual country exposure (other than for home country as per the RBI guidelines). The countries are categorised as per Export Credit Guarantee Corporation of India Limited (ECGC) guidelines and provision is made in respect of each country where the net funded exposure of the Bank in respect of each country exceed 1% of the total assets.

4.4 Investments

Investments are accounted for in accordance with the extant RBI guidelines on classification, valuation and operation of investment portfolio by Banks. The Bank follows Settlement date method of accounting for purchase and sale of investments.

A) Initial Recognition:

All investments are recognised at fair value on initial recognition, primarily the acquisition cost. Where facts and circumstances suggest that the fair value is materially different from the acquisition cost, the difference between the fair value and the acquisition cost is recognised in accordance with RBI guidelines.

B) Classification and subsequent measurement:

All investments are classified into 'Held to Maturity' (HTM), 'Available for Sale' (AFS) and Fair value through Profit and Loss account (FVTPL) including Held for Trading (HFT) which is a separate investment sub-category within FVTPL on the date of purchase as per the extant RBI guidelines on classification, valuation and operation of investment portfolio by Banks. Under each classification, the investments are further categorised as (a) government securities, (b) other approved securities, (c) shares, (d) bonds and debentures and (e) others. Further, all the investments including debt investments in subsidiaries, joint ventures and associates are classified in a separate category.

Held to Maturity (HTM) investments:

Investments are classified as HTM if:

1) the security is 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; and

2) 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.

HTM securities are carried at cost. Any premium or discount over the face value of fixed rate and floating rate/ staggered securities acquired is amortised over the remaining period to maturity on a constant yield basis.

Available for sale (AFS) investments:

Investments are classified as AFS if:

1) the security is acquired with an objective that is achieved by both collecting contractual cash flows and selling securities; and

2) the contractual terms of the security meet the 'SPPI criterion'.

Further, certain equity investments are also designated as AFS investments, where on initial recognition, the Bank has made an irrevocable election to classify such equity investments as AFS investments.

Investments classified as AFS are fair valued periodically as per RBI guidelines. Any premium or discount over/below the face value of securities acquired is amortised over the remaining period to maturity on a constant yield basis. The unrealised gain or loss across all performing AFS investments (adjusted for effect of taxes, if any) is recognised in "AFS reserves".

Fair value through Profit and Loss account (FVTPL) investments:

Securities that do not qualify for inclusion in HTM or AFS are classified under FVTPL. There is a separate sub-category called Held for trading (HFT) within FVTPL. The HFT investments primarily include listed equity investments (except for equity investments designated as AFS investments) and debt securities acquired with an intent to sale.

Investments classified as FVTPL are fair valued periodically as per RBI guidelines. Any premium or discount over the face value of securities acquired which pass the SPPI criterion is amortised over the remaining period to maturity on a constant yield basis.

The unrealised gain or loss across all performing FVTPL investments is aggregated across all categories and net appreciation/depreciation is recognised in profit and loss account.

Cost of acquisition:

Costs, including brokerage and commission pertaining to trading book investments paid at the time of acquisition and broken period interest (the amount of interest from the previous interest payment date till the date of purchase of instruments) on debt instruments, are charged to the profit and loss account.

Fair valuation:

For the purpose of initial recognition and subsequent measurement, investments are fair valued based on RBI guidelines. Securities are valued scrip-wise.

1) Quoted investments are valued based on the closing quotes on the recognised stock exchanges or prices declared by Fixed Income Money Market and Derivatives Association (FIMMDA)/Financial Benchmark India Private Limited (FBIL), periodically.

2) The market/fair value of unquoted government securities which are in nature of Statutory Liquidity Ratio (SLR) securities included in the AFS and FVTPL categories is as per the rates published by FBIL and for unquoted corporate bonds, security level valuation (SLV) published by FIMMDA.

3) The valuation of other unquoted fixed income securities, including Pass Through Certificates, wherever linked to the Yield-to-Maturity (YTM) rates, is computed with

a mark-up (reflecting associated credit risk) over the YTM rates for government securities published by FIMMDA.

4) Treasury bills, commercial papers and certificate of deposits, being discounted instruments, are valued at carrying cost.

5) The units of mutual funds are valued at the latest repurchase price/net asset value declared by the mutual fund.

6) Unquoted equity shares are valued at the break-up value, if the latest balance sheet is available, or at ₹ 1, as per RBI guidelines.

7) Investments in units of Venture Capital Funds (VCFs)/Alternative Investment Fund (AIF) are categorised under FVTPL and are valued at the net asset value (NAV) declared by the VCF/AIF respectively. If the latest NAV is not available continuously for more than 18 months, the units of VCF/AIF are valued at ₹ 1, as per RBI guidelines.

8) The units of Infrastructure Investment Trust (InvIT) are valued as per the quoted price available on the exchange.

9) At the end of each reporting period, security receipts issued by the asset reconstruction companies are valued in accordance with the guidelines applicable to such instruments, prescribed by RBI from time to time. Accordingly, in cases where the cash flows from security receipts issued by the asset reconstruction companies are limited to the actual realisation of the financial assets assigned to the instruments in the concerned scheme, the Bank reckons the net asset value obtained from the asset reconstruction company from time to time, for valuation of such investments at each reporting period end.

Impairment and provisioning:

Impairment of non-performing investments is made as per requirements of RBI.

C) Disposal of Investments:

Profit or loss on sale of investments, except equity instruments classified under AFS, is recognised in the Profit and Loss Account. The cost of investments is determined using the Weighted Average method. In case of equity instruments under AFS, the net realised gain or loss is recognised in the AFS Reserve. Further, gains on sale of investments from the HTM category, investments in subsidiaries, joint ventures and associates, and AFS equity instruments, net of applicable taxes and statutory reserve transfer, are appropriated to the Capital Reserve, in accordance with RBI guidelines.

Short sale: The Bank undertakes short sale transactions in dated central government securities in accordance with RBI guidelines. The short positions are categorised under HFT category and are marked to market. The mark-to market gain/loss is charged to profit and loss account as per RBI guidelines.

Repurchase transactions: Market repurchase, reverse repurchase and transactions with RBI under Liquidity Adjustment Facility (LAF)/ Marginal Standing Facility (MSF) are accounted for as borrowing and lending transactions in accordance with the extant RBI guidelines.

4.5 Transactions Involving Foreign Exchange and Derivative transactions.

a) Monetary foreign currency assets and liabilities are translated at closing exchange rates notified by FEDAI relevant to the balance sheet date. The resulting gain or loss on revaluation are included in the Profit and Loss Account in accordance with the RBI / FEDAI guidelines.

Foreign exchange forward contracts not intended for trading that are entered into to establish the amount of reporting currency required or available at the settlement date of transactions, which are outstanding at the Balance Sheet date are effectively valued at closing spot rate. The premium or discount arising at the inception of such a forward exchange contract is amortised as expense or income over the life of the contract.

b) Foreign currency income and expenditure items are translated at the exchange rates prevailing on the date of the transaction.

c) Outstanding foreign exchange forward contracts are revalued at the rates applicable on the closing date as advised by FEDAI. The resultant gains or losses are recognised in the Profit and Loss Account.

d) Contingent Liabilities on guarantees, letters of credit, acceptances and endorsements are disclosed at closing rates of exchange notified by FEDAI.

Derivative transactions

The Bank recognises all derivative contracts at fair value except for contracts that are covered within the scope of AS11, on the date on which the derivative contracts are entered into and are re-measured at fair value as at the Balance sheet or reporting dates. Derivatives are classified as assets when the fair value is positive or as liabilities when the fair value is negative. Changes in the fair value of derivatives are recognised in the Profit and Loss Account.

4.6 Fixed Assets and Depreciation

a) Fixed assets have been stated at cost less accumulated depreciation and amortisation and adjusted for impairment, if any. Cost includes cost of purchase inclusive of freight, duties, incidental expenses and all expenditure like site preparation, installation costs and professional fees incurred on the asset before it is ready to put to use. Subsequent expenditure incurred on assets put to use is capitalised only when it increases the future benefit / functioning capability from / of such assets.

b) Land and Premises are stated at revalued amount. Appreciation on revaluation of land and premises is credited to Revaluation Reserve. The additional depreciation on the revalued portion of premises is charged to Profit and Loss Account and an equivalent amount is withdrawn from Revaluation Reserve and credited to General Reserve. Valuations are obtained from two independent valuers, at least once in every 3 years.

c) Depreciation on fixed assets is provided over their estimated useful lives using the Straight-Line method on pro rata basis, and premises are depreciated using the Written Down Value basis, except land. The Management believes that depreciation rates currently used, fairly reflect its estimate of the useful lives and residual values of fixed assets based on the historical experience of the Bank, though these rates in certain cases are different from those prescribed under Schedule II of the Companies Act, 2013.

The estimated useful lives of key fixed assets are given below:

Type of Fixed Asset	Estimated useful life as assessed by the Bank
Premises	58 Yrs
Computer & data Processing Machines	3 Yrs
ATMs	8 Yrs
Furniture & Fixtures	8 Yrs
Office Equipment	5 Yrs
Motor Cars	5 Yrs
Software	5 yrs

Note:

1) Excludes software, which are procured based on licensing arrangements and depreciated over the period of license.

2) Core banking solution and related software is amortised over a period 8 years.

Capital work in progress

Capital work-in-progress includes cost of fixed assets that are not ready for their intended use.

4.7 Impairment of Assets

The carrying amount of the assets at each Balance Sheet date is reviewed for impairment. If any indication of impairment based on internal / external factors exists, the recoverable amount of such assets is estimated and impairment is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the net selling price and its value in use, which is arrived at by discounting the future cash flows to their present value, based on an appropriate discounting factor.

Impairment losses, if any, on Fixed Assets (including revalued assets) are recognised in accordance with the Accounting Standard 28 'Impairment of Assets' specified under Section 133 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Rules, 2021 and charged to Profit and Loss Account.

4.8 Non-Banking Assets

The Non-Banking asset are recognised based on the cost of acquisition. In the case of diminution in value, if any, is provided for.

4.9 Employee Benefits

a) Short Term Employee Benefits

The undiscounted amount of short-term employee benefits which are expected to be paid in exchange for the services rendered by employees are recognised during the period when the employee renders the service. These benefits include performance incentives.

b) Post Employment Benefit

(i) Defined Contribution Plan - Provident Fund and New Pension Scheme (Contributory) are the defined contribution plans of the Bank. The contribution for Provident Fund is made by the Bank to The Catholic Syrian Bank Ltd Employees Provident Fund, administered by the trustees.

(ii) Defined Benefit Plans - Liabilities towards Gratuity and Pension are defined benefit

obligations and are provided for on the basis of actuarial valuation made at the end of each financial year. Projected Unit Credit Method is used by the actuary for valuing the obligations in case of Pension and Gratuity. Discount rate used to arrive at the present value of estimated future cash flows is arrived at by reference to market yields on balance sheet date on government bonds of term consistent with estimated term of the obligations as per paragraph 78 of AS 15 Employee Benefits. Actuarial Gains/Losses are immediately taken to the profit and loss account and are not deferred.

Brief description of the defined benefit plans:

(i) Pension - Pension is payable, as per CSB Bank Limited Employees' Pension Regulation 1993 and as modified in 1995, to the employees who have specifically opted for the same. The contribution is made by the Bank to The Catholic Syrian Bank Ltd Employees Pension Fund, administered by the trustees. For becoming eligible for pension, the employee should have served the Bank for a minimum period of 10 years in the case of retirement on superannuation and 20 years in other cases. 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.

(ii) Gratuity - As per the Gratuity Act 1972, Gratuity is payable to all employees on termination of employment due to retirement, death or resignation, provided that the employee has continuously served the Bank for a minimum period of 5 years. The contribution is made by the Bank to The Catholic Syrian Bank Ltd Employees Gratuity Fund, administered by the trustees.

c) Long term compensated absences viz:

a. Privilege Leave

b. Leave fare concession

c. Sick Leave

are based on actuarial valuation at the end of the financial year.

d) Long Term Employee Benefits

The amount of long-term employee benefits which are expected to be paid in future in exchange for the services rendered by employees are recognised during the period when the employee renders the service. These benefits include long term cash reward plan.

e) Employee share based payments:

a. Equity-settled scheme:

The Bank has formulated a stock option scheme called "CSB Employees Stock Option Scheme 2019" ("ESOS 2019" or "Scheme") in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 which was subsequently repealed with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021. The scheme is intended to enable the employees, present and future, to get a share in the value that they help to create for the organisation over a period of time, aligning the objectives of an individual with those of the Bank as well as to attract and retain critical senior talents with Employee Stock Options as a compensation tool. The options granted to employees vest in a graded manner as per vesting schedule even beyond retirement /early retirement date and these may be exercised by option grantee within a specified period, as per the terms of grant; otherwise options stand lapsed as per the scheme.

The accounting for shares granted under Employee Stock Option Scheme is done as per the ICAI Guidance note on Accounting for Employee Share based payments and clarification dated August 30, 2021, issued by Reserve Bank of India on Guidelines on Compensation of Whole Time Directors/ Chief Executive Officers/ Material Risk Takers and Control Function staff, dated November 04, 2019 (RBI guidelines). Accordingly, for options granted up to and including March 31, 2021, Bank has applied the intrinsic value method to arrive at the compensation cost of stock options granted to the employees. The intrinsic value is the amount by which the market price exceeds the exercise price of the options. The market price for this purpose is the latest available closing price, prior to the date of grant, on the stock exchange on which the shares of the Bank are listed. If the shares are listed on more than one stock exchange, then the stock exchange where there is highest trading volume on the said date is considered. For options granted after March 31,2021 fair value method using Black-Scholes model has been applied to arrive at the compensation cost of stock options granted to the employees, in compliance with the RBI guidelines. Compensation cost so determined is recognised as expense beginning with the accounting period for which approval has been granted.

In case the vested stock options expire unexercised, the balance in stock options outstanding is transferred to the general reserve. In case the unvested stock options get lapsed/cancelled, the balance in stock option outstanding account is transferred to the Profit and Loss Account.

b. Cash-settled scheme:

Similar to Equity settled options, SARs granted after March 31, 2021 are measured on fair value basis. Fair value is amortised on a straight-line basis over the vesting period with a recognition of corresponding liability. This liability is remeasured at each balance sheet date up to and including the vesting date with changes in fair value recognised in the profit and loss account in 'Payments to and provision for employees'. The SARs that do not vest because of failure to satisfy vesting conditions are reversed by a credit to employee compensation expense, equal to the amortised cost in respect of the lapsed portion.

4.10 Segment Information

The disclosure relating to segment information is in accordance with AS-17, Segment Reporting and as per guidelines issued by RBI. The business segments of the Bank are divided under a) Treasury b) Corporate and wholesale banking c) Retail Banking and d) Other Banking Business. Business segments have been identified and reported considering the target customer segment, the nature of products, internal business reporting system, Segment reporting policy approved by the Board, the guidelines prescribed by the RBI.

4.11 Lease transactions

Operating Lease

Leases where the lessor effectively retains substantially all the risks and benefits of ownership over the lease term are classified as operating lease. Lease payments for assets taken on operating lease are recognised as an expense in the Profit and Loss Account as per the lease terms. Amount due under the operating leases, including cost escalation, are charged on a straight line method over the lease term in the Profit and Loss account. Initial direct cost incurred specifically for operating leases are recognised as expense in the Profit and Loss Account in the year in which they are incurred.

4.12 Earnings Per Share

The Bank reports basic and diluted Earnings per equity share in accordance with the Accounting Standard 20 on "Earnings per share specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Rules, 2021. Basic Earnings per share (EPS) reported is computed by dividing net profit after tax by the weighted average number of equity shares outstanding for the period.

Diluted earnings per share reflect the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the year. Diluted earnings per equity share have been computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the period except where the results are anti-dilutive.

4.13 Taxes on Income

Income tax expense is the aggregate amount of current tax and deferred tax charge. Current year taxes are determined in accordance with the Income Tax Act, 1961 and Deferred tax expense in accordance with Accounting Standard 22 - Accounting for Taxes on Income. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws.

Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realized. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realize the assets. The impact of changes in the deferred tax assets and liabilities is recognised in the Profit and Loss Account. Deferred tax assets are recognised and reassessed

SCHEDULE 17: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES APPENDED TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

at each reporting date, based upon management's judgement as to whether realisation is considered as reasonably certain.

4.14 Accounting for Provisions, Contingent Liabilities and Contingent Assets

The Bank recognises provisions only when it has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount of the obligation can be made. Contingent assets are not recognised in the financial statements.

Provisions (excluding retirement benefits) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

Provisions for onerous contracts are recognised when the expected benefits to be derived by the Bank from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Bank recognises any impairment loss on the assets associated with that contract.

A disclosure of contingent liability is made when there is:

- a possible obligation arising from a past event, the existence of which will be confirmed by occurrence or non-occurrence of one or more uncertain future events not within the control of the Bank; or
- a present obligation arising from a past event which is not recognised as it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

4.15 Proposed Dividend

In terms of Accounting Standard (AS) 4 "Contingencies and Events occurring after the Balance sheet date" as notified by the Ministry of Corporate affairs through amendments to Companies (Accounting Standards) Amendment Rules, 2016 dated March 30, 2016, Proposed Dividend or Dividend declared after balance sheet date, if any, are not shown as liability in current year balance sheet. This is disclosed in the notes to accounts.

4.16 Corporate Social Responsibility

Expenditure towards corporate social responsibility, in accordance with Companies Act, 2013 are recognised in the Profit and Loss Account.

4.17 Input Credit under GST

Goods & Service tax input credit is accounted for in the books within the time limit prescribed under CGST Rules, 2017, as amended.

4.18 Priority Sector Lending Certificates (PSLC)

The Bank vide RBI circular FIDD.CO.Plan.BC.23/04.09.01/2015-16 dated April 07, 2016 trades in priority sector portfolio by selling or buying PSLC. In case of a purchase transaction the Bank buys the fulfilment of priority sector obligation and in case of a sale transaction, the Bank sells the fulfilment of priority sector obligation through the RBI trading platform without any transfer of underlying risk or loan assets. There is no transfer of risks or loan assets in these transactions. The fee paid for purchase of the PSLC is treated as 'Other expense' in Schedule 16 and the fee received from the sale of PSLCs is treated as 'Miscellaneous Income' in Schedule 14 of the Profit and Loss account in accordance with Master Direction on Financial Statements - Presentation and Disclosures 2021, as amended from time to time.

4.19 Cash and Cash Equivalents

Cash and cash equivalents include cash in hand, balances with Reserve Bank of India and Balances with Other Banks / institutions and money at call and short notice (including the effect of changes in exchange rates on cash and cash equivalents in foreign currency).

Schedule 18:

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

1. SHARE CAPITAL

For the financial year ended March 31, 2026, the total outstanding equity share capital amounts to ₹ 173.54 crore (including forfeited shares), which includes 50,00,000 equity shares issued and allotted at a face value of ₹ 10 per share to CSB ESOS Trust in the financial year 2019-20 as per CSB Employee Stock Option Scheme 2019.

No equity shares were issued in the financial year 2025-26.

The equity shares of Bank were listed and admitted for dealings on BSE Limited ("BSE") and National Stock Exchange Limited ("NSE") with effect from December 04, 2019.

1A. Employees stock options outstanding

During the year ended March 31, 2026, the Bank has recognised ₹ 11.47 crore (Previous year ₹ 9.79 crore) as Employee Stock Option Reserve on account of fair valuation of share linked instruments and transferred ₹ 0.06 crore (Previous year ₹ 0.03 crore) in General Reserve as options lapsed due to expiry of exercised period and ₹ 2.85 crore (Previous year ₹ 3.22 crore) transferred to Securities Premium on account of options exercised by employees during the year.

2. DISCLOSURES IN TERMS OF RESERVE BANK OF INDIA GUIDELINES

Amounts in notes forming part of the financial statements for the year ended March 31, 2026 are denominated in Rupees crore to conform to extant RBI guidelines on Master Direction on Financial Statements - Presentation and Disclosures issued by Reserve Bank of India dated November 28, 2025, as amended, except where stated otherwise.

2.1 Regulatory Capital

a) Composition of Regulatory Capital

The Banks Capital Adequacy ratio as per Basel III is given below:

(₹ in crore)

Sl No	Particulars	March 31, 2026	March 31, 2025
i)	Common Equity Tier 1 capital (CET1)	4,606.21	4,206.11
ii)	Additional Tier 1 capital	-	-
iii)	Tier 1 capital (i + ii)	4,606.21	4,206.11
iv)	Tier 2 capital	420.65	381.69
v)	Total capital (Tier 1+Tier 2)	5,026.86	4,587.70
vi)	Total Risk Weighted Assets (RWAs)	24,333.94	20,429.21
vii)	CET1 Ratio (CET 1 as a percentage of RWAs) (%)	18.93	20.59
viii)	Tier 1 Ratio (Tier 1 capital as a percentage of RWAs) (%)	18.93	20.59
ix)	Tier 2 Ratio (Tier 2 capital as a percentage of RWAs) (%)	1.73	1.87
x)	Capital to Risk Weighted Assets Ratio (CRAR) (Total capital as a percentage of RWAs) (%)	20.66	22.46
xi)	Leverage Ratio (%)	7.36	8.38
xii)	Percentage of the shareholding of the Government of India	-	-
xiii)	Amount of paid up equity capital raised during the year	-	-
xiv)	Amount of non-equity Tier 1 capital raised during the year; of which		
	Perpetual Non- Cumulative Preference Shares (PNCPS) :	-	-
	Perpetual Debt Instruments (PDI) :	-	-
xv)	Amount of Tier 2 capital raised; of which		
	Debt capital instrument:	-	-
	Preference Share Capital Instruments:	-	-

SCHEDULE 18: NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

b) Reserves and Surplus

I) Draw down from Reserves – The Bank has not undertaken any draw down from Reserves during the year ended March 31, 2026 and March 31, 2025.

II) Appropriation to Reserves

i) Statutory Reserve

As mandated by the Banking Regulation Act, 1949, all Banking companies incorporated in India shall create a reserve fund, out of the balance of profit of each year as disclosed in the profit and loss account and before any dividend is declared and transfer a sum equivalent to not less than twenty-five percent of such profit. Accordingly, the Bank has transferred an amount of ₹ 158.29 crore from current year Net profit (Previous Year: ₹ 148.45 crore).

ii) Investment Fluctuation Reserve (IFR)

As per RBI Direction RBI/DOR/2025-26/162/DOR.MRG.REC.No.81/00-00-001/2025-26 dated November 28, 2025, Investment Fluctuation Reserve (IFR) is to be created with an amount not less than the lower of net profit on sale of investments during the year or net profit for the year less mandatory appropriations, until the amount of IFR is at least 2 % of the AFS and FVTPL (including HFT) portfolio, on a continuing basis. As on March 31, 2026, the Bank is maintaining an IFR of ₹ 170.32 crore (Previous Year ₹ 170.32 crore) as against the minimum requirement of ₹ 150.42 crore (Previous year ₹ 151.40 crore) and is considered it as part of Tier II capital for Capital Adequacy purposes.

iii) Capital Reserve

As per RBI Guidelines, profit/loss on sale of investments in the 'Held to Maturity' (HTM) category is recognised in the Profit and Loss Account and is thereafter the profit on sale of an investment in HTM appropriated (net of applicable taxes and Statutory Reserve requirements) to Capital Reserve. Accordingly, an amount of ₹ Nil crore (Previous Year: Nil) net of tax and appropriation to Statutory Reserves has been transferred to Capital Reserve. Any profit/loss on sale of debt instruments under 'Available for Sale' (AFS) category is recognised in the Profit and Loss Account. During the year, loss of ₹ 0.01 Crore is transferred from AFS-Reserve to the Capital Reserve on sale of equity instruments designated under AFS at time of initial recognition.

iv) Special Reserve

As per the provisions under Section 36(1)(viii) of Income Tax Act, 1961, specified entities like Banks are allowed deduction in respect of any special reserve created and maintained, i.e. an amount not exceeding twenty percent of the profits derived from eligible business computed under the head "Profits and gains of business or profession" is carried to such reserve account. This would be applicable till the aggregate of the amounts carried to such reserve account from time to time exceeds twice the amount of the paid up share capital and General Reserves of the entity. During the year, the Bank has transferred an amount of ₹ 5.07 crore, (net of reversal of ₹ 0.07 crore excess appropriation made during previous year) (Previous year ₹ 4.40 crore) to Special Reserve.

v) General Reserve

During the year ended March 31, 2026, an amount of ₹ 3.00 crore (Previous year ₹ 2.00 crore) was transferred to the General Reserve from Revaluation Reserve and recognised ₹ 0.06 crore (Previous year ₹ 0.03 crore) on account of ESOP options lapsed due to expiry of exercised period.

vi) AFS Reserve

As per RBI Direction RBI/DOR/2025-26/162/DOR.MRG.REC.No.81/00-00-001/2025-26 dated November 28, 2025, the valuation gains and losses across all performing investments, irrespective of classification, held under AFS is to be aggregated and the net appreciation or depreciation is to be directly credited or debited to a reserve named AFS Reserve without routing through the Profit & Loss Account. During the current year the Bank recognised fair valuation loss of ₹ 248.09 crore (Previous year ₹ 78.92 crore gain) in AFS reserve on account of revaluation of AFS securities. Consequent to the transition provisions, the Bank had recognised fair valuation gain (net of tax) ₹ 10.47 crore (Gross amount ₹ 14.00 crore) in AFS reserve during previous year.

vii) Share Premium

During the year ended March 31,2026, the Bank recognised ₹ 2.85 crore (Previous year ₹ 3.22 crore) on account of ESOP exercised by employees.

SCHEDULE 18: NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

2.2 Asset Liability Management

a) Maturity pattern of certain items of assets and liabilities as at March 31, 2026 and March 31, 2025 are set out below:

(₹ in crore)

As on March 31, 2026	Day 1	2 to 7 Days	8 to 14 Days	15 to 30 days	31 days to 2 months	2 months to 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Deposits	704.08	1,223.23	950.36	1,253.34	3,059.76	3,337.90	7,188.60	5,312.29	9,928.04	1,485.12	9,803.20	44,245.92
Advances	162.05	302.47	298.48	771.57	1,180.71	1,206.29	3,537.88	15,847.53	11,593.75	2,429.16	2,517.95	39,847.84
Investments (Net)*	2,935.67	276.39	187.58	424.52	491.70	505.86	1,283.31	970.82	2,447.60	396.47	2,028.14	11,948.06
Borrowings	0.00	1,384.20	-	-	960.85	121.67	329.59	1,357.68	3,000.45	-	-	7,154.44
Foreign Currency assets	129.46	199.44	309.83	100.30	-	1,093.07	897.55	2,796.03	6.71	-	0.16	5,532.55
Foreign Currency liabilities	118.86	169.20	100.35	111.56	-	1,077.77	451.73	1,169.63	2,076.84	241.38	-	5,517.32

Note: Deposits have been classified as per behavioural maturity. The estimates and assumptions used by the Bank for classification of assets and liabilities under different maturity buckets are based on the returns submitted to RBI for the relevant periods.

*A haircut of 50% is applied on listed shares which amounts to ₹ 7.23 crore.

(₹ in crore)

As on March 31, 2025	Day 1	2 to 7 Days	8 to 14 Days	15 to 30 days	31 days to 2 months	2 months to 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Deposits	823.71	1,483.21	762.02	1,807.32	2,811.07	2,946.35	3,405.86	2,915.17	9,094.14	947.78	9,864.86	36,861.49
Advances	72.99	292.92	291.63	680.78	1,562.40	1,697.04	4,135.89	7,166.71	9,193.93	4,432.95	1,979.81	31,507.05
Investments (Net)*	4,149.40	142.26	168.60	404.75	441.50	481.65	726.59	546.05	1,918.08	294.71	2,101.94	11,375.53
Borrowings	-	1,099.47	2.90	33.35	58.14	28.73	964.28	1,302.41	2,057.00	-	-	5,546.28
Foreign Currency assets	62.31	138.47	11.27	73.09	-	321.47	857.36	3,265.26	30.47	-	-	4,759.70
Foreign Currency liabilities	28.76	164.41	10.00	90.93	-	97.75	326.51	1,890.22	2,125.15	10.96	0.34	4,745.03

Note: Deposits have been classified as per behavioral maturity. The estimates and assumptions used by the Bank for classification of assets and liabilities under different maturity buckets are based on the returns submitted to RBI for the relevant periods.

*A haircut of 50% is applied on listed shares which amounts to ₹ 13.81 crore.

SCHEDULE 18: NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

b) Liquidity Coverage Ratio

(i) Quantitative Disclosures

The daily average of unweighted and weighted values for all the quarters in the year ended March 31, 2026

(₹ in crore)

Particulars		Quarter ended March 31,2026		Quarter ended December 31,2025		Quarter ended September 30,2025		Quarter ended June 30, 2025	
		Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
1	Total High Quality Liquid Assets (HQLA)		10,935.87		10,522.34		10,683.52		10,379.69
	Cash Outflows								
2	Retail deposits and deposits from small business customers, of which:	19,793.99	1,979.40	19,485.51	1,948.55	19,299.65	1,923.27	19,095.84	1,884.67
(i)	Stable deposits	0.00	0.00	0.00	0.00	133.81	6.69	498.27	24.91
(ii)	Less stable deposits	19,793.99	1,979.40	19,485.51	1,948.55	19,165.84	1,916.58	18,597.57	1,859.76
3	Unsecured wholesale funding, of which:	8,578.21	7,024.18	7,169.28	6,003.17	6,674.47	5,497.72	6,458.62	5,471.73
(i)	Operational deposits (all counterparties)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(ii)	Non-operational deposits (all counterparties)	8,578.21	7,024.18	7,169.28	6,003.17	6,674.47	5,497.72	6,458.62	5,471.73
(iii)	Unsecured debt	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4	Secured wholesale funding	622.29	0.00	347.47	0.00	167.41	0.00	765.05	0.00
5	Additional requirements, of which	6,382.67	1,615.54	5,644.33	1,485.27	5,199.21	1,490.43	5,252.92	1,408.89
(i)	Outflows related to derivative exposures and other collateral requirements	734.15	734.15	678.41	678.41	672.42	672.42	565.83	565.83

SCHEDULE 18: NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

(₹ in crore)

Particulars		Quarter ended March 31,2026		Quarter ended December 31,2025		Quarter ended September 30,2025		Quarter ended June 30, 2025	
		Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
(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
(iii)	Credit and liquidity facilities	5,648.52	881.39	4,965.93	806.86	4,526.79	818.01	4,687.09	843.07
6	Other contractual funding obligations	862.28	862.28	840.71	840.71	774.93	774.93	540.69	540.69
7	Other contingent funding obligations	4,100.46	123.01	3,188.40	95.65	2,301.75	69.05	2,120.55	63.62
8	TOTAL CASH OUTFLOWS		11,604.42		10,373.35		9,755.41		9,369.60
	Cash Inflows								
9	Secured Lending	21.89	0.00	127.38	0.00	159.09	0.00	11.26	0.00
10	Inflows from fully performing exposures	1,260.14	828.53	698.72	436.03	975.10	553.30	504.35	328.63
11	Other cash inflows	800.87	767.55	735.86	711.16	728.07	698.85	637.55	613.09
12	TOTAL CASH INFLOWS	2,082.91	1,596.08	1,561.96	1,147.19	1,862.26	1,252.14	1,153.15	941.73
13	TOTAL HQLA		10,935.88		10,522.34		10,683.52		10,379.69
14	TOTAL NET CASH OUTFLOWS		10,008.34		9,226.16		8,503.27		8,427.87
15	LIQUIDITY COVERAGE RATIO (%)		**109.27%**		**114.05%**		**125.64%**		**123.16%**

Note: LCR data has been computed based on simple average of daily observations.

SCHEDULE 18: NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

The daily average of unweighted and weighted values for all the quarters in the year ended March 31, 2025

(₹ in crore)

Particulars		Quarter ended March 31, 2025		Quarter ended December 31, 2024		Quarter ended September 30, 2024		Quarter ended June 30, 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)
1	Total High Quality Liquid Assets (HQLA)		**10,492.85**		**8,532.97**		**8,147.04**		**8,851.28**
	Cash Outflows								
2	Retail deposits and deposits from small business customers, of which:	18,680.57	1,837.53	18,344.66	1,804.23	18,103.40	1,780.48	17,701.88	1,740.95
(i)	Stable deposits	610.48	30.52	604.76	30.24	597.20	29.86	584.69	29.23
(ii)	Less stable deposits	18,070.09	1,807.01	17,739.90	1,773.99	17,506.20	1,750.62	17,117.19	1,711.72
3	Unsecured wholesale funding, of which:	6,880.15	5,842.39	6,148.31	5,088.43	5,968.55	4,907.12	6,741.17	5,528.21
(i)	Operational deposits (all counterparties)	-	-	-	-	-	-	-	-
(ii)	Non-operational deposits (all counterparties)	6,880.15	5,842.39	6,148.31	5,088.43	5,968.55	4,907.12	6,741.17	5,528.21
(iii)	Unsecured debt	-	-	-	-	-	-	-	-
4	Secured wholesale funding	187.77	-	696.46	-	111.38	-	68.50	-
5	Additional requirements, of which	4,515.81	1,610.67	4,214.85	1,584.87	3,619.29	1,568.11	3,911.10	1,595.83
(i)	Outflows related to derivative exposures and other collateral requirements	940.54	940.55	953.38	953.38	1,079.62	1,079.62	1,139.64	1,139.64

SCHEDULE 18: NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

(₹ in crore)

Particulars		Quarter ended March 31, 2025		Quarter ended December 31, 2024		Quarter ended September 30, 2024		Quarter ended June 30, 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)
(ii)	outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
(iii)	Credit and liquidity facilities	3,575.27	670.12	3,261.47	631.49	2,539.67	488.49	2,771.46	456.19
6	Other contractual funding obligations	502.60	502.60	426.19	426.19	459.85	459.85	501.22	501.22
7	Other contingent funding obligations	1,726.46	51.79	1,393.20	41.80	1,186.19	35.59	1,191.99	35.76
8	TOTAL CASH OUTFLOWS		**9,844.98**		**8,945.52**		**8,751.15**		**9,401.97**
	Cash Inflows								
9	Secured Lending (e.g. reverse repos)	35.57	-	52.89	-	45.38	-	57.65	-
10	Inflows from fully performing exposures	621.33	433.00	1,503.87	808.87	1,371.13	740.87	1,358.40	732.80
11	Other cash inflows	1,005.67	975.09	995.46	978.57	1,133.62	1,110.62	1,172.94	1,164.02
12	TOTAL CASH INFLOWS	1,662.57	1,408.09	2,552.23	1,787.44	2,550.13	1,851.48	2,588.99	1,896.82
13	TOTAL HQLA		**10,492.85**		**8,532.98**		**8,147.04**		**8,851.28**
14	TOTAL NET CASH OUTFLOWS		**8,436.89**		**7,158.07**		**6,899.66**		**7,505.16**
15	LIQUIDITY COVERAGE RATIO (%)		**124.37%**		**119.21%**		**118.08%**		**117.94%**

Note: LCR data has been computed based on simple average of daily observations.

SCHEDULE 18: NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

ii) Qualitative disclosures around LCR

(1) Main drivers of LCR and evolution of contribution of inputs

The LCR standard aims to ensure that a Bank maintains an adequate level of unencumbered High Quality Liquid Assets (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.

The LCR should be minimum 100% (i.e. the stock of HQLA should at least equal total net cash outflows) on an ongoing basis because the stock of unencumbered HQLA is intended to serve as a defense against the potential onset of liquidity stress.

The LCR position depends upon the level of High Quality Liquid Assets (HQLA) and level of inflows and outflows in 30 days stress horizon computed as per the RBI guidelines in this regard.

(2) The composition of High Quality Liquid Assets (HQLA)

Banks' High Quality Liquid Assets consists of the following

i. Cash including cash reserves in excess of required CRR.

ii. Government Securities in excess of the minimum SLR requirement.

iii. Investments in Government Securities held within the mandatory SLR requirement, to the extent allowed by RBI under Marginal Standing Facility (MSF) which is at present 2 % of NDTL.

iv. Investment in Government Securities held up to 16 % of Net Demand and Time Liabilities (NDTL) permissible under Facility to Avail Liquidity for Liquidity Coverage Ratio (FALLCR).

v. Level 2A assets –

a. Corporate bonds, not issued by a bank/financial institution/NBFC or any of its affiliated entities, which have been rated AA- or above by an Eligible Credit Rating Agency, subject to a minimum haircut of 15 %.

b. Commercial Papers not issued by a bank/PD/financial institution or any of its affiliated entities, which have a short-term rating equivalent to the long-term rating of AA- or above by an Eligible Credit Rating Agency subject to a minimum hair cut of 15 %.

vi. Level 2 B Assets – These are assets as defined in RBI's LCR guidelines.

vii. Cash outflows over the 30 days period – Bank considers Cash outflows from Retail Deposits, secured and unsecured wholesale funding, undrawn committed credit and liquidity facilities subject to applicable run-off factors as prescribed by RBI.

viii. Cash Inflows over the 30 days period – Bank is also looking into the cash inflows within 30 days period arising out of maturing secured lending transactions and other inflows from Retail and small business counterparties, non-financial wholesale counterparties as well as amounts to be received from financial institutions and RBI.

ix. LCR is computed as under –

Total stock of High Quality Liquid Assets over Total Net Cash outflows for the next 30 calendar days.

(3) Intra period changes

The intra period changes are mainly on account of changes in unencumbered excess SLR positions, variations in Level 2A / Level 2B assets, regulatory changes in MSF and FALLCR levels and various components under net cash outflows over the 30 days period.

Other Regulatory Requirements –

a. Currency Mismatch in LCR - The Bank has aggregate liabilities in denominated foreign currency ($) of more than 5 % of the Bank's total liabilities and LCR is also computed in $.

b. Centralization of liquidity management - Banks' liquidity management and monitoring is centralised. Bank has put in place a Board adopted liquidity management policy in line with RBI regulation and guidelines.

Inflows and outflows are comprehensively captured in the automated LCR system (BASEL).

Bank is required to maintain minimum LCR of 100% on an ongoing basis as per RBI guidelines w.e.f January, 2019. As on March 31, 2026, LCR of the Bank is at 109.27%.

c. Net Stable Funding Ratio

Bank has disclosed NSFR disclosures on its website at the link: https://www.csb.bank.in/basel-2basel-3-disclosures.

SCHEDULE 18: NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

2.3 Investments

2.3.1 Composition of Investment Portfolio

A) The Composition of Investment Portfolio

(₹ in crore)

	March 31, 2026								March 31, 2025							
	HTM		AFS	FVTPL		Subsidiaries, Associates & JVs			HTM		AFS	FVTPL		Subsidiaries, Associates & JVs		
	At Cost	Fair Value		HFT	Non-HFT	At Cost	Fair Value		At cost	Fair Value		HFT	Non-HFT	At Cost	Fair Value	
I. Investments in India																
(i) Government securities	4,434.08	4,294.90	6,492.71	261.65	-				3,819.40	3,790.22	6,785.88	270.37	-			
(ii) Other approved securities	-	-	-	-	-				-	-	-	-	-			
(iii) Shares	-	-	24.91	14.45	0.02				-	-	18.56	11.32	0.02			
(iv) Debentures and Bonds	-	-	631.23	-	-				-	-	382.28	-	-			
(v) Subsidiaries, associates and joint ventures																
(vi) Others	-	-	73.10	4.01	17.09				-		73.83	3.41	22.12			
Total	**4,434.08**	**4,294.90**	**7,221.95**	**280.11**	**17.11**				**3,819.40**	**3,790.22**	**7,260.55**	**285.10**	**22.14**			
Less: Provisions for impairment / NPI	-	-	-	-	-				-	-	-	-	-			
Net	**4,434.08**	**4,294.90**	**7,221.95**	**280.11**	**17.11**				**3,819.40**	**3,790.22**	**7,260.55**	**285.10**	**22.14**			
II. Investments outside India																
(i) Government securities (including local authorities)	-	-	-	-	-				-	-	-	-	-			
(ii) Subsidiaries, associates and joint ventures																
(iii) Other investments	-	-	2.05	-	-				-	-	2.14	-	-			
Total	-	-	**2.05**	-	-				-	-	**2.14**	-	-			
Less: Provisions for impairment/ NPI	-	-	-	-	-				-	-	-	-	-			
Net	-	-	**2.05**	-	-				-	-	**2.14**	-	-			
Total investments (I+II)	**4,434.08**	**4,294.90**	**7,224.00**	**280.11**	**17.11**				**3,819.40**	**3,790.22**	**7,262.69**	**285.10**	**22.14**			

SCHEDULE 18: NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

B) Fair Value Hierarchy of investment portfolio measured at fair value on balance sheet

(₹ in crore)

	March 31, 2026									March 31, 2025								
	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	
I. Investments in India																		
(i) Government securities	6,492.71	-	-	6,492.71	261.65	-	-	261.65		6,785.88	-	-	6,785.88	270.37	-	-	270.37	
(ii) Other approved securities	-	-	-	-	-	-	-	-		-	-	-	-	-	-	-	-	
(iii) Shares	0.08	-	24.83	24.91	14.45	-	0.02	14.47		0.14	-	18.42	18.56	11.32	-	0.02	11.34	
(iv) Debentures and Bonds	230.60	400.63	-	631.23	-	-	-	-		206.09	176.19	-	382.28	-	-	-	-	
(v) Subsidiaries, associates and joint ventures																		
(vi) Others	-	73.10	-	73.10	21.10	-	-	21.10		-	73.83	-	73.83	25.54	-	-	25.54	
Total	**6,723.40**	**473.73**	**24.83**	**7,221.95**	**297.20**	**-**	**0.02**	**297.22**		**6,992.11**	**250.02**	**18.42**	**7,260.55**	**307.23**	**-**	**0.02**	**307.25**	
II. Investments outside India																		
(i) Government securities (including local authorities)	-	-	-	-	-	-	-	-		-	-	-	-	-	-	-	-	
(ii) Subsidiaries, associates and joint ventures																		
(iii) Other investments	2.05	-	-	2.05	-	-	-	-		2.14	-	-	2.14	-	-	-	-	
Total	**2.05**	**-**	**-**	**2.05**	**-**	**-**	**-**	**-**		**2.14**	**-**	**-**	**2.14**	**-**	**-**	**-**	**-**	
Total investments (I+II)	**6,725.44**	**473.73**	**24.83**	**7,224.00**	**297.20**	**-**	**0.02**	**297.22**		**6,994.24**	**250.02**	**18.42**	**7,262.69**	**307.23**	**-**	**0.02**	**307.25**	

SCHEDULE 18: NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

C) Net gains on Level 3 financial instruments recognised in AFS-Reserve and Profit and Loss Account

(₹ in crore)

Particulars	March 31, 2026	March 31, 2025
Recognised in AFS-Reserve	6.41	3.93
Recognised in Profit and Loss Account	0.00	0.00

2.3.2 Movement Non-performing Investments and Investment Fluctuation Reserve

(₹ in crore)

Particulars	March 31, 2026	March 31, 2025
(1) Movement of provisions for Non-performing Investments (NPIs)		
(i) Opening Balance	-	1.86
(ii) Add: Provisions made during the year	-	-
(iii) Less: Write-off/write-back of excess provisions during the year	-	1.86
Closing Balance	-	-
(2) Movement of Investment Fluctuation Reserve		
(i) Opening Balance	170.32	59.08
(ii) Add: Amount transferred during the year	-	111.24
(iii) Less: Drawdown	-	-
Closing Balance	170.32	170.32
(3) Closing balance in IFR as a percentage of closing balance of investments in AFS and FVTPL (including HFT) portfolio*	**2.26%**	**2.25%**

*Refer Note 2.1 (b) (II) (ii)

2.3.3 Details of sales made out of HTM:

(₹ in crore)

Particulars	March 31, 2026	March 31, 2025
A. Opening carrying value of securities in HTM	3,819.40	6,021.74
B. Carrying value of all HTM securities sold during the year	-	-
C. Less: Carrying values of securities sold under situations exempted from regulatory limit	-	-
D. Carrying value of securities sold (D=B-C)	-	-
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	-	-

2.3.4 Reclassification between categories of investments

The Bank has not reclassified investment from one category to another category during current financial year.

2.3.5. Non-SLR Investment Portfolio

(i) Non performing Non-SLR investments

(₹ in crore)

Sl No	Particulars	March 31, 2026	March 31, 2025
(i)	Opening balance	-	1.86
(ii)	Additions during the year	-	-
(iii)	Reductions during above period	-	1.86
(iv)	Closing balance	-	-
(v)	Total provisions held	-	-

SCHEDULE 18: NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

(ii) Issuer composition as at March 31, 2026 of Non SLR investments

(₹ in crore)

Sl No.	Issuer	Amount	Extent of Private Placement	Extent of 'Below Investment Grade' Securities	Extent of 'Unrated' Securities*	Extent of 'Unlisted' Securities
(1)	(2)	(3)	(4)	(5)	(6)	(7)
(i)	Public sector undertakings (PSUs)	55.53	24.71	-	-	-
(ii)	FIs	278.30	201.52	-	-	24.85
(iii)	Banks	52.07	48.59	-	-	-
(iv)	Private Corporate	380.95	91.43	-	-	-
(v)	Subsidiaries/ Joint Ventures	-	-	-	-	-
(vi)	Others (Security Receipts, PTC and AIF)	-	-	-	-	-
(vii)	Less: Provision held towards NPI	-				
	Total	**766.85**	**366.25**	**-**	**-**	**24.85**

Amounts reported under column (4), (5), (6) and (7) above are not mutually exclusive

* Excludes investments in equity shares, commercial papers, certificate of deposits and security receipts in line with RBI guidelines.

Issuer composition as at March 31, 2025 of Non SLR investments

(₹ in crore)

Sl No.	Issuer	Amount	Extent of Private Placement	Extent of 'Below Investment Grade' Securities	Extent of 'Unrated' Securities*	Extent of 'Unlisted' Securities
(1)	(2)	(3)	(4)	(5)	(6)	(7)
(i)	Public sector undertakings (PSUs)	31.35	0.14	-	-	-
(ii)	FIs	145.99	95.85	-	-	18.44
(iii)	Banks	77.23	49.17	-	-	-
(iv)	Private Corporate	259.10	22.13	-	-	-
(v)	Subsidiaries/ Joint Ventures	-	-	-	-	-
(vi)	Others (Security Receipts, PTC and AIF)	-	-	-	-	-
(vii)	Less: Provision held towards NPI	-				
	Total	**513.67**	**167.29**	**-**	**-**	**18.44**

Amounts reported under column (4), (5), (6) and (7) above are not mutually exclusive

*Excludes investments in equity shares, commercial papers, certificate of deposits and security receipts in line with RBI guidelines.

SCHEDULE 18: NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

2.3.6 Repo Transactions

Details of securities sold/purchased in face value and market value terms during the year ended March 31, 2026 under repos/ reverse repos:

(₹ in crore)

	Face Value			Market Value			
	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	Outstanding as on March 31, 2026
i) Securities sold under repo							
i. Government Securities	15.00	2,253.54	469.38	15.00	2,301.00	471.33	1,387.50
ii Corporate debt securities	-	-	-	-	-	-	-
iii Any other securities	-	-	-	-	-	-	-
ii) Securities purchased under reverse repo							
i. Government Securities	5.00	1,010.89	110.08	4.95	1,000.00	86.30	-
ii Corporate debt securities	-	-	-	-	-	-	-
iii Any other securities	-	-	-	-	-	-	-

Details of securities sold/purchased in face value and market value terms during the year ended March 31, 2025 under repos/ reverse repos:

(₹ in crore)

	Face Value			Market Value			
	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	Outstanding as on March 31, 2025
i) Securities sold under repo							
i. Government Securities	1.04	3,017.27	240.80	1.00	2,940.84	235.46	799.42
ii Corporate debt securities	-	-	-	-	-	-	-
iii Any other securities	-	-	-	-	-	-	-
ii) Securities purchased under reverse repo							
i. Government Securities	5.00	1,553.89	172.73	5.03	1,500.00	170.04	-
ii Corporate debt securities	-	-	-	-	-	-	-
iii Any other securities	-	-	-	-	-	-	-

SCHEDULE 18: NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2026

2.3.7 Disclosure on Government Security Lending (GSL) Transactions - During the years ended March 31, 2026 and March 31, 2025, Bank has not participated in GSL transactions.

2.4. Asset Quality

Ratios	March 31, 2026	March 31, 2025
(I) Gross NPA to Gross Advances (%)	1.66	1.57
(ii) Net NPA to Net Advances (%)	0.40	0.52
(iii) Provision coverage ratio(%)*	86.33	83.71

*Including Technical Write off

2.4.1 Classification of advances and provisions held as on March 31, 2026.

(₹ in crore)

Particulars		Standard	Non-Performing Advances (NPAs)				Total
		Total Standard Advances	Sub-standard	Doubtful	Loss$	Total NPAs*	
a)	**Gross Standard Advances and NPAs**						
	Opening Balance	31,343.52	199.18	258.45	40.83	498.46	31,841.98
	Add: Additions during the year					263.75	
	Less: Reductions in Gross NPAs due to:					92.43	
i)	Upgradation					4.41	
ii)	Recoveries (excluding recoveries from upgraded accounts)					45.75	
iii)	Technical/ Prudential Write-offs					1.35	
iv)	Write-offs other than those under (iii) above					40.92	
Closing balance		**39,689.61**	**251.43**	**272.87**	**145.48**	**669.78**	**40,359.39**
b)	**Provisions (excluding Floating Provisions)**						
	Opening balance of provisions held	231.53	80.44	212.80	38.49	331.73	563.26
	Add: Fresh provisions made during the year					230.99	
	Less: Excess provision reversed/ Write-off loans					59.94	
	Closing balance of provisions held	**266.41**	**111.16**	**249.31**	**142.31**	**502.78**	**769.19**
c)	**Net NPAs**						
	Opening Balance		118.75	44.69	0.09	163.53	
	Add: Fresh additions during the year					27.19	
	Less: Reductions during the year					32.49	
	Closing Balance		**134.70**	**22.98**	**0.55**	**158.23**	
d)	**Floating Provisions**						
	Opening Balance						-
	Add: Additional provisions made during the year						-
	Less: Amount drawn down during the year						-
	Closing balance of floating provisions						**-**

SCHEDULE 18: NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2026

(₹ in crore)

Particulars		Standard	Non-Performing Advances (NPAs)				Total
		Total Standard Advances	Sub-standard	Doubtful	Loss$	Total NPAs*	
e)	**Technical write-offs and the recoveries made thereon**						
	Opening balance of Technical/ Prudential written-off accounts						505.62
	Add: Technical/ Prudential write-offs during the year						1.35
	Less: Recoveries / Actual write off made from previously technical/ prudential written-off accounts during the year						19.36
	Closing balance						**487.61**

*An amount of ₹ 8.77 crore is held by the Bank as on March 31, 2026 towards ECGC claim received and adjusted. Movement is taken on yearly basis.

$ An amount of ₹ 0.55 crore is held by the Bank as on March 31, 2026 towards Subsidy received against loss assets.

Classification of advances and provisions held as on March 31, 2025.

(₹ in crore)

Particulars		Standard	Non-Performing Advances (NPAs)				Total
		Total Standard Advances	Sub-standard	Doubtful	Loss	Total NPAs*	
a)	**Gross Standard Advances and NPAs**						
	Opening Balance	24,210.68	166.37	182.03	12.67	361.07	24,571.75
	Add: Additions during the year					228.75	
	Less: Reductions in Gross NPAs due to:						
i)	Upgradation					10.09	
ii)	Recoveries (excluding recoveries from upgraded accounts)					58.61	
iii)	Technical/ Prudential Write-offs					-	
iv)	Write-offs other than those under (iii) above					22.66	
	Closing balance	**31,343.52**	**199.18**	**258.45**	**40.83**	**498.46**	**31,841.98**
b)	**Provisions (excluding Floating Provisions)**						
	Opening balance of provisions held	**204.90**	**56.02**	**166.53**	**10.42**	**232.97**	**437.87**
	Add: Fresh provisions made during the year					157.50	
	Less: Excess provision reversed/ Write-off loans					58.74	
	Closing balance of provisions held	**231.53**	**80.44**	**212.80**	**38.49**	**331.73**	**563.26**
c)	**Net NPAs**						
	Opening Balance		110.35	14.55	-	124.90	
	Add: Fresh additions during the year					71.24	
	Less: Reductions during the year					32.61	
Closing Balance			**118.75**	**44.69**	**0.09**	**163.53**	

SCHEDULE 18: NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2026

(₹ in crore)

Particulars	Standard	Non-Performing Advances (NPAs)				Total
	Total Standard Advances	Sub-standard	Doubtful	Loss	Total NPAs*	
d) Floating Provisions						
Opening Balance						-
Add: Additional provisions made during the year						-
Less: Amount drawn down during the year						-
Closing balance of floating provisions						**-**
e) Technical write-offs and the recoveries made thereon						
Opening balance of Technical/ Prudential written-off accounts						559.75
Add: Technical/ Prudential write-offs during the year						-
Less: Recoveries / Actual write off made from previously technical/ prudential written-off accounts during the year						54.13
Closing balance						**505.62**

*An amount of ₹ 3.20 crore is held by the Bank as on March 31, 2025 towards ECGC claim received and adjusted. Movement is taken on yearly basis.

2.4.2 Sector-wise advances and Gross NPAs

(₹ in crore)

Sector	March 31, 2026			March 31, 2025		
	Outstanding Total Advances	Gross NPAs	Percentage of gross NPAs to Total Advances in that sector	Outstanding Total Advances	Gross NPAs	Percentage of gross NPAs to Total Advances in that sector
A. Priority Sector						
(i) Agriculture and allied activities	21,266.49	206.66	0.97%	13,495.49	109.51	0.81%
Of which exceeding 10%:						
Dairy	19,407.08	32.23	0.17%	11,149.57	16.56	0.15%
(ii) Advances to industries sector eligible as priority sector lending	2,167.75	87.99	4.06%	1,964.94	20.71	1.05%
Of which exceeding 10%:						
Textiles	501.92	19.23	3.83%	638.66	9.68	1.52%
Engineering	436.56	0.36	0.08%	212.54	0.03	0.01%
Infrastructure	292.92	-	-	202.09	-	-
(iii) Services	1,414.01	11.37	0.80%	1,366.07	22.36	1.64%
Of which exceeding 10%:						
Commercial Real Estate	194.87	-	-	78.26	0.76	0.97%
Retail trade	201.81	1.80	0.89%	279.86	9.09	3.25%
Wholesale Trade	361.03	6.60	1.83%	368.26	3.65	0.99%
Transport operators	187.86	0.90	0.48%	149.92	3.55	2.37%
(iv) Personal loans	152.11	12.41	8.16%	106.06	17.70	16.69%
Of which exceeding 10%:						
Housing	141.58	5.64	3.98%	45.61	2.30	5.04%

SCHEDULE 18: NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2026

(₹ in crore)

Sector	March 31, 2026			March 31, 2025		
	Outstanding Total Advances	Gross NPAs	Percentage of gross NPAs to Total Advances in that sector	Outstanding Total Advances	Gross NPAs	Percentage of gross NPAs to Total Advances in that sector
(v) Others	61.19	15.88	25.95%	2.15	-	-
Of which exceeding 10%:						
Renewable energy	30.00	-	-	0.57	-	-
Sub-total (A)	**25,061.55**	**334.31**		**16,934.71**	**170.28**	
B. Non Priority Sector						
(i) Agriculture and allied activities	115.34	72.38	62.75%	65.56	3.83	5.84%
Of which exceeding 10%:						
Food Processing	70.11	70.11	100.00%	-	-	-
Poultry	34.96	-	-	51.67	0.09	0.17%
(ii) Industry	4,553.28	51.43	1.13%	3,241.88	133.30	4.11%
Of which exceeding 10%:						
Chemicals and Chemical Products	761.82	0.08	0.01%	477.65	0.08	0.02%
Infrastructure	1,102.00	1.93	0.18%	972.24	-	-
Metal and Metal Products	841.34	4.61	0.55%	418.68	0.66	0.16%
(iii) Services	7,318.05	94.30	1.29%	8,254.84	31.67	0.38%
Of which exceeding 10%:						
NBFCs	3,482.15	-	-	3,751.24	-	-
(iv) Personal loans	3,311.17	117.37	3.54%	3,253.15	104.29	3.21%
Of which exceeding 10%:						
Credit Card	448.58	38.45	8.57%	486.06	20.24	4.16%
(v) Others	-	-	-	91.84	55.09	59.98%
Of which exceeding 10%:						
Sub-total (B)	**15,297.84**	**335.47**		**14,907.27**	**328.18**	
Total (A+B)	**40,359.39**	**669.78**	**1.66%**	**31,841.98**	**498.46**	**1.57%**

2.4.3 Overseas Assets, NPAs and Revenue

(₹ in crore)

Particulars	March 31, 2026	March 31, 2025
Total Assets	69.04	91.66
Total NPAs	-	-
Total Revenues	2.65	2.76

2.4.4 Particulars of resolution plan and restructuring

A) **Implementation of Resolution Plans (RPs):**

Cases eligible for RPs during the year ended March 31, 2026		RPs Successfully implemented during the year ended March 31, 2026		RPs under implementation during the year ended March 31, 2026$	
Balance Outstanding (₹ in crore)	No. of cases	Balance Outstanding (₹ in crore)	No. of cases	Balance Outstanding (₹ in crore)	No. of cases
182.07	9	-	-	182.07*	9

* Provision of ₹ 113.74 crore provided against the outstanding balance.

$For an account amounting to ₹ 0.08 crore, NCLT Chennai had admitted CIRP and as on March 31, 2026, 1,299 days have been lapsed from the date of admission and the same is not included under "RPs under implementation during the year ended March 31, 2026". The balance in the account is fully provided as on March 31, 2026.

SCHEDULE 18: NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2026

Cases eligible for RPs during the year ended March 31, 2025		RPs Successfully implemented during the year ended March 31, 2025		RPs under implementation during the year ended March 31, 2025$	
Balance Outstanding (₹ in crore)	No. of cases	Balance Outstanding (₹ in crore)	No. of cases	Balance Outstanding (₹ in crore)	No. of cases
76.17	3	3.88	1	72.29*	2

* Provision of ₹ 37.23 crore provided against the outstanding balance of 2 cases.

$For an account amounting to ₹ 0.08 crore, NCLT Chennai had admitted CIRP and as on March 31, 2025, 934 days have been lapsed from the date of admission and the same is not included under "RPs under implementation during the year ended March 31, 2025". The balance in the account is fully provided as on March 31, 2025.

B) **Restructured accounts under MSME - One-time restructuring**

Details of MSME accounts restructured as per RBI circular Nos.DBR.No.BP.BC.18/21.04.048/2018-19 dated January 01, 2019, DOR.No.BP.BC.34/21.04.048/2019-20 dated February 11, 2020 and DOR.No.BP.BC/4/21.04.048/2020-21 dated August 06, 2020.

(₹ in crore)

Asset status	As on March 31, 2026		As on March 31, 2025	
	No of accounts	Amount	No of accounts	Amount
Standard	1	0.36	3	1.85
Substandard	-	-	-	-
Doubtful	-	-	3	3.29
Total	**1**	**0.36**	**6**	**5.14**

C) **Acquisition of shares due to conversion of debt to equity during a restructuring process:**

The Bank has not acquired any shares due to conversion of debt to equity during restricting process

2.4.5 Divergence in Asset Classification and Provisioning

In terms of the RBI guidelines, banks are required to disclose the divergence in asset classification and provisioning consequent to RBI's annual supervisory process in their notes to accounts to the financial statements, wherever the additional provisioning assessed / additional gross NPAs identified by RBI exceeds the threshold specified by RBI. The threshold for provisioning is 5 % of the reported profit before provisions and contingencies for the reference period and that for additional gross NPAs is 5 % of the published incremental Gross NPAs for the reference period.

Based on the above, there was no reportable divergence in asset classification and provisioning for NPAs for the year ended March 31, 2025.

2.4.6 Disclosure of transfer of loan exposures

Details of loans transferred / acquired during the year ended March 31, 2026 under the RBI Master Direction on Transfer of Loan Exposures dated September 24, 2021 are given below:

(i) The Bank has not transferred any Non-Performing Assets(NPA), Special Mention Accounts (SMA) and Loans not in default during year ended March 31, 2026 and March 31, 2025.

(ii) Details of loans not in default acquired through assignment during year ended March 31, 2026 and March 31, 2025: Nil

(iii) The Bank has not acquired any stressed loans during the year ended March 31, 2026 and March 31, 2025.

(iv) Distribution of Security Receipts held based on ratings assigned by the credit rating agencies:

SCHEDULE 18: NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2026

For the year ended March 31, 2026

(₹ in crore)

Rating	Rating Agency	Category of Recovery rating	Gross Book Value	Provision held	Net Book Value
Unrated	NA	0-25%	-	-	-
		Total	**-**	**-**	**-**

For the year ended March 31, 2025

(₹ in crore)

Rating	Rating Agency	Category of Recovery rating	Gross Book Value	Provision held	Net Book Value
Unrated	NA	0-25%	-	-	-
		Total	**-**	**-**	**-**

2.4.7 Disclosure on Co-Lending Arrangements

The Bank has not entered into any Co-Lending arrangements during current financial year

2.4.8 Non-Fund Based (NFB) Credit Facilities:

Non-Fund Based (NFB) Credit Facilities: A bank shall disclose the details of NFB credit facilities in the format given below.

(₹ in crore)

		As at March 31, 2026		As at March 31, 2025	
		Secured Portion*	Unsecured	Secured Portion*	Unsecured
I	Outstanding Guarantees (₹ crore)	1,061.50	1,609.37	875.21	470.57
	i) In India	956.94	1,205.97	875.21	470.57
	ii) Outside India	104.56	403.40	-	-
II	Acceptances, Endorsements and other Obligations (₹ crore)	541.32	1,255.11	161.93	415.26
III	Other NFB Credit facilities (₹ crore)	8.44	-	19.54	0.00

* Secured portion is as defined under Reserve Bank of India (Commercial Banks – Credit Facilities) Directions, 2025.

2.4.9 Disclosure for frauds

(₹ in crore)

Particulars	March 31, 2026	March 31, 2025
No of frauds reported during the year$	69	237
Amount involved in such frauds	111.48	11.17
Balance outstanding as on year end	104.52	8.88
Amount of provision made for such frauds	104.52	8.88
Amount of Unamortised provision debited from other reserves' as at the end of the year	-	-

$Pursuant to RBI circular RBI/DOS/2024-25/118 DOS.CO.FMG.SEC.No.5/23.04.001/2024- 25 dated July 15, 2024 and email intimation from RBI dated September 06, 2024, the Bank has not considered digital frauds on account of customer negligence post September 06, 2024 in above disclosure for current financial year.

2.4.10 Disclosure related to project finance

Disclosure related to Project Finance for the quarter and year ended March 31, 2026, as per the Reserve Bank of India (Commercial Banks - Financial Statements: Presentation and Disclosures) Directions, 2025 dated November 28, 2025, is given below:

SCHEDULE 18: NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2026

Sl. No	Item Description	For quarter ended March 31, 2026		For year ended March 31, 2026	
		Number of accounts	Total outstanding (in ₹ crore)	Number of accounts	Total outstanding (in ₹ crore)
1	Projects under implementation accounts at the beginning of the quarter/Year.	6	179.55	9	149.77
2	Projects under implementation accounts sanctioned during the quarter/Year.	1	2.09	3	76.35
3	Projects under implementation accounts where DCCO has been achieved during the quarter/Year	1	29.73	6	119.86
4	Projects under implementation accounts at the end of the quarter/Year. (1+2-3)	6	209.84*	6	209.84#
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.	4	155.12	4	155.12
5.1	Out of '5' – accounts in respect of which Resolution plan has been implemented.	4	155.12	4	155.12
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.	-	-	-	-

*Includes movement of ₹ 57.93 crore during Q4 -2026 in projects under implementation accounts existing at the beginning of the quarter.

Includes movement of ₹ 103.58 crore during FY 2025-26 in projects under implementation accounts existing at the beginning of the year.

SCHEDULE 18: NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2026

2.4.11 Disclosure on the Resolution Framework for the Covid -19 related stress

Details of resolution plan implemented under the Resolution Framework for COVID-19-related Stress as per RBI circular dated August 06, 2020 (Resolution Framework 1.0) and May 05, 2021 (Resolution Framework 2.0) are given below:

For the year ended March 31, 2026

(₹ in 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 (A)	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*	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half year
Personal Loans	1.22	-	-	0.21	1.10
Corporate Persons	-	-	-	-	-
Of which, MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	**1.22**	**-**	**-**	**0.21**	**1.10**

* Includes interest of ₹ 0.09 crore

For the year ended March 31, 2025

(₹ in 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 (A)	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*	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half year
Personal Loans	1.43	-	-	0.20	1.31
Corporate Persons	-	-	-	-	-
Of which, MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	**1.43**	**-**	**-**	**0.20**	**1.31**

*Includes interest of ₹ 0.08 crore

2.5 Exposures

2.5.1 Exposure to Real Estate Sector

(₹ in crore)

Category	As at March 31, 2026	As at March 31, 2025
a) Direct exposure		
(i) Residential Mortgages		
a) Priority sector	54.58	45.86
b) Non priority sector	244.63	180.41
(Of which staff housing loans)	(171.86)	(82.78)
Total	**299.21**	**226.27**

SCHEDULE 18: NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2026

(₹ in crore)

Category	As at March 31, 2026	As at March 31, 2025
(ii) Commercial Real Estate	**347.74**	**295.01**
(iii) Investments in Mortgage Backed Securities (MBS) and other securitized exposures –		
a) Residential,	-	-
b) Commercial Real Estate.	-	-
b) Indirect Exposure		
Fund based and non-fund based exposures to National Housing Bank (NHB) and Housing Finance Companies (HFCs)	**917.65**	**1,136.20**
Total Exposure to Real Estate Sector	**1,564.60**	**1,657.48**

2.5.2 Exposure to Capital Market

(₹ in crore)

Sl No	Items	As at March 31, 2026	As at March 31, 2025
1	Direct investment in equity and preference shares; convertible bonds; convertible debentures; units of non-debt mutual fund schemes; units of REITs and InvITs and units of Alternative Investment Funds (AIFs)	37.69	39.15
2	Advances to individuals for investment in shares (including IPOs/ FPOs/ESOPs), convertible bonds, convertible debentures, and units of non-debt mutual fund schemes	0.01	0.01
3	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of non-debt mutual fund schemes are taken as primary security	-	-
4	Advances for any other purposes to the extent secured by collateral of shares, convertible bonds, convertible debentures or units of non-debt mutual fund schemes, where the advances are extended on the principal strength of such collateral	148.18	30.25
5	All credit facilities to Capital Market Intermediaries (CMIs)	100.01	74.96
6	Acquisition finance Out of (vi) acquisition finance by overseas branches of Indian banks Out of (vi) Bridge Finance for meeting own funds requirement of acquiring companies	478.91	458.15
7	Financing to non-debt mutual fund schemes.	-	-
8	Bridge finance to companies for meeting upfront contribution to the equity of new companies being set up	-	-
9	Underwriting commitments taken up by the Banks in respect of primary issue of shares or convertible bonds or convertible debentures or bonds where end use is acquisition finance or units of non-debt mutual fund schemes	-	-
10	Irrevocable Payment Commitments issued by custodian banks on behalf of its clients in favour of clearing corporations of stock exchanges	-	-
11	Trade exposures of a bank, which is acting as a clearing member in equity derivative and commodity derivative transactions, to its client, including funded initial margins placed on behalf of clients, where permissible	-	-
	Total Exposure to Capital Market	**764.80**	**602.52**

SCHEDULE 18: NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2026

2.5.3 Risk category wise country exposure *

(₹ in crore)

Risk Category	March 31, 2026		March 31, 2025	
	Exposure (Net)	Provision held	Exposure (Net)	Provision held
Insignificant	418.57	-	131.36	-
Low	185.69	-	78.44	-
Moderately Low	-	-	-	-
Moderate	-	-	4.98	-
Moderately High	-	-	-	-
High	1.83	-	-	-
Very High	-	-	-	-
Total	**606.09**	**-**	**214.8**	**-**

* Based on categorization followed by Export Credit Guarantee Corporation of India Ltd

2.5.4 Unsecured Gross Advances

(₹ in crore)

Particulars	March 31, 2026	March 31, 2025
Total unsecured gross advances of the Bank	3,344.76	2,417.06
Out of the above, amount of advances for which intangible securities such as charge over the rights, licenses, authority, etc. have been taken	-	-
Estimated value of such intangible securities	-	-

2.5.5 Factoring Exposure

The factoring exposure of the Bank as at March 31, 2026 is ₹ 21.78 crore (Previous year ₹ 90.43 crore).

2.5.6 Intra-Group Exposures

(₹ in crore)

Particulars	March 31, 2026	March 31, 2025
Total amount of intra-group exposures	-	-
Total amount of top 20 intra-group exposures	-	-
Percentage of intra-group exposure to total exposures of the Bank on borrowers/customers	Nil	Nil
Details of breach of limits on intra group exposures and regulatory action thereon, if any.	Nil	Nil

2.5.7 Unhedged Foreign Currency Exposure

The Bank has in place a policy on managing credit risk arising out of unhedged foreign currency exposures of its borrowers. The objective of this policy is to maximize the hedging on foreign currency exposures of borrowers by reviewing their foreign currency exposures and encouraging them to hedge the unhedged portion. The policy framework also articulates the methodologies for ascertaining the amount of unhedged foreign currency exposures, estimating the extent of likely loss, estimating the riskiness of the unhedged position and making appropriate provisions and capital charge as per extant RBI guidelines. Further, the Bank reviews the unhedged foreign currency exposure across its portfolio on a periodic basis. The Bank maintains incremental provisions and additional capital for the unhedged foreign currency exposures of its borrowers in line with the extant RBI Circular RBI/DOR/2025-26/157 DOR.CRE.REC.76/07-02-001/2025-26 November 28, 2025 as given below;

(₹ in crore)

Particulars	March 31, 2026	March 31, 2025
Incremental provision maintained for Unhedged Foreign Currency Exposure	1.54	0.67
Additional Capital maintained for Unhedged Foreign Currency Exposure	2.32	0.19

SCHEDULE 18: NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2026

2.6 Concentration of Deposits, Advances, Exposures and NPAs

2.6.1 Concentration of Deposits

(₹ in crore)

Particulars	March 31, 2026	March 31, 2025
Total Deposits of twenty largest depositors*	10,504.33	7,371.29
Percentage of Deposits of twenty largest depositors to Total Deposits of the Bank	23.74%	20.00%

*Excludes holders of certificate of deposits which are tradable instruments.

2.6.2 Concentration of Advances*

(₹ in crore)

Particulars	March 31, 2026	March 31, 2025
Total Credit exposures of twenty largest borrowers	3,572.78	2,553.13
Percentage of Credit exposures to twenty largest borrowers to Total Advances of the Bank	7.13%	8.02%

*Advances are computed based on credit exposure i.e. funded and non-funded limits.

2.6.3 Concentration of Exposures

(₹ in crore)

Particulars	March 31, 2026	March 31, 2025
Total Exposures to twenty largest borrowers/customers	3,672.97	2,553.13
Percentage of Exposures to twenty largest borrowers/customers to Total Exposure of the Bank on borrowers/customers	7.22%	7.04%

Note: Exposure is computed as per the definition of Credit and Investment Exposure in RBI Master Circular on Exposure Norms DBOD. No. Dir.BC.12/13.03.00/ 2015-16 dated July 01, 2015.

2.6.4 Concentration of NPAs

(₹ in crore)

Particulars	March 31, 2026	March 31, 2025
Total Exposures to top twenty NPA Borrowers	246.10	172.14
Percentage of exposures to the twenty largest NPA exposure to total Gross NPAs.	36.74%	34.58%

2.7. Derivatives:

2.7.1 Details of derivative portfolio

(₹ in crore)

	March 31, 2026			March 31, 2025		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Interest Rate Derivatives						
MTM – Assets	-	11.20	-	-	4.67	-
MTM – Liabilities	-	(13.85)	-	-	(5.07)	-
Net Gain/ (Loss) recognised in Profit &Loss Account	-	(2.25)	-	-	(0.40)	-
Exchange Rate Derivatives *						
MTM – Assets	-	9.58	-	-	3.93	-
MTM – Liabilities	-	(12.21)	-	-	3.58	-
Net Gain/ (Loss) recognised in Profit &Loss Account	-	(3.07)	-	-	0.35	-

SCHEDULE 18: NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2026

(₹ in crore)

	March 31, 2026			March 31, 2025		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Credit Risk Derivatives						
MTM – Assets	-	-	-	-	-	-
MTM – Liabilities	-	-	-	-	-	-
Net Gain/ (Loss) recognised in Profit &Loss Account	-	-	-	-	-	-
Other Derivatives (specify)						
MTM – Assets	-	-	-	-	-	-
MTM – Liabilities	-	-	-	-	-	-
Net Gain/ (Loss) recognised in Profit &Loss Account	-	-	-	-	-	-

*Does not include hedge derivative contracts covered under AS-11

2.7.2 Forward Rate Agreement/ Interest Rate Swap:

(₹ in crore)

Particulars	As at	
	March 31, 2026	March 31, 2025
The notional principal of swap agreements	1,745	1,880
Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	-	-
Collateral required by the Bank upon entering into swaps	1.10	1.10
Concentration of credit risk arising from the swaps	-	-
The fair value of the swap book	(2.65)	(0.40)

The nature and terms of Rupee IRS outstanding as at March 31, 2026 are set out below:

(₹ in crore)

Nature	Nos.	Notional principal	Benchmark	Terms
Trading	42	820	MIBOR	Fixed Payable v/s Floating Receivable
Trading	49	925	MIBOR	Fixed Receivable v/s Floating Payable

The nature and terms of Rupee IRS outstanding as at March 31, 2025 are set out below:

(₹ in crore)

Nature	Nos.	Notional principal	Benchmark	Terms
Trading	45	940	MIBOR	Fixed Payable v/s Floating Receivable
Trading	50	940	MIBOR	Fixed Receivable v/s Floating Payable

2.7.3 Exchange Traded Currency and Interest Rate Derivatives:

(₹ in crore)

Particulars	As at	
	March 31, 2026	March 31, 2025
Notional principal amount of exchange traded interest rate derivatives undertaken during the year (instrument wise)	-	-
Notional principal amount of exchange traded interest rate derivatives outstanding (instrument wise)	-	-
Notional principal amount of exchange traded interest rate derivatives outstanding and not "highly effective" (instrument wise)	-	-
Mark to market value of exchange traded interest rate derivatives outstanding and not "highly effective" (instrument wise)	-	-

SCHEDULE 18: NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

2.7.4 Disclosures on risk exposure in derivatives:

Qualitative disclosures:

Derivatives are financial instruments whose characteristics are derived from underlying parameter's like interest rates, exchange rates or indices. Bank offers derivative products to the customers to enable them to hedge their exposure within the prevalent regulatory guidelines. The Bank also undertakes transactions in Long Term Forex Contracts (LTFX) for hedging its Balance Sheet and also offers them to its customers. These transactions expose the Bank to various risks primarily credit, market, operational, legal and reputational. The Bank has adopted the following mechanism for managing risks arising out of the derivative transactions. The derivative transactions are governed by the Policy for Investment, Forex and Derivative Activities and Market Risk Management Policy of the Bank as well as by the extant RBI guidelines. Various operational/risk limits are set up and actual exposures are monitored vis-i-vis the limits allocated.

These limits are set up taking into account market volatility, risk appetite, business strategy and management experience. Risk limits are in place for risk parameters viz. Value at Risk (VaR), Net loss, deal size and Price Value of a Basis Point (PVBP). Actual positions are monitored against these limits on a daily basis and breaches if any are reported promptly. Risk assessment of the portfolio is periodically. The Treasury front office enters into derivative transaction with customers and counterparties. The Bank has an independent back office and mid office as per regulatory guidelines. The MTM position of the derivative portfolio is monitored on a regular basis. The impact on derivative portfolio on account of the probable market movements are assessed on regular basis. The Bank deals in derivatives for hedging foreign currency assets/liabilities subject to the prevailing regulatory guidelines. Transactions for hedging and trading are recorded separately. For hedge transactions the Bank identifies the hedged item (asset or liability) at the inception of the transaction itself. The effectiveness is ascertained at the time of inception of the hedge and periodically thereafter Transactions related to foreign exchange forward / Interest rate Swaps , are marked to market daily and the MTM is accounted in the books. Bank has provided sufficient collateral to central counter parties and exchanges wherever applicable. In the Interbank Space the Bank deals with other major Banks and the default risk is perceived as low in this segment.

Quantitative Disclosures:

(₹ in crore)

Sr No	Particulars	March 31, 2026		March 31, 2025	
		Currency Derivatives	Interest rate Derivatives	Currency Derivatives	Interest rate Derivatives
1	Derivatives (Notional Principal Amount)				
	a) For hedging	4,749.10	-	4,506.39	-
	b) For trading	1,082.98	1,745.00	526.73	1,880.00
2	Marked to Market Positions*				
	a) Asset (+)	9.58	11.20	3.93	4.67
	b) Liability (-)	(12.21)	(13.85)	3.58	(5.07)
3	Credit Exposure	341.55	19.92	91.64	16.65
4	Likely impact of one percentage change in interest rate (100*PV01)				
	a) On hedging derivatives	22.88	-	24.47	-
	b) On trading derivatives	1.28	3.90	0.02	-
5	Maximum of 100*PV01 observed during the year				
	a) On hedging derivatives	25.43	-	24.47	-
	b) On trading derivatives	0.20	3.97	3.88	2.57
6	Minimum of 100*PV01 observed during the year				
	a) On hedging derivatives	6.39	-	2.42	-
	b) On trading derivatives	-	0.01	0.01	-

* Does not include hedge derivative contracts covered under AS-11

SCHEDULE 18: NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

2.7.5 Credit Default Swaps: The Bank has not undertaken any transactions in Credit Default Swaps (CDS) during the years ended March 31, 2026 and March 31, 2025.

2.8 The Bank has not entered into any transaction related to Securitisation during years ended March 31, 2026 and March 31, 2025.

2.9 There are no Off balance sheet SPVs sponsored by the Bank as on March 31, 2026 and March 31, 2025.

2.10 Transfers to Depositor Education and Awareness Fund (DEA Fund)

In accordance with the guidelines issued by the RBI, the Bank transfers the amount to the credit of any account which has not been operated upon for a period of ten years or any deposit or any amount remaining unclaimed for more than ten years to the DEA Fund. Details of amounts transferred to / reimbursed by DEA Fund is disclosed as "Contingent Liability - Others, items for which the Bank is contingently liable" under Schedule 12 of the Financial Statements. Details of amounts transferred to / reimbursed by DEA Fund are set out below:

(₹ in crore)

Particulars	March 31, 2026	March 31, 2025
Opening balance of amounts transferred to DEAF	85.55	78.05
Add : Amounts transferred to DEAF during the year	8.52	8.90
Less : Amounts reimbursed by DEAF towards claims	0.41	1.40
Closing balance of amounts transferred to DEAF	93.66	85.55

2.11 Disclosure of complaints

a) Summary information on complaints received by the Bank from customers and from the Offices of Ombudsman (OBOs).

	Particulars	March 31, 2026	March 31, 2025
Complaints received by the Bank from its customers			
1.	No. of complaints pending at the beginning of the year	49	43
2.	No. of complaints received during the year	32,854	20,787
3.	No. of complaints disposed during the year	32,768	20,781
3.1	Of which, number of complaints rejected by the Bank	3,257	1,543
4.	No. of complaints pending at the end of the year	135	49
Maintainable complaints received by the Bank from Office of Ombudsman			
5.	No of maintainable complaints received by the Bank from Offices of Ombudsman	432	187
5.1	No of Complaints resolved in favour of the Bank by Offices of Ombudsman	170	91
5.2	No of Complaints resolved through conciliation/ mediation/ advisories issued by the Offices of Ombudsman	262	96
5.3	No of Complaints resolved after passing of awards by Offices of Ombudsman against the Bank	-	-
6.	No of Awards unimplemented within the stipulated time (other than those appealed)	-	-

Note: Maintainable complaints refer to complaints on the grounds specifically mentioned in Integrated Ombudsman Scheme, 2021 (Previously Banking Ombudsman Scheme, 2006) and covered within the ambit of the Scheme.

SCHEDULE 18: NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2026

b) Top five grounds of complaints received by the Bank from Customers

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
March 31, 2026					
Ground – 1 – Internet/Mobile/ Electronic Banking	12	12,717	28.23%	58	2
Ground – 2 Account opening/ difficulty in operation of accounts	17	10,673	123.80%	41	1
Ground – 3 Loans and Advances	9	1,858	47.58%	13	2
Ground – 4 CIC updation	-	1,818	157.87%	2	-
Ground -5 ATM/Debit Cards	-	1,629	4.82%	5	-
Others	11	4,159	93.80%	16	3
Total	**49**	**32,854**		**135**	**8**
March 31, 2025					
Ground – 1 – Internet/Mobile/ Electronic Banking	3	9,917	49.70%	12	-
Ground – 2 Account opening/ difficulty in operation of accounts	19	4,769	(23.30)%	17	5
Ground – 3 ATM/Debit Cards	2	1,554	(15.82)%	-	-
Ground – 4 Loans and Advances	7	1,259	352.88%	9	2
Ground -5 Levy of charges without prior notice/ excessive charges/ foreclosure charges	-	1,142	164.35%	-	-
Others	12	2,146	(62.80)%	11	5
Total	**43**	**20,787**		**49**	**12**

2.12 Disclosure of Penalties imposed by RBI

The RBI had imposed an aggregate penalty during the year on account of the instances mentioned below:

Particulars	March 31, 2026	March 31, 2025
a) Penalty imposed on currency chest		
No of instances of Default	2	2
Quantum of Penalty imposed (₹ in crore)	0.00	0.00
b) Penalty imposed in deficiency in regulatory compliances		
No of instances of Default	2	1
Quantum of Penalty imposed (₹ in crore)	0.64	1.87

SCHEDULE 18: NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2026

2.13 Disclosure on Remuneration

A. Qualitative Disclosures

(a) Bodies that oversee remuneration

(i) Name, composition and mandate of the main body overseeing remuneration.

The Nomination & Remuneration Committee ("NRC/ Committee") is the body which oversees the entire remuneration aspects in the Bank.

The constitution of the Committee is as per the extant Reserve Bank of India guidelines/Directions, Section 178 of the Companies Act, 2013 and Regulation 19 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Committee currently comprises five members. All members of the Committee are Non Executive Directors, including four Independent Directors. Four members of the Committee also serve on the Risk Management Committee (RMC) of the Board, thereby facilitating closer alignment between risk oversight and the governance of the Bank's compensation framework

The functions of the Committee include;

- recommending appointments of Directors to the Board;
- identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and recommending to the Board their appointment and removal;
- formulate a criteria for the evaluation of the performance of the whole time/ independent Directors and the Board and to extend or continue the term of appointment of independent Directors on the basis of the report of performance evaluation of independent Directors;
- recommending to the Board a policy relating to the remuneration for the Directors, Key Managerial Personnel, Material Risk Takers (MRTs) and other employees;
- recommending to the Board the remuneration (including performance bonus, share-linked instruments and perquisites) to Part-time Chairperson, Non-executive Directors, wholetime Directors (WTDs) and senior management, approving the policy for and quantum of variable pay payable to members of the staff including senior management, key managerial personnel, material risk takers and formulating the criteria for determining qualifications, positive attributes and independence of a Director; and
- framing policies on Board diversity, framing guidelines for the Employees Stock Option Scheme (Scheme 2019), CSB Cash Settled – Stock Appreciation Rights Scheme 2025 and Long-Term Cash Reward Plan and deciding on the grant/quantum of the Bank's stock options/units/rights/reward to employees and WTDs of the Bank.

(ii) External consultants whose advice has been sought, the body by which they were commissioned, and in what areas of the remuneration process.

During the year ended March 31, 2026, the Bank availed the services of a reputed consulting firm to conduct market-benchmarking studies in the area of compensation, including executive compensation. The firm engaged possesses requisite expertise in remuneration benchmarking, including advisory services for banking and financial sector institutions.

(iii) Scope of the Bank's remuneration policy (e.g. by regions, business lines), including the extent to which it is applicable to foreign subsidiaries and branches

The Compensation Policy covers all employees of the Bank working across in the country. The Bank does not have any foreign subsidiaries or branches. Nomination and Remuneration Committee of the Board monitors implementation of policy in the Bank on behalf of the Board.

(iv) Type of employees covered and number of such employees.

All employees of the Bank are governed by the Compensation Policy.

(b) Design and structure of remuneration processes

(i) Objectives of the Compensation Policy

The Compensation Policy applies to all employees of the Bank. The Policy is designed to ensure that compensation practices do not encourage excessive risk-taking that may arise from the structure of compensation scheme.

SCHEDULE 18: NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2026

The Policy covers all components of remuneration, including fixed pay, perquisites, variable pay (cash or non-cash), share-linked instruments, guaranteed bonus (joining /sign-on bonus), severance package, retirement benefits such as pension and gratuity, and other eligible benefits. It seeks to ensure that compensation outcomes reflect both individual contribution and organisational performance, incentivise sustainable growth, and maintain consistency with the Bank's values and governance standards.

(ii) Key Features of the Policy

The Compensation Policy incorporates robust governance mechanisms and provides for active oversight of compensation design, implementation, and review. The Committee periodically evaluates the effectiveness of the compensation framework to ensure that it functions as intended and remains aligned with the Bank's risk profile and strategic objectives. The Policy mandates independence for employees engaged in control and risk functions, ensuring that their compensation is not linked to business performance but is commensurate with their oversight responsibilities. It also emphasises rigorous supervisory review, timely rectification of deficiencies, and transparent disclosure of compensation practices. Further, the Policy provides for structured processes relating to performance assessment, risk adjustment, variable-pay determination and administration of share-linked compensation schemes, thereby supporting sound governance and alignment of compensation outcomes with sustainable value creation.

(iii) Alignment of compensation philosophy with prudent risk taking:

The Policy seeks to align compensation with prudent risk-taking, individual performance, and the Bank's long-term objectives. It aims to attract, motivate, and retain talent in a competitive environment, reinforce a culture of meritocracy, and maintain fairness and transparency in reward practices. In line with regulatory expectations, the Policy provides for a balanced mix of fixed and variable compensation, both short-term and long-term, cash and non-cash components in compliance with RBI guidelines, risk-management principles, and the Bank's strategic priorities/objectives.

(iv) Effective governance of compensation:

The Committee has oversight over the Bank's compensation structure and defines the Key Performance Indicators (KPIs) for the MD & CEO, Whole Time Directors and equivalent positions. These KPIs include both financial and non financial parameters, supported by detailed/defined sub measures. The Committee evaluates organisational and individual performance against these KPIs and, based on its assessment, makes recommendations on variable pay for employees. It also recommends to the Board the compensation payable to Whole Time Directors, equivalent positions and senior management, subject to the necessary approvals, wherever applicable.

(v) Changes, if any, made by the remuneration committee in the firm's remuneration policy during the past year, and if so, an overview of any changes that were made.

During the year ended March 31, 2026, the Bank's Compensation Policy was amended twice by the NRC and Board as below:

NRC Meeting date	Board meeting date	Overview of Changes
August 13, 2025	August 13, 2025	Amended to incorporate the CSB Cash Settled Stock Appreciation Rights Scheme 2025 and the Long Term Cash Reward Plan for senior management, introduced on August 13, 2025 into policy, so as to expand its scope and align the provisions of the Scheme and the Plan with the Policy.
March 25, 2026	March 25, 2026	Amended to incorporate changes necessitated by the introduction of the Reserve Bank of India (Commercial Banks – Governance) Directions, 2025 dated November 28 2025, as well as the consolidated labour codes, namely 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, into policy.

SCHEDULE 18: NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2026

(vi) Process followed by the Bank to ensure that the risk and compliance employees are remunerated independently of the businesses they oversee:

Staff engaged in financial and risk-control and compliance functions, including internal audit, are compensated independently of the business areas they oversee and, in a manner, commensurate with their oversight responsibilities. Effective independence and appropriate authority of such staff are necessary to preserve the integrity of financial and risk management's influence on incentive compensation. The Policy provides that the mix of fixed and variable compensation for such personnel shall be weighted in favour of fixed compensation; accordingly, the requirement of a minimum 50% variable-pay component is not applicable to this category of staff. However, a reasonable proportion of variable pay is maintained to ensure that malus and clawback provisions can be effectively applied where warranted.

(c) Ways in which current and future risks are taken into account in the remuneration processes

(i) Key risks that the Bank takes into account when implementing remuneration measures

The Bank's ICAAP policy defines risk-bearing capacity, risk-appetite statements and limits for key risk categories, within which all business activities are undertaken. In alignment with the ICAAP, the KPIs for the MD&CEO, Whole-Time Directors, Material Risk Takers (MRTs) and other relevant employee groups (excluding assurance functions) incorporate risk-management and other parameters such as regulatory compliance, customer service, stakeholder relationships, leadership development, in addition to performance indicators in areas such as financial, business and operational metrics. These risk-aligned KPIs are considered by the NRC when assessing organisational and individual performance and making compensation recommendations to the Board. Further, the Bank's remuneration framework integrates current and future risks by adjusting compensation for roles exposed to credit, market, liquidity and operational risks, linking variable pay to risk-adjusted performance. Malus and clawback provisions allow reduction or recovery of deferred compensation in cases of negative financial outcomes, misconduct or breaches of risk controls. Variable-pay structures for Whole-Time Directors and MRTs are risk-aligned, while remuneration for employees in risk-control and compliance roles is predominantly fixed to preserve independence and ensure sound oversight.

(ii) Nature and type of metrics used to measure the key risks, including risks that are difficult to measure.

The Bank has a robust system for measuring and reviewing risks, and these risk parameters form an integral part of the performance scorecard used for setting objectives and evaluating performance. The scorecard covers financial and business metrics as well as qualitative factors such as adherence to internal processes, regulatory compliance, timely closure of audit issues, customer service, the effectiveness of the risk-management framework, stakeholder relationships and leadership development. Weightage is assigned not only to quantitative outcomes but also to the manner in which objectives are achieved, ensuring a balanced and risk-aligned performance assessment.

(iii) Ways in which these measures affect remuneration

Risk-related performance measures are embedded in the scorecards used for evaluating the MD&CEO, Whole-Time Directors, Material Risk Takers and other eligible staff. These measures ensure that performance assessments are aligned with the Bank's risk-management framework. Each year, financial plans and performance targets are formulated within the approved risk-limit structure, and adherence to this framework is considered by the Committee while assessing organisational and individual performance. The KPIs applicable to the above categories incorporate relevant risk-management parameters, regulatory compliance and other qualitative factors in addition to financial and business metrics. The Committee reviews all these aspects to ensure prudent risk-taking and makes corresponding compensation recommendations to the Board.

(iv) The nature and type of these measures that have changed over the past year and reasons for the changes, as well as the impact of changes on remuneration

The nature and type of these measures have not changed over the past year and hence, there is no impact on remuneration.

(d) Ways in which the Bank seeks to link performance during a performance measurement period with levels of remuneration

(i) Main performance metrics for Bank, top level business lines and individuals

The main performance indicators for FY 2025-26 covered both financial and non-financial measures, including profit before tax, regulatory compliance, risk-management standards, customer service quality, stakeholder relationships and leadership development, to the extent as appliable in respective cases.

SCHEDULE 18: NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2026

(ii) Methodology followed whereby individual remuneration is linked to the Bank-wide and individual performance

The Committee considered above mentioned aspects while assessing performance and made compensation-related recommendations to the Board for WTDs, MRTs and equivalent and other positions.

(iii) The measures that the Bank will in general implement to adjust remuneration in the event that performance metrics are weak, including the Bank's criteria for determining 'weak' performance metrics

The Bank's Compensation Policy specifies the measures to be applied when there is reasonable evidence of deterioration in financial performance. In such circumstances, and in accordance with the policy framework, the Nomination & Remuneration Committee (NRC) may determine the invocation of malus or clawback on none, part, or all of the relevant variable compensation. The Bank's criteria for determining 'weak' performance metrics such as negative financial outcomes, divergence in provisioning etc. are provided in the Compensation Policy of the Bank

(e) Ways in which the Bank seeks to adjust remuneration to take account of the long term performance

(i) The Bank's policy on deferral and vesting of variable remuneration and, if the fraction of variable remuneration that is deferred differs across employees or groups of employees, a description of the factors that determine the fraction and their relative importance

The Bank's variable compensation comprises cash, share linked instruments, or a mix of both, and is capped as a proportion of fixed pay in accordance with the Compensation Policy. The proportion of variable pay is higher for senior roles and lower for junior levels. The quantum of variable pay for an employee does not exceed a certain percentage (as stipulated in the compensation policy) of the total fixed pay in a year. For the MD&CEO, Whole-Time Directors and Material Risk Takers (MRTs), at least 50% of total compensation is variable and a minimum of 60% of such variable pay is subject to deferral for not less than three years, applicable to both cash and non-cash components. Where variable pay includes cash, at least 50% of the cash component is deferred, except where the cash variable is below ₹ 25 lakhs. However, the payment of variable pay, including deferrals are subject to review of performance. For staff in risk-control and compliance functions, compensation is weighted towards fixed pay to preserve independence from business line outcomes, and the 50% minimum variable-pay requirement does not apply to this category. Deferral for other officers (non IBA) is implemented as per the Compensation Policy, including Employees Stock Option Scheme (Scheme 2019), CSB Cash Settled – Stock Appreciation Rights Scheme 2025 and Long-Term Cash Reward Plan.

(ii) The Bank's policy and criteria for adjusting deferred remuneration before vesting and (if permitted by national law) after vesting through claw back arrangements

The Bank's Compensation Policy provides for invocation of both malus and clawback arrangements to deferred remuneration, based on clearly defined triggers. Deferred variable pay may be reduced or withheld (all/ part) in cases such as substantial deterioration in profitability, divergence in NPAs beyond the regulatory disclosure threshold, misconduct involving integrity breaches, or any other event determined by the Committee. Before invoking malus or clawback, the Committee undertakes a detailed fact finding process, considers macro and internal factors, assesses the degree of accountability, and follows due process, including principles of natural justice. Malus and clawback provisions continue to apply throughout the deferral period and may extend beyond the exercise period, including for up to five years post separation from the Bank. The Committee also has the discretion to extend the clawback period further in those cases involving misconduct, depending on the severity and associated risk implications. Malus and clawback provisions apply to the MD & CEO, Whole-Time Directors, Material Risk Takers (MRTs) and Senior Executives (non IBA) as applicable.

(f) Different forms of variable remuneration that the Bank utilises and the rationale for using these different forms

(i) Forms of variable remuneration offered and a discussion of the use of different forms of variable remuneration and, if the mix of different forms of variable remuneration differs across employees or group of employees, a description of the factors that determine the mix and their relative importance

The Bank uses an optimal mix of cash and share linked instruments to structure variable compensation for the MD & CEO, Whole-Time Directors, Material Risk Takers (MRTs), and select senior and other executives/officers on the Non IBA Scheme, ensuring alignment with individual performance, role responsibility and risk exposure. Variable pay comprises cash (including CSARs/ Long-Term Cash Reward Plan) and/or non-cash instruments such as ESOPs, with the proportion of non-cash components typically higher at senior levels compared to frontline staff and junior management levels. For the MD & CEO, WTDs and MRTs, the Compensation Policy requires a balanced composition of variable pay, mandating that at least 50% of variable pay be awarded through non-cash instruments and the same is at least 67% where variable pay exceeds 200% of fixed pay. Where share-linked instruments are not permitted by law or regulation,

SCHEDULE 18: NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2026

variable pay may be paid entirely in cash, within the limits prescribed under the Policy. Variable pay for other eligible employees is determined in accordance with the Policy, with staff engaged in risk-control and compliance functions receiving predominantly fixed compensation to preserve independence. Total variable pay is determined using the balanced-scorecard framework, incorporating individual, business-unit and organisational performance. For employees under the IBA Scheme, Performance Linked Variable Pay (PLVP) may be granted to select categories based on defined performance metrics.

Grants of ESOPs/CSARs/ Reward Plan form part of the Bank's overall performance and retention framework and are made in accordance with the Employees Stock Option Scheme (Scheme 2019), CSB Cash Settled – Stock Appreciation Rights Scheme 2025 and Long-Term Cash Reward Plan, subject to the approval of the NRC and the Board.

(B) Quantitative Disclosures

(1) Whole-Time Directors and Material Risk Takers.

The quantitative disclosures for the financial year ended March 31, 2026 cover the Bank's Whole-Time Directors and Material Risk Takers. The Material Risk Takers have been identified in accordance with the guidelines on "Compensation of Whole-Time Directors/Chief Executive Officers/Material Risk Takers and Control Function Staff, etc." issued by Reserve Bank of India on November 04, 2019, which have since been repealed and superseded by Reserve Bank of India (Commercial Banks – Governance) Directions, 2025, dated November 28, 2025

	Particulars	March 31, 2026	March 31, 2025
Quantitative Disclosures	(g) i) Number of meetings held by the Nomination & Remuneration Committee during the financial year	10	11
	ii) and remuneration paid to its members. (₹ in crore)	0.17	0.14
	(h) i) Number of employees having received a variable remuneration award during the financial year	15	15
	ii) Number and total amount of sign-on/ joining bonus made during the financial year.	-	-
	iii) Number and total amount of guaranteed bonuses awarded during the financial year	-	-
	iv) Details of severance pay, in addition to accrued benefits, if any.	-	-
	(i) i) Total amount of outstanding deferred remuneration, split into		
	a) Cash (₹ in crore)	1.89	2.05
	b) Shares	-	-
	c) Share-linked instruments (number of unvested stock options outstanding as on 31 March and fair value of the same)	10,27,318 options with a fair value of ₹ 17.40 crore	10,06,408 options with a fair value of ₹ 17.67 crore
	d) Other Forms	-	-
	ii) Total amount of deferred remuneration paid out in the financial year.		
	a) Cash (₹ in crore)	2.22	2.00
	b) Share-linked instruments (number of vested stock options outstanding as on 31 March and fair value of the same)	5,82,094 options with a fair value of ₹ 6.88 crore	3,24,213 options with a fair value of ₹ 3,57 crore
	c) Share-linked instruments (number of vested and exercised stock options as on 31 March and fair value of the same)	1,40,843 options with a fair value of ₹ 2.37 crore	2,16,025 options with a fair value of ₹ 3.08 crore
	(j) Breakdown of amount of remuneration awards for the financial year		
	(i) Fixed (₹ in crore)	21.58	19.91
	(ii) Variable Pay- Cash Component		
	- Upfront payment (₹ in crore)	4.50	3.91
	- Deferred payment (₹ in crore)	4.12	1.91
	(iii) Variable Pay- Cash Settled Stock Appreciation Right (CSAR)	24610 Rights with a fair value of ₹ 0.33 crore	-
	(iv) Variable Pay- Non Cash Component		
	- Share linked Instruments- Deferred	5,79,546 options with a fair value of ₹ 8.16 crore	5,16,143 options with a fair value of ₹ 6.65 crore

SCHEDULE 18: NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

	Particulars			March 31, 2026	March 31, 2025
	(k)	(i)	Total amount of outstanding deferred remuneration and retained remuneration exposed to ex-post explicit and / or implicit adjustments.	-	-
		(ii)	Total amount of reductions during the financial year due to ex- post explicit adjustments.	-	-
		(iii)	Total amount of reductions during the financial year due to ex- post implicit adjustments.	-	-
	(l)		Number of MRTs identified	14	15
	(m)	i)	Number of cases where malus has been exercised	-	-
		ii)	Number of cases where clawback has been exercised	-	-
		iii)	Number of cases where both malus and clawback have been exercised	-	-
General Quantitative Disclosure	(n)		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		
		i)	Mean pay for the Bank (₹ in crore)	0.07	0.06
		ii)	Deviation of the pay of each of its WTDs from the mean payoff the Bank		
			- MD & CEO	58.37	60.01
			- Executive Director	15.75	17.64

(2) Remuneration paid to the non-executive directors

			Particulars	March 31, 2026	March 31, 2025
Disclosure for compensation of Non-executive Directors	a)		Amount of remuneration (sitting fee) paid to the non-executive directors excluding Part-time Chairman (₹ in crore)	1.61	1.27
	b)		Amount of remuneration and sitting fee paid to Part-time Chairperson (FY 2025-26 : from May 09,2025 to February 28, 2026 FY 2024-25 : from April 01, 2024 to September 29, 2024)		
		I	Remuneration (₹ in crore)	0.16	0.09
		II	Sitting fee (₹ in crore)	0.30	0.14
	c)		**Total (a+b)**	**2.07**	**1.50**

Notes pertaining to financial year ended March 31, 2026

1. Fixed remuneration includes salary, consolidated benefit allowance, gratuity, residential accommodation and Bank's contributions towards National Pension Scheme/Provident Fund etc. The value of perquisite is calculated as cost to the Bank. The Fixed Pay of separated MRTs have been considered for the period they were in service with the Bank.
2. Employees received variable pay includes MD & CEO (past and present), WTDs and other Material Risk Takers (MRTs) as per the RBI Directions dated November 28, 2025 and variable pay includes cash bonus paid and stock options granted/ vested/ exercised during the year. Deferred remuneration (both cash and stock options) reported here includes deferred remuneration paid out in the financial year/outstanding at the end of the financial year in the case of cash bonus and vested/unvested/exercised in the case of stock options w.r.t. the said MRTs.

   As per the Compensation Policy of the Bank read with the Directions, MRTS who had resigned are not eligible for deferred remuneration (cash bonus and unvested stock options) but are eligible to exercise vested options within prescribed time as per CSB Employee Stock Option Scheme 2019. Hence, the deferred remuneration reported (outstanding/ paid out) in the financial year did not include the deferred remuneration of resigned MRTs but include vested options exercised by them within the prescribed time as per CSB Employee Stock

SCHEDULE 18: NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

Option Scheme 2019 and deferred portion of cash component paid out before resignation . The unvested options of resigned MRTs stands lapsed as per the scheme, hence excluded from the unvested/vested options reported. A similar approach has been followed for deferred remuneration in the case of employees who resigned in the same year of grant. All such deferred components stand lapsed from the date of resignation.

3. Fair value is the weighted average fair value of stock options computed using Black-Scholes options pricing model as on the grant date.
4. i The Bank, on November 27, 2025, received approval of Reserve Bank of India in terms of Section 35B of the Banking Regulation Act, 1949, for revision of the fixed pay of Mr. Pralay Mondal, Managing Director & CEO, from ₹ 2.54 crore p.a. to ₹ 2.79 crore p.a., with effect from April 01, 2025.
4. ii. The Bank, on November 27, 2025, received approval of Reserve Bank of India in terms of Section 35B of the Banking Regulation Act, 1949, for grant/ payment of variable pay of ₹ 2.78 crore to Mr. Pralay Mondal, Managing Director & CEO, for the performance period from April 01, 2024 to March 31, 2025, out of which ₹ 1.39 crore shall be in non-cash form (stock options) and the balance in cash.
5. i. The Bank, on November 27, 2025, received approval of Reserve Bank of India in terms of Section 35B of the Banking Regulation Act, 1949, for revision of the fixed pay of Mr. B K Divakara, Executive Director, from ₹ 0.80 crore p.a. to ₹ 0.88 crore p.a., with effect from April 01, 2025.
5. ii. The Bank, on November 27, 2025, received approval of Reserve Bank of India in terms of Section 35B of the Banking Regulation Act, 1949, for grant/ payment of variable pay of ₹ 0.80 crore to Mr. B K Divakara, Executive Director, for the performance period from April 01, 2024 to March 31, 2025, out of which ₹ 0.40 crore shall be in non-cash form (stock options) and the balance in cash.
6. Payments of deferred portion of variable pay (Cash) made to Mr. C. VR. Rajendran, ex-Managing Director & CEO of the Bank, during the financial year 2025-26 were also included as part of the total payments made to WTDs/MRTs and accordingly, reporting was made at respective places.
7. No remuneration/sitting fee was paid to the Non-Executive Non-Independent Directors.
8. Payment of sitting fee to Non-Executive Independent Directors was made within the limits as prescribed in Section 197(5) of the Companies Act, 2013 read with rule 4 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.
9. The remuneration figures reported herein are on a payment basis and represent the actual amounts paid during the reporting period.

Notes pertaining to financial year ended March 31, 2025

1. Fixed remuneration includes salary, consolidated benefit allowance, gratuity, residential accommodation and Bank's contributions towards National Pension Scheme/Provident Fund etc. The value of perquisite is calculated as cost to the Bank. The salaries of separated MRTs have been considered for the period they were in service with the Bank.
2. Employees received variable pay includes MD & CEO (past and present), WTDs and other Material Risk Takers (MRTs) based on the revised criteria given by RBI in its guidelines dated November 04, 2019 and variable pay includes cash bonus paid and stock options granted/ vested/ exercised during the year. Deferred remuneration (both cash and stock options) reported here includes deferred remuneration paid out in the financial year/ outstanding at the end of the financial year in the case of cash bonus and vested/unvested/exercised in the case of stock options w.r.t. the said MRTs.

   As per the Compensation Policy of the Bank read with the guidelines, MRTS who had resigned are not eligible for deferred remuneration (cash bonus and unvested stock options) but are eligible to exercise vested options within prescribed time as per CSB Employee Stock Option Scheme 2019. Hence, the deferred remuneration reported (outstanding/ paid out) in the financial year did not include the deferred remuneration of resigned MRTs but include vested options exercised by them within the prescribed time as per CSB Employee Stock Option Scheme 2019. The unvested options of resigned MRTs stands lapsed as per the scheme, hence excluded from the unvested/vested options reported.
3. Fair value is the weighted average fair value of stock options computed using Black-Scholes options pricing model as on the grant date.

SCHEDULE 18: NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

4. i The Bank, on October 22, 2024, received approval of Reserve Bank of India in terms of Section 35B of the Banking Regulation Act, 1949, for revision of the fixed pay of Mr. Pralay Mondal, Managing Director & CEO, from ₹ 2.42 crore p.a. to ₹ 2.54 crore p.a., with effect from April 01, 2024.

4. ii. The Bank, on October 22, 2024, received approval of Reserve Bank of India in terms of Section 35B of the Banking Regulation Act, 1949, for grant/ payment of variable pay of ₹ 2.42 crore to Mr. Pralay Mondal, Managing Director & CEO, for the performance period from April 01, 2023 to March 31, 2024, out of which ₹ 1.62 crore shall be in non-cash form (stock options) and the balance in cash.

5. Payments of deferred portion of variable pay (Cash) made to Mr. C. VR. Rajendran, ex-Managing Director & CEO of the Bank, during the financial year 2024-25 were also included as part of the total payments made to WTDs/MRTs and accordingly, reporting was made at respective places. A similar approach has been followed in the case of the options granted to him in the previous financial year(s) and vested/exercised in the year.

6. No remuneration/sitting fee was paid to the Non-Executive Non-Independent Directors.

7. Payment of sitting fee to Non-Executive Independent Directors was made within the limits as prescribed in Section 197(5) of the Companies Act, 2013 read with rule 4 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

8. Remuneration paid to Mr. B K Divakara, Executive Director, also includes the arrears paid to him for the period from March 15, 2024 to March 31, 2024 for the said position.

2.14 Other Disclosures

2.14.1 Business Ratio

Particulars	March 31, 2026	March 31, 2025
(i) Interest Income as a percentage to Working Funds*	8.94	9.00
(ii) Non-interest income as a percentage to Working Funds*	2.33	2.43
(iii) Cost of Deposits (%)	6.37	6.15
(iv) Net Interest Margin (%)~	3.76	4.13
(v) Operating Profit as a percentage to Working Funds* $	2.15	2.28
(vi) Return on Assets (%)@	1.26	1.49
(vii) Business (Deposits plus advances) per employee^ (₹ in crore)	9.11	8.38
(viii) Profit per employee (₹ in crore)	0.08	0.08

* Working funds represents average of total assets as reported to Reserve Bank of India in Form X under Section 27 of the Banking Regulation Act, 1949, during the 12 months of the financial year.

~ Net Interest Income/Average Earning Assets.

@ Return on Assets = Profit after Tax /Average Working Funds.

^ Business is the total of net advances and deposits (net of inter-Bank deposits).

$ Operating profit is profit before provisions and contingencies.

2.14.2 Income from Bancassurance

(₹ in crore)

Nature of Income	March 31, 2026	March 31, 2025
From Selling Life Insurance Policies	**194.13**	**148.74**
i. Traditional	169.34	132.24
ii. Term	3.44	3.31
iii. ULIP	21.35	13.19
From Selling Non-Life Insurance Policies	**3.06**	**1.53**
i. Fire	0.11	0.12
ii. Marine	-	-
iii. Others	1.71	0.97
iv. Standalone Health	1.24	0.44
Others	-	-
Total	**197.19**	**150.27**

SCHEDULE 18: NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

2.14.3 Marketing and distribution

Bank has received following fees/remuneration in respect of the marketing and distribution function (excluding Bancassurance business) undertaken by them;

(₹ in crore)

Particulars	March 31, 2026	March 31, 2025
From Selling Mutual Fund Products	0.01	0.02
From Atal Pension Yojana (APY)	0.06	0.03
From Credit card business	1.20	-
Marketing and Distribution	9.52	39.89
Total	**10.79**	**39.94**

2.14.4 Details of Priority Sector Lending Certificate Purchased & Sold during the year

(₹ in crore)

Sl No.	Type of PSLCs	March 31, 2026		March 31, 2025	
		Purchased (Face Value)	Sold (Face Value)	Purchased (Face Value)	Sold (Face Value)
1	PSLC – General	-	-	-	-
2	PSLC – Agriculture	-	21,505	-	19,550
3	PSLC - Small & Marginal Farmer	2,015	500	1,850	-
4	PSLC - Micro Enterprise	1,750	-	4,500	-

2.14.5 Details of provisions and contingencies debited in Profit and Loss Account during the Year

(₹ in crore)

	Particulars	March 31, 2026	March 31, 2025
A	Provision for NPI	-	-
B	Provisions towards NPA/write offs	242.18	154.50
C	Bad Debt Recovery	(43.40)	(72.84)
D	Provision for Income tax – Current Tax	225.49	212.40
E	Provision for Income tax – Deferred Tax	(7.51)	(6.67)
F	Provision for Standard Assets	34.88	26.62
G	Provision for diminution on Restructured Advances	(0.12)	0.15
H	Other provisions	0.69	2.28
	Total	**452.21**	**316.44**

2.14.6 Implementation of IFRS converged Indian Accounting Standards (Ind AS)

The Ministry of Corporate Affairs (MCA), Government of India notified the Companies (Indian Accounting Standards) Rules, 2015 on February 16, 2015. Further, a press release dated January 18, 2016, was issued by the MCA outlining the roadmap for implementation of IFRS converged Ind AS for Banks. This roadmap required Banks to prepare Ind AS based standalone & consolidated financial statements for the accounting periods beginning April 01, 2018 onwards, with comparatives for the periods ending March 31, 2018 or thereafter. RBI, through its notification dated February 11, 2016, required all scheduled commercial Banks to comply with Ind AS for financial statements from the stated periods and also stated that early adoption of Ind AS is not permitted.

Reserve Bank of India (RBI) through press release RBI/2018- 2019/146 DBR.BP.BC.No.29/21.07.001/2018-19, dated March 22, 2019, updated all scheduled commercial Banks that legislative amendments recommended by the RBI are under consideration of the Government of India. Accordingly, RBI had decided to defer the implementation of Ind AS till further notice.

The implementation of Ind AS by Banks requires certain legislative amendments to make the format of financial statements, prescribed in the Third Schedule to Banking Regulation Act, 1949, compatible with accounts under Ind AS. Considering the amendments needed to the Banking Regulation Act, 1949, as well as the level of preparedness of several Banks, RBI, through its Statement on Developmental and Regulatory Policies dated April 05, 2018, had deferred

SCHEDULE 18: NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2026

the implementation of Ind AS by a year. The legislative amendments recommended by the Reserve Bank are under consideration of the Government of India. Accordingly, RBI through its notification dated March 22, 2019 deferred the implementation of Ind AS till further notice.

Even though RBI has deferred the implementation , the Bank is gearing itself to bring the necessary systems and processes in place to facilitate the Proforma submission to RBI and seamless transition to Ind AS. With respect to the various instructions from Ministry of Corporate Affairs and Reserve Bank of India (RBI), the actions taken by the Bank are summarised as follows:

- Bank is in the process of implementing changes required in existing IT architecture and other processes to enable smooth transition to Ind AS
- As directed by the RBI, the Bank is submitting half yearly Proforma Ind AS financial statements to the RBI within the stipulated timeline
- Training to the employees is imparted in a phased manner
- The Bank will continue its preparedness towards adoption of Ind AS as per regulatory requirement and to liaise with RBI and industry bodies on various aspects pertaining to Ind AS implementation.

2.14.7 Payment of DICGC Insurance Premium

(₹ in crore)

Sr No.	Particulars	March 31, 2026	March 31, 2025
1	Payment of DICGC Insurance Premium	39.47	34.01
2	Arrears in payment of DICGC premium	-	-

Deposit insurance premium as applicable was paid to DICGC within the prescribed timelines

2.14.8 Disclosure on amortisation of expenditure on account of enhancement in family pension of employees of Bank - Nil

2.15 Provisions on Standard Assets

(₹ in crore)

Particulars	March 31, 2026	March 31, 2025
Opening Balance	231.53	204.91
Additions/adjustments during the year	34.88	26.62
Deductions during the year	-	-
Provisions held towards Standard Assets	266.41	231.53

The above provision held towards standard assets includes 'Contingency Provision for any Credit Loss Contingencies' of ₹105.92 crore.

2.16 Income and Expenses exceeding one percentage of the Total Income

Details of items under "Other expenditure" in Schedule 16 – Operating Expenses & "Miscellaneous income" in Schedule 14 – Operating Income exceeding 1% of total income of the Bank are given below:

(₹ in crore)

Sr No.	Nature	Particulars	March 31, 2026	March 31, 2025
1	Other Income	Premium Received on PSLC Sale	194.17	132.28
2	Other Expense	Nil	-	-

2.17 Assets and Liabilities exceeding one percentage of the Total Assets

Details of items under "Others (including provisions)" in Schedule 5 – Other Liabilities and provisions & "Others" in Schedule 11 – Other Assets exceeding 1% of total assets of the Bank : Nil

2.18 Disclosure on green deposits

The Bank has not raised Green deposits during year ended March 31, 2026 and March 31, 2025.

SCHEDULE 18: NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2026

2.19 Credit exposure to Single Borrower and Group Borrower

During the years ended March 31, 2026, the Bank's credit exposure to single borrower and group borrowers was within the prudential exposure limits prescribed by RBI. Exposure is computed as per RBI (Commercial Banks - Concentration Risk Management) Directions, 2025 dated November 28, 2025 as amended from time to time.

3. DISCLOSURES AS PER ACCOUNTING STANDARDS WHERE RBI HAS ISSUED GUIDELINES IN RESPECT OF ITEMS FOR 'NOTES TO ACCOUNTS'

3.1 Fixed Assets

i) Disclosure related to revaluation of land and building owned by the Bank.

(a) The effective date of the revaluation - March 31, 2024, No revaluation carried during the year ended March 31, 2026.

(b) Whether an independent valuer was involved - Land and building was valued by two independent valuers. Average of the value arrived by the valuers considered as the revalued amount.

(c) The methods and significant assumptions applied in estimating fair values of the items;

Asset	Details	Valuer 1	Valuer 2
Building	Method	Plinth area rates of CPWD	Plinth area method applicable to the type of structure, specification, services, amenities
	Depreciation	Based on the present condition and age of building.	Based on the age, condition and maintenance of the building
	Valuation	Plinth area rates of previous valuation taken as base rate	Composite market rate
Land	Method	Based on local enquiries, transactions in recent, past and valuers best of judgement	Based on location, level/shape/extent of the land, infrastructure /civic amenities availability, width of the abutting road, water potentiality, etc.
	Valuation	Present market value	Prevailing market rate based on the above

(d) The extent to which fair values of the items were determined directly by reference to observable prices in an active market or recent market transactions on arm's length terms or were estimated using other valuation techniques - Fair value as explained in item (c) above

(e) The revaluation surplus, indicating the change for the period and any restrictions on the distribution of the balance to shareholders

Revaluation surplus as on 31.03.2026: ₹170.83 crore (Previous Year ₹173.83 crore)

Change for the period: During the year Bank has not revalued the assets held under the category premises. An amount of ₹1.66 crore (Previous Year ₹1.75 crore) has been transferred from Revaluation Reserve to General Reserves being depreciation based on the revalued carried amount.

As per para 44 of AS 10 - Property, Plant & Equipment, revaluation surplus of ₹1.34 crore (Previous Year ₹0.25 crore) is transferred to the General Reserve relating to asset derecognised during the year.

3.2 Employee Benefits

3.2.1 Disclosures for Provident Fund & New Pension Scheme

Contributions to employee provident fund and new pension scheme (contributory), debited to Profit & Loss Account during the year amounts to ₹ 46.56 crore (Previous Year ₹ 29.43 crore).

SCHEDULE 18: NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

3.2.2 Disclosures for Pension, Gratuity & Long term Compensated Absences (Privilege Leave)

A. Amount recognised in Balance Sheet and Profit & Loss Account

The amount recognised in the balance sheet is as follows:

(₹ in crore)

Particulars	Pension		Gratuity		Long term Compensated Absences (Privilege Leave)	
	FY 2025-26	FY 2024-25	FY 2025-26	FY 2024-25	FY 2025-26	FY 2024-25
Present Value of Obligations – Closing (A)	118.88	121.93	78.20	63.89	42.74	41.79
Fair Value of Plan Assets – Closing (B)	106.75	113.29	79.70	65.24	-	-
Funded Status (B) – (A)	12.13	8.64	(1.51)	(1.35)	42.74	41.79
Net Liability (Asset) recognised in Balance Sheet (Net Asset included in Item No. VII - Others of Schedule11 – Other Asset. Net Liability included in Item No IV- Others of Schedule 5 – Other Liabilities & Provisions).	12.13	8.64	(1.51)	(1.35)	42.74	41.79

The amount recognised in the statement of Profit and Loss account is as follows:

(₹ in crore)

Particulars	Pension		Gratuity		Long term Compensated Absences (Privilege Leave)	
	FY 2025-26	FY 2024-25	FY 2025-26	FY 2024-25	FY 2025-26	FY 2024-25
Current Service Cost	24.16	21.52	13.15	11.12	15.92	17.17
Past Service Cost	-	-	8.06	-	(5.77)	-
Interest Cost	6.46	5.84	4.56	4.05	3.06	3.56
Expected Return on Plan Assets	(8.00)	(7.86)	(5.04)	(4.17)	-	-
Net Actuarial Loss/(Gain) recognised in the year	25.05	50.82	(1.69)	(4.41)	(7.88)	(27.64)
Total, (included in Item I. "Payment to and provisions for employees" of Schedule 16 – Operating Expenses)	47.67	70.32	19.04	6.59	5.33	(6.89)

B. Changes in Fair Value of Plan Assets

(₹ in crore)

Particulars	Pension		Gratuity		Long term Compensated Absences (Privilege Leave)	
	FY 2025-26	FY 2024-25	FY 2025-26	FY 2024-25	FY 2025-26	FY 2024-25
Fair Value of Plan Assets at the beginning of the year	113.29	116.74	65.24	59.79	-	-
Expected Return on Plan Assets	8.00	7.86	5.04	4.17	-	-
Contributions	44.18	75.88	19.20	11.31	-	-
Benefits Paid	60.76	88.24	9.83	10.23	-	-
Actuarial (Loss)/Gain	2.04	1.05	0.05	0.20	-	-
Fair Value of Plan Assets at the end of the year	106.75	113.29	79.70	65.24	-	-

SCHEDULE 18: NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

C. Changes in Present Value of Obligations

(₹ in crore)

Particulars	Pension		Gratuity		Long term Compensated Absences (Privilege Leave)	
	FY 2025-26	FY 2024-25	FY 2025-26	FY 2024-25	FY 2025-26	FY 2024-25
Present Value of Obligations at the beginning of the year	121.93	130.93	63.89	63.16	41.79	53.74
Interest Cost	6.46	5.84	4.56	4.05	3.06	3.57
Current Service Cost	24.16	21.52	13.15	11.12	15.92	17.17
Past Service Cost	-	-	8.06	-	(5.77)	-
Benefits Paid	60.76	88.24	9.83	10.23	4.38	5.06
Actuarial Loss/(Gain)	27.09	51.87	(1.63)	(4.22)	(7.88)	(27.64)
Present Value of Obligations at the end of the year	118.88	121.93	78.20	63.89	42.74	41.79

D. Movement in Net Liability Recognised in Balance Sheet

(₹ in crore)

Particulars	Pension		Gratuity		Long term Compensated Absences (Privilege Leave)	
	FY 2025-26	FY 2024-25	FY 2025-26	FY 2024-25	FY 2025-26	FY 2024-25
Net Liability at the beginning of the period	8.64	14.19	(1.35)	3.37	41.79	53.74
Add Expenses Charged to Profit & Loss Account	47.67	70.33	19.04	6.59	5.33	(6.89)
Less Contributions	44.18	75.88	19.20	11.31	4.38	5.06
Net Liability (Asset) at the end of the period	12.13	8.64	(1.51)	(1.35)	42.74	41.79

E. Actual Return on Plan Assets

(₹ in crore)

Particulars	Pension		Gratuity		Long term Compensated Absences (Privilege Leave)	
	FY 2025-26	FY 2024-25	FY 2025-26	FY 2024-25	FY 2025-26	FY 2024-25
Expected Return on Plan Assets	8.00	7.86	5.04	4.17	-	-
Actuarial Gain (Loss)	2.04	1.05	0.05	0.20	-	-
Actual Return on Plan Assets	10.04	8.91	5.09	4.37	-	-

SCHEDULE 18: NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2026

F. Actuarial Assumptions

Particulars	Pension		Gratuity		Long term Compensated Absences (Privilege Leave)	
	FY 2025-26	FY 2024-25	FY 2025-26	FY 2024-25	FY 2025-26	FY 2024-25
Discount Rate (p.a.)	7.06%	6.73%	7.73%	6.98%	7.73%	6.98%
Expected Return on Plan Assets (p.a.)	7.06%	6.73%	7.73%	6.98%	-	-
Future Salary Increases (p.a.)	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Mortality table	IIAM (2012-2015) ULTIMATE		IIAM (2012-2015) ULTIMATE		IIAM (2012-2015) ULTIMATE	

G. Investment Percentage maintained by Pension & Gratuity Trust

Particulars	Pension		Gratuity	
	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
Life Insurance Companies	100%	100%	100%	100%
Central Govt. Securities	--	--	--	--
State Govt. Securities	--	--	--	--
Other Trust Securities (PSU)/Deposits with Banks etc.	--	--	--	--
Total	**100.00%**	**100.00%**	**100.00%**	**100.00%**

Experience Adjustments

(i) Pension

(₹ in crore)

Particulars	Year ended March				
	2026	2025	2024	2023	2022
Defined Benefit Obligations	118.88	121.93	130.93	144.76	163.13
Plan Assets	106.75	113.29	116.74	146.03	161.13
Surplus/(Deficit)	(12.13)	(8.64)	(14.19)	1.27	(2.00)
Experience adjustments on Plan Liabilities	30.00	47.39	96.65	64.99	68.47
Experience Adjustments on Plan Assets	1.69	75.11	42.53	(10.86)	(9.96)

(ii) Gratuity

(₹ in crore)

Particulars	Year ended March				
	2026	2025	2024	2023	2022
Defined Benefit Obligations	78.20	63.89	63.16	57.64	54.75
Plan Assets	79.70	65.24	59.79	59.57	44.51
Surplus/(Deficit)	1.51	1.35	(3.37)	1.93	(10.24)
Experience adjustments on Plan Liabilities	5.91	(5.79)	4.27	8.55	19.16
Experience Adjustments on Plan Assets	(0.55)	0.36	0.37	(3.83)	(2.15)

A. Expected Contributions

Bank's best estimates of contributions to the funds for Financial Year 2026-27 are as follows:

Pension: ₹ 82.92 crore

Gratuity: ₹ 1.30 crore

SCHEDULE 18: NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2026

B. Impact of change in Labour Codes:

On November 21, 2025, the Government of India notified four Labour Codes- the Code on Wages, 2019, the Industrial Relations Code, 2020, the Code on Social Security, 2020, and the Occupational Safety, Health and Working Conditions Code, 2020, collectively referred to as the 'New Labour Codes', consolidating 29 existing labour laws. The Ministry of Labour & Employment has published draft Central Rules and FAQs on December 30, 2025, to facilitate assessment of the financial impact arising from these regulatory changes. Accordingly, the Bank has recognised an estimated incremental impact of ₹ 5.22 crore under 'Employees cost' in the Profit and Loss Account during the year ended March 31, 2026, considering best information available. The Bank continues to monitor the finalisation of Central and State Rules and clarifications from the Government on the New Labour Codes and would provide appropriate accounting effect on the basis of such developments, as needed.

3.2.3 Other Compensated Absence

As on March 31, 2026, the Bank holds provision of ₹ 4.22 crore (Previous Year ₹4.22 crore) towards provision for Sick Leave and Leave Fare Concession based on actuarial valuation.

The Actuarial liability of compensated absences of accumulated sick and leave travel concession of the employees of the Bank is given below:

Particulars	March 31, 2026	March 31, 2025
Sick leave (₹ in crore)	1.77	1.77
Leave Travel Concession (₹ in crore)	2.45	2.45
Total actuarial liability (₹ in crore)	**4.22**	**4.22**
Assumptions		
Discount Rate (p.a.)	7.73%	6.98%
Future Salary Increases (p.a.)	5.00%	5.00%
Attrition Rate	1.00	1.00

3.2.4 CSB Employee Stock Option Scheme

i. Equity-settled options

Pursuant to the requisite approval of the members on May 04, 2019, the Bank has formulated a stock option scheme called "CSB Employees Stock Option Scheme2019" ("ESOS 2019" or "Scheme"). The scheme is intended to promote the culture of employee ownership and as well as to attract, retain, motivate and incentivize talents in the Bank. The Scheme shall be administered through an employee stock option trust viz., CSB ESOS Trust ("ESOS Trust"/"Trust") in the nature of an irrevocable employee welfare trust in due compliance with the applicable laws. Under the Scheme, the Bank can allot a maximum of 50 lakh shares to the Trust, over a period of time. Under the trust route, the Bank allots shares to the trust and trust will transfer the shares to the eligible employees at the time of exercise of option by eligible employees on meeting terms of grant fixed by the Nomination &Remuneration Committee.

Being a Pre-IPO Scheme, in terms of Regulation 12(1) of the erstwhile Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("SEBI SBEB Regulations"), any fresh grant of Options can be made under ESOS 2019 in case such ESOS 2019 is in compliance with the SEBI SBEB Regulations and ratified by the members of the Bank post IPO. Accordingly, the ESOS 2019 was placed before the members at the Annual General Meeting held on July 20, 2020, post listing of shares on December 04, 2019, for ratification though the ESOS 2019 and as well as the Trust as originally introduced were already in conformity with the SEBI SBEB Regulations and ratification obtained. No options were granted prior to the amendment/ratification of the scheme/listing of shares of the Bank.

The first amendment was made in the Scheme at the Annual General Meeting of the Bank held on July 20, 2020, inter alia, to increase the Options Reserve by an additional quantum of 1,16,72,791. The source of corresponding number of shares equivalent to 1,16,72,791 options shall be in the form of (i) fresh issue of shares up to 30,00,000 shares and (ii) secondary acquisition by the Trust up to 86,72,791 shares. With this, the total Options Reserve under ESOS 2019 stood at 1,66,72,791 options. A few other modifications were also made in the scheme as per the prevailing regulations and also to effect change of name of the Bank in the Scheme document.

SCHEDULE 18: NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

The second amendment was made in the Scheme at the Annual General Meeting of the Bank held on August 12, 2021, permitting vesting of unvested employee stock options after the date of retirement/early retirement as per original Vesting schedule as specified in the Grant Letter, subject to the provision of the applicable laws and at the discretion of the Nomination and Remuneration Committee of the Board.

Post amendments, under the Scheme, (i) the quantum of secondary acquisition is capped at 5 % (Five percent) of the paid-up equity share capital of the Bank as on March 31, 2020, which is line with the statutory ceiling prescribed under the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and (ii) Acquisition of shares by the Trust in any financial year shall not exceed the ceilings, which is currently 2% of the paid up equity capital as at the end of the previous financial year, prescribed in SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 as amended from time to time.

Vesting Period for any Options granted under this Scheme shall be subject to statutory minimum period of 1 (One) year from the date of Grant during which no Vesting shall be allowed. Subject to this statutory minimum period, any staggered Vesting prescribed for any Grant shall be over a Vesting schedule of minimum of 3 (Three) years and maximum of 10 (Ten) years from the date of Grant. The exercise period in respect of a vested option shall be a period commencing from the relevant vesting date of such option and shall end with the expiry of 10 (Ten) years or such other shorter period as approved by the Committee from the date of grant of such option.

In case of trust route of issuance of ESOPs, the trust on its own will not have funds to be able to acquire the shares from the Bank as the trust is not a business trust and is specifically created with the objective of issuance of ESOPs to the employees. Trust has to find out other avenues for sourcing of fund for purchasing shares from the Bank. In terms of Section 20 of the Banking Regulation Act, 1949, the Bank cannot lend to trust to purchase its own shares. Trust shall not deal in derivatives, and shall undertake only delivery based transactions for the purposes of secondary acquisition and for the purpose of the Plan.

As on March 31, 2026, 40,08,240 shares of the Bank were held by CSB ESOS Trust as per the scheme which were allotted to the trust on July 12, 2019. No shares were allotted to the trust in the financial year 2025-26 (Previous year: Nil)

Stock option activity under the scheme during the financial year ended March 31, 2026 and March 31, 2025 is set out below:

Particulars	March 31, 2026			March 31, 2025		
	No of Options	Weighted average exercise price	Weighted average remaining contractual life (Number of years)	No of Options	Weighted average exercise price	Weighted average remaining contractual life (Number of years)
Outstanding at the beginning of the year	29,58,792	246.78	4.35	23,53,456	190.42	4.54
Granted during the year	6,53,176	402.57	5.63	10,51,818	343.42	5.80
Forfeited/lapsed during the year	85,850	360.84	-	2,11,733	204.59	-
Exercised during the year	1,90,903	147.41	-	2,34,749	152.83	-
Outstanding at the end of the year	33,35,215	280.04	3.79	29,58,792	246.78	4.35
Options exercisable at the end of the year	8,79,345	263.32	1.81	4,42,802	227.05	1.97

The weighted average share price at the date of exercise for stock options exercised during the FY 2025-26 was ₹ 401.79 (Previous year ₹ 313.93)

Out of the 6,53,176 options granted in the financial year 2025-26, 5,19,345 options were granted on August 13, 2025 at an exercise price of ₹ 406.15 and 1,33,831 options were granted on December 12, 2025, at an exercise price of ₹ 388.70 per option. All the options were granted at market price, to be vested subject to the vesting conditions/ malus and claw back arrangements and be exercised within the period as per the terms of the grant and the Scheme.

SCHEDULE 18: NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

The following table sets forth, the summary of stock options outstanding as on March 31, 2026 and March 31, 2025:

Range of exercise price (₹ per share)	March 31, 2026			March 31, 2025		
	Number of shares arising out of options	Weighted average exercise price (₹ per share)	Weighted average remaining contractual life (Number of years)	Number of shares arising out of options	Weighted average exercise price (₹ per share)	Weighted average remaining contractual life (Number of years)
10 - 100	4,97,805	10.00	3.22	5,73,875	10.00	3.94
100 - 200	2,35,566	196.60	1.85	2,76,566	196.60	2.76
200 - 300	7,03,677	268.00	2.59	7,82,874	267.15	3.50
300 - 400	13,58,619	349.58	4.49	12,86,354	345.92	5.41
400 - 500	5,39,548	406.25	4.94	39,123	407.50	4.28

The weighted average fair value, based on Black-Scholes model, of options granted during the financial year ended March 31, 2026, was ₹ 141.02 (Financial year ended March 31, 2025 was ₹ 135.74).

Bank uses Intrinsic Value Method for accounting the value of Options granted under the Scheme up to and including March 31, 2021 and thereafter Fair Value method by using Black-Scholes Model, for accounting the value of Options granted. For accounting the value of Options granted under the Scheme by using Intrinsic Value Method, the difference between the market price and exercise price is considered as the value of an Employee Stock Option and expensed over the period of vesting. The market price for this purpose is the latest available closing price on a recognised stock exchange on which the shares of the company are listed on the date immediately prior to the relevant date. If such shares are listed on more than one recognised stock exchange, then the closing price on the recognised stock exchange having higher trading volume shall be considered as the market price which is in line with Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021. In case of valuation of options is done by using fair value method by using Black- Scholes Model, the fair value thus arrived at should be recognised as expense beginning with the accounting period for which the approval has been granted and accounting of the options granted shall be made for, accordingly.

The value of option arrived at will be amortised over the period of vesting/ expensed beginning with the accounting period for which approval has been granted, in line with para 42 of GN (A) 18 (Issued 2005) Guidance Note on Accounting for Employee Share-based Payments and Reserve Bank of India (Commercial Banks – Governance) Directions, 2025, dated November 28, 2025. In case, the options granted under the Scheme do not vest on one date but have graded vesting schedule, total options granted shall be segregated into different groups, depending upon the vesting dates and each vesting date should be considered as a separate option grant, and evaluated and accounted for, accordingly.

On applying the fair value based method in Guidance Note on 'Accounting for Employee Share-based Payments' for the options granted up to and including March 31, 2025, the impact on reported net profit and EPS in the financial year ended March 31, 2026 would be as follows:

Particulars	March 31, 2026	March 31, 2025
Net Profit (as reported) (₹ in crore)	633.18	593.80
Add: Stock based employee compensation expense included in net income (₹ in crore)	11.47	9.79
Less: Stock based employee compensation expense determined under fair value based method (proforma) (₹ in crore)	11.49	9.80
Net Profit (Proforma) (₹ in crore)	633.16	593.79
Earnings per share: Basic (in ₹)		
As reported	36.50	34.23
Proforma	36.50	34.23
Earnings per share: Diluted (in ₹)		
As reported	36.50	34.23
Proforma	36.50	34.23

SCHEDULE 18: NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

The fair value of options granted during the period FY 2025-26 has been estimated on the date of grant using the Black Scholes option-pricing model with the assumptions given under:

Date of Grant	August 13, 2025	December 12, 2025
No. of Options	5,19,345	1,33,831
Average Dividend Yield	0%	0%
Expected Volatility	30.46% to 37.04%	29.92% to 34.52%
Risk free interest rate	5.79% to 6.20%	5.83% to 6.31%
Expected life of options	2.5 to 5.5 years	2.5 to 5.5 years
Expected forfeiture	-	-
Fair Value Range(₹)	142.86	133.90
Exercise Price(₹)	406.15	388.70
Average Fair Value(₹)	142.86	133.90

The fair value of options granted during the period FY 2024-25 has been estimated on the date of grant using the Black Scholes option-pricing model with the assumptions given under:

Date of Grant	July 29, 2024	September 19, 2024 (Grant I)	September 19, 2024 (Grant II)	October 24, 2024
No. of Options	7,06,932	1,48,470	52,981	1,43,435
Average Dividend Yield	0%	0%	0%	0%
Expected Volatility	33.81% to 39.24%	34.33% to 38.93%	32.81% to 38.93%	32.62% to 38.66%
Risk free interest rate	6.72% to 6.79%	6.63% to 6.67%	6.62% to 6.65%	6.56% to 6.69%
Expected life of options	2.5 to 5.5 years	3.5 to 7.5 years	2.5 to 5.5 years	2.5 to 5.5 years
Expected forfeiture	-	-	-	-
Fair Value Range (₹)	137.26	155.96	120.23	113.04
Exercise Price (₹)	358.20	320.25	320.25	303.15
Average Fair Value(₹)	137.26	155.96	120.23	113.04

Assumptions

The risk-free interest rate being considered for the calculation is the interest rate applicable for maturity equal to the expected life of the options based on the zero-yield curve for Government Securities. Expected Life of options is the period for which the Bank expects the options to be live. The minimum life of a stock option is the minimum period before which the options cannot be exercised, and the maximum life is the period after which the options cannot be exercised. Expected dividends during the estimated expected term of the option are based on recent dividend activity. Expected forfeiture is based on expected exercise behaviour which is based on the historical stock option exercise pattern of the Bank.

Expected volatility is a measure of the amount by which a price has fluctuated or is expected to fluctuate during a period. The measure of volatility used in the Black-Scholes option pricing model is the annualized standard deviation of the continuously compounded rates of return on the stock over a period of time. Volatility has been calculated based on the daily closing stock price of the Bank's closing stock price on NSE over these years.

ii. CSB Cash Settled – Stock Appreciation Rights Scheme 2025

The Bank introduced the 'CSB Cash Settled – Stock Appreciation Rights Scheme 2025' ("CSAR 2025") on August 13, 2025, with the objective of attracting, retaining and motivating eligible employees, fostering long term performance, value creation and a co ownership mindset. Under the Scheme, employees are granted Cash Settled Stock Appreciation Rights (SARs), which are equity linked but settled in cash and do not involve dealing in the Bank's equity shares. The value (Appreciation) is calculated as the excess of the market price of the Bank's shares on the date of exercise over the predefined Base Price per CSAR. As per the Scheme, Vesting of CSARs granted shall not be earlier than minimum Vesting Period of 1 (One) year and not later than maximum Vesting Period of 2 (Two) years from the Grant Date. Subject to this overall band of Vesting Period, the Nomination & Remuneration Committee prescribes Vesting Period for a particular Grant or different Vesting Periods for different Grants made at same time. Under the Scheme, payouts shall be settled entirely in cash and are based solely on the appreciation value determined at the time of exercise. The CSARs are

SCHEDULE 18: NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

intended for employees at senior levels, specifically senior level/ Senior Management Personnel who are non MRTs and Control Function Heads, in Grade 6B and above, and are offered in lieu of Employee Stock Options (ESOPs).

Bank uses Fair Value method by using Black-Scholes Model, for accounting the value of CSARs granted. The value of option arrived at will be amortised over the period of vesting/ expensed beginning with the accounting period for which approval has been granted, in line with para 42 of GN (A) 18 (Issued 2005) Guidance Note on Accounting for Employee Share-based Payments and Reserve Bank of India (Commercial Banks – Governance) Directions, 2025, dated November 28, 2025. The accounting treatment for SARs that do not vest due to failure to meet vesting conditions is consistent/ similar with the treatment applied to stock options granted by the Bank.

CSARs activity under the scheme during the financial year ended March 31, 2026 and March 31, 2025 is set out below:

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
No. of CSARs outstanding at the beginning of the year	-	Nil
No. of CSARs granted during the year	5,24,741	
No. of CSARs lapsed/ forfeited during the year	-	
No. of CSARs vested during the year	-	
No. CSARs exercised /settled during the financial year	-	
No. CSARs outstanding at the end of the year	5,24,741	
No. CSARs exercisable at the end of the year	-	

The fair value of CSARs granted during the period FY 2025-26 has been estimated on the date of grant by using Black-Scholes Model with the assumptions given under:

Date of Grant: August 16, 2026	Year ended March 31, 2026	Year ended March 31, 2025
No. of CSARs granted	5,24,741	Nil
Average Dividend Yield	0.00%	
Expected Volatility	38.96% to 52.77%	
Risk free interest rate	5.77% to 5.99%	
Expected life of options	0.5 to 1.5 years	
Expected forfeiture	-	
Fair Value Range (₹)	51.79	
Exercise Price (₹)	376.50	
Average Fair Value (₹)	51.79	

Assumptions

The risk-free interest rate being considered for the calculation is the interest rate applicable for maturity equal to the expected life of the options based on the zero-yield curve for Government Securities. Expected Life of options is the period for which the Bank expects the options to be live. The minimum life of a CSARs is the minimum period before which the CSARs cannot be exercised, and the maximum life is the period after which the CSARs cannot be exercised. Expected dividends during the estimated expected term of the option are based on recent dividend activity. Expected forfeiture is based on expected exercise behaviour which is based on the historical stock option exercise pattern of the Bank.

Expected volatility is a measure of the amount by which a price has fluctuated or is expected to fluctuate during a period. The measure of volatility used in the Black-Scholes option pricing model is the annualized standard deviation of the continuously compounded rates of return on the stock over a period of time. Volatility has been calculated based on the daily closing stock price of the Bank's closing stock price on NSE over these years.

iii. Long Term Cash Reward Plan (LTCRP)

The Bank introduced the Long Term Cash Reward Plan on August 13, 2025, for senior level employees, specifically those in Grade 6B of the Bank's organisational hierarchy. The plan provides a cash reward once in every two years, with a two-year deferral from the date of award. Payouts are made in two equal instalments of which 50% on completion of 12 months and the remaining 50% on completion of 24 months from the grant date, subject to continuous service and the prescribed performance rating. The Plan is grade-based and linked to a percentage of

SCHEDULE 18: NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

fixed pay, subject to fulfilment of performance and other prescribed conditions. The percentage of fixed pay to be awarded is determined at the time of grant, based on the performance of the Bank and the relevant department

The following table sets forth, the summary of cash rewards awarded during the financial year 2025-26:

No. of employees received grant	15
Total Value of the Reward (₹ in crore)	1.19
Payouts schedule	The payouts shall be made in two equal instalments of which 50% on completion of 12 months and the remaining 50% on completion of 24 months from the date of grant.

3.3 Segment Reporting

Part A: Business Segments

Business of the Bank is divided into four segments viz. Treasury, Corporate or Wholesale Banking, Retail Banking and Other Banking Operations. The principal activities of these segments and income and expense structure are as follows:

Treasury

Treasury operations include trading and investments in Government and corporate debt instruments, equity and mutual funds, derivative trading and foreign exchange operations on proprietary account and for customers. The income of this segment primarily consists of earnings from the investment portfolio of the Bank, gains and losses on trading operations. The principal expense of the segment consists of interest expense on funds borrowed/utilised and other allocated overheads.

Corporate/Wholesale Banking

This segment provides loans and other Banking services to Corporate and other clients where value of individual exposure to the clients exceeds ₹7.5 crore as defined by RBI. Revenue of this segment consists of interest and fees earned on loans to such customers and charges and fees earned from other Banking services. Expenses of this segment primarily consist of interest expense on funds utilised and allocated overheads.

Retail Banking

Retail Banking constitutes lending and other Banking services to individuals/small business customers, other than corporate/wholesale Banking customers, identified on the basis of RBI guidelines. Revenue of this segment consists of interest earned on loans made to such customers and charges /fees carried from other Banking services to them. The principal expenses of the segment consist of interest expenses on funds borrowed and other expenses.

Additional disclosure of the Digital Banking Segment as a sub-segment within the existing "Retail Banking Segment"- RBI circular RBI/2022-2023/19 DOR.AUT.REC.12/22.01.001/2022-23 dated April 07, 2022

Other Banking Operations

This segment includes para Banking activities like third party product distribution and other Banking transactions, not covered under any of the above segments. The income from such services and associated costs are disclosed in this segment.

(₹ in crore)

Business Segments	Treasury		Corporate/Wholesale Banking		Retail Banking		Other Banking Business		Total	
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
Revenue	867.62	763.80	1,505.75	1,121.64	3,104.83	2,522.69	203.59	161.07	5,681.79	4,569.20
Result	69.82	100.30	100.97	131.02	604.66	510.75	76.28	59.88	851.73	801.95
Unallocated expenses									-	-
Operating profit									851.73	801.95
Provisions other than tax									(0.57)	(2.42)
Provision for Tax									(217.98)	(205.73)
Extraordinary profit/loss									-	-
Net profit									633.18	593.80

SCHEDULE 18: NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

Business Segments	Treasury		Corporate/Wholesale Banking		Retail Banking		Other Banking Business		Total	
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
OTHER INFORMATION										
Segment assets	12,371.34	13,751.35	15,980.41	11,443.47	29,242.87	22,528.27	57.47	46.25	57,652.09	47,769.35
Unallocated assets									74.43	66.93
Total assets									57,726.52	47,836.27
Segment liabilities	4,003.81	3,771.28	24,992.87	15,795.38	23,835.56	23,771.88	-	-	52,832.24	43,338.54
Unallocated liabilities									-	-
Total liabilities									52,832.24	43,338.54
Capital employed	8,367.53	9,980.07	(9,012.46)	(4,351.91)	5,407.31	(1,243.61)	57.47	46.25	4,819.85	4,430.81
Unallocated Capital employed									74.43	66.93
Total liabilities									57,726.52	47,836.27

The Corporate/wholesale liabilities have been arrived using the definition given as per RBI guidelines.

As per RBI Circular DOR.AUT.REC.12/22.01.001/2022-23 dated April 07, 2022 on establishment of Digital Banking Unit (DBU), for the purpose of disclosure under 'Accounting Standard 17 - Segment Reporting'. 'Digital Banking' has to be identified as a sub-segment under Retail Banking. Since the Bank has not established DBU, Digital Banking has not been disclosed as a sub-segment under Retail Banking.

Part B: Geographic segments

The business of the Bank is concentrated in India. Accordingly, geographical segment results have not been reported.

3.4 Related Party disclosures

3.4.1. Related party transaction and balances

The Bank has transactions with its related parties comprising promoter group entities / other related entities forming part of the promoter group, key management personnel and relatives of key management personnel.

(a) Related Parties:

(i) Promoter

Sr. No	Name of the Entity	Nature of Relationship
1.	FIH Mauritius Investments Ltd (FIHM)	Promoter

(ii) Name of the related parties - Promoter Group

Sr. No	Name of the Entity	Nature of Relationship
1.	Fairfax India Holdings Corporation	Parent Company of FIHM
2.	Fairfax Financial Holdings Limited	Ultimate parent Company of FIHM
3.	FIH Private Investments Ltd	Wholly owned subsidiary of FIHM
4.	I Investments Limited	Wholly owned subsidiary of FIHM
5.	Anchorage Infrastructure Investments Holdings Limited	Subsidiary of FIHM

SCHEDULE 18: NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2026

(iii) **Names of the other related parties wherein Promoter/Promoter Group has direct equity investment**

Sr. No	Name of the Entity	Nature of Relationship
1.	Fairchem Organics Limited	Investee Company of FIHM
2.	National Collateral Management Services Limited	Investee Company of FIHM
3.	IIFL Capital Services Ltd (Formerly known as" IIFL Securities Limited")	Investee Company of FIHM
4.	Sanmar Engineering Services Limited^	Investee Company of FIHM
5.	Saurashtra Freight Private Limited^	Investee Company of FIHM
6.	Bangalore International Airport Limited	Investee Company of FIHM
7.	5Paisa Capital Limited	Investee Company of FIHM
8.	Seven Islands Shipping Limited	Investee Company of FIHM
9.	Maxop Engineering Company Private Limited	Investee Company of FIHM
10.	Jaynix Engineering Private Limited	Investee Company of FIHM
11.	Global Aluminium Private Limited	Investee Company of FIHM

^ Sanmar Engineering Services Limited and Saurashtra Freight Private Limited ceased to be a related party w.e.f. March 30, 2026 and November 14, 2025 respectively.

(iv) **Key Managerial Personnel**

As on March 31, 2026

Name of the Key Managerial Personnel	Relatives of the Key Managerial Personnel
Mr. Pralay Mondal, Managing Director & CEO	• Ms. Mahasweta Mondal • Ms. Pritha Mondal • Ms. Trina Mondal • Mr. Biplab Mondal
Mr. B K Divakara, Executive Director	• Ms. Sudha K • Mr. B. Dushyanth • Ms. Mrudhula

As on March 31, 2025

Name of the Key Managerial Personnel	Relatives of the Key Managerial Personnel
Mr. Pralay Mondal, Managing Director & CEO	• Ms. Mahasweta Mondal • Ms. Pritha Mondal • Ms. Trina Mondal • Mr. Biplab Mondal
Mr. B K Divakara, Whole Time Director	• Ms. Sudha K • Mr. B. Dushyanth • Ms. Mrudhula

(i) **Entities in which Key Managerial Personnel /their relatives are interested**

As on March 31, 2026

Name of Key Managerial Personnel/their relatives	Name of the entities in which interested	Nature of the interest
	NIL	

As on March 31, 2025

Name of Key Managerial Personnel/their relatives	Name of the entities in which interested	Nature of the interest
	NIL	

SCHEDULE 18: NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2026

(b) **Details of the transactions with related parties**

The following table sets forth, for the periods indicated, the significant transactions between the Bank and its related parties.

(₹ in crore)

Items	March 31, 2026	March 31, 2025
Interest expenses – paid^		
Key Managerial Personnel	0.10	0.09
Relatives of Key Management Personnel	-**	-**
Remuneration paid to Wholetime Directors		
Key Management Personnel	4.96	4.52
No. of employee stock options granted under ESOS (in numbers)	1,33,831	1,43,435
Value of employee stock options exercised	0.04	0.08
Value of employee stock options charged to P&L	2.66	2.83
Fee income/brokerage received		
Entities wherein Promoter has equity investment – IIFL Capital Services Limited (Formerly known as IIFL Securities Ltd)	0.08	0.07
Service charge / Commission		
1. Promoter - FIH Mauritius Investments Ltd. @Service charge / Commission received / Profit earned for foreign exchange transactions wherein the Bank acted as an authorised dealer.	0.01	0.02
2. Promoter Group Entities - FIH private Investments Ltd. @Service charge / Commission received for foreign exchange transactions wherein the Bank acted as an authorised dealer.	-	0.01

A. Notes pertaining financial year ended March 31, 2026

1. ** represents insignificant amount.
2. Value of the options arrived based on the exercise price of the respective options exercised.
3. ^The transactions pertaining to payment of interest to KMP's and related parties are in the nature of banker and customer relationship only.
4. @The amount reported represents Service charge / Commission received / Profit earned for the foreign exchange transaction carried out by the Bank.

B. Notes pertaining to financial year ended March 31, 2025

1. ** represents insignificant amount.
2. Value of the options arrived based on the exercise price of the respective options exercised.
3. ^The transactions pertaining to payment of interest to KMP's and related parties are in the nature of banker and customer relationship only.
4. @The amount reported represents margin amount/service charge collected for the foreign exchange transaction carried out by the Bank.

(c) **Material transactions with related parties**

The following table sets out the material transactions between the Bank and its related parties for the periods indicated. In terms of Regulation 23(1) and Schedule XII of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with the Amendment Regulations dated November 18, 2025, a transaction with a related party of the Bank is considered material if the value of the transaction, either individually or taken together with previous transactions during the financial year entered/to be entered, exceeds 10% of the Bank's annual consolidated turnover.

SCHEDULE 18: NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2026

(₹ in crore)

Items	March 31, 2026	March 31, 2025
Service charge / Commission		
1. Promoter - FIH Mauritius Investments Ltd @Service charge / Commission received / Profit earned for foreign exchange transactions wherein the Bank acted as an authorised dealer	0.01	0.02
2. Promoter Group entities - FIH Private Investments Ltd @Service charge / Commission received for foreign exchange transactions wherein the Bank acted as an authorised dealer.	-	0.01

Notes pertaining to financial year ended March 31, 2026

1. @The amount reported represents Service charge / Commission received / Profit earned for the foreign exchange transaction carried out by the Bank.

Notes pertaining to financial year ended March 31, 2025

1. @The amount reported represents margin amount/service charge collected for the foreign exchange transaction carried out by the Bank.

(d) **Related party maximum balances**

The following table sets forth, for the periods indicated, the maximum balances payable to/receivable from related parties.*

(₹ in crore)

Item	March 31, 2026	March 31, 2025
Deposit with the Bank		
Key Management Personnel	2.56	2.12
Relatives of Key Management Personnel	0.01	0.01
Rendering of services		
1. Promoter - FIH Mauritius Investments Ltd Transactions pertaining to permitted foreign exchange transactions wherein the Bank acted as an authorised dealer.	602.11	695.61
2. Promoter Group entities - FIH Private Investments Ltd Transactions pertaining to permitted foreign exchange transactions wherein the Bank acted as an authorised dealer.	-	696.00

*Maximum balance is inclusive of interest received/paid and service charges.

(e) **Related party outstanding balances**

The following table sets forth, for the periods indicated, the balances payable to/receivable from related parties.

(₹ in crore)

Item	March 31, 2026	March 31, 2025
Deposits with the Bank		
Key Managerial Personnel	1.34	1.27
Relatives of Key Managerial Personnel	0.01	0.01
Remuneration payable to Wholetime Directors – KMP's		
No. of options outstanding under ESOS (in numbers)	8,72,048	7,80,967
ESOP Reserve outstanding in the books	10.79	9.08

SCHEDULE 18: NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2026

3.4.2. Exposure to Related parties

Details of exposures to related parties as defined in Reserve Bank of India (Commercial Banks – Credit Risk Management) Directions, 2025

(Amount in ₹ crore)

Sr No.	Particulars	March 31, 2026	March 31, 2025
A.	**Loans to Related Parties**		
1.	Aggregate Value of loans sanctioned to related parties during the year	1.18	3.67
2.	Aggregate Value of Outstanding loans to related parties as on March 31	3.77	2.13
3.	Aggregate Value of outstanding loans to related parties as a proportion of total credit exposure as on March 31 (in%)	0.01	0.01
4.	Aggregate Value of outstanding loans to related parties which are categorised as:		
	(i) Special Mention Accounts as on March 31	-	-
	(ii) Non-Performing Assets as on March 31	-	-
5.	Amount of provisions held in respect of loans to related parties as on 31st March	-	-
B.	**Contracts and Arrangements involving related parties**		
6.	Aggregate value of Contracts and Arrangements awarded to related parties during the year 1. FIH Mauritius Investments Ltd (FIHM) – Forex Transaction value up to ₹ 5,000 crore 2. FIH Mauritius Investments Ltd (FIHM) – Acceptance of Deposit up to ₹ 5,000 crore 3. FIH Private Investments Ltd – Forex Transaction value up to ₹ 5,000 crore 4. FIH Private Investments Ltd - Acceptance of Deposit up to ₹ 5,000 crore 5. IIFL Capital Services Limited – 3-in-1 tie-up arrangement referral program ₹ 0.10 crore	20,000.10	20,000.10
7.	Aggregate Value of outstanding contracts and arrangements involving related parties as on 31st March	-	-

3.5 Leases

Operating leases primarily comprise office premises, which are renewable at the option of the Bank.

i. Liability for Premises taken on Non-Cancellable operating lease are given below:

(₹ in crore)

Particulars	March 31, 2026	March 31, 2025
Not later than 1 year	25.80	17.79
Later than 1 year and not later than 5 years	47.63	45.09
Later than 5 years	0.46	0.42
Total	**73.89**	**63.30**

ii. Amount of lease payments recognised in the P&L Account for operating leases is ₹ 116.53 crore (Previous Year ₹102.50 crore)

SCHEDULE 18: NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2026

3.6 Earnings per Share

Particulars	March 31, 2026	March 31, 2025
Basic		
Weighted average number of equity shares outstanding	17,34,85,827	17,34,85,827
Net profit after tax (₹ in crore)	633.18	593.80
Basic Earnings per Share (₹)	36.50	34.23
Diluted		
Weighted average number of equity shares outstanding	17,34,85,827	17,34,85,827
Net profit after tax (₹ in crore)	633.18	593.80
Diluted Earnings per Share (₹)	36.50	34.23
Nominal value per Equity Share (₹)	10.00	10.00

3.7 Consolidated Financial Statements (CFS) and Accounting for Investments in Associates in Consolidated Financial Statements

The Bank does not have any Subsidiary, Associate and Joint venture.

3.8 Discontinuing Operations

The Bank has not discontinued operations.

3.9 Accounting for Taxes on Income

Net Deferred Tax Asset as on March 31, 2026, computed in compliance with the Accounting Standard 22 on Accounting for Taxes on Income, amounts to ₹ 74.43 crore, which is included in Item No.6 of Schedule 11-Other Assets. Components of Net Deferred Tax Asset as on March 31, 2026 are as follows:

(₹ in crore)

Particulars	March 31, 2026	March 31, 2025
Deferred Tax Asset		
Provision for Employee Benefits	11.44	11.14
Provision for Standard Assets	67.05	58.27
Others	25.37	8.47
Total Deferred Tax Asset	**103.86**	**77.88**
Deferred Tax Liability		
Depreciation on Fixed Assets	17.11	(0.09)
Special Reserve u/s 36 (1)(viii)	12.32	11.05
Total Deferred Tax Liability	**29.43**	**10.96**
Net Deferred Tax Asset	**74.43**	**66.92**

3.10 Other Fixed Assets

Other Fixed Asset include amount capitalized for acquired software and system development expenditure.

(₹ in crore)

	March 31, 2026	March 31, 2025
Opening Balance	100.78	138.88
Add Additions during the year	286.32	23.07
Less Disposals/write off during the year	-	61.17
Less Amortisation to date	92.14	44.26
Net Carrying Amount	**294.96**	**56.52**

3.11 Impairment of Assets

In the opinion of the Banks' Management, there is no material impairment to the fixed assets as at March 31, 2026 requiring recognition in terms of Accounting Standard 28 Impairment of Assets.

SCHEDULE 18: NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2026

3.12 Provisions, Contingent Liabilities and Contingent Assets

Movements in significant provision heads have been disclosed at appropriate places in the Notes forming part of the accounts.

Fraud and Other Provisions:

(₹ in crore)

Particulars	March 31, 2026	March 31, 2025
Opening Provision	14.29	15.74
Add: Addition during the year	2.60	2.92
Less: Reduction during the year	5.46	4.37
Closing Provision	**11.43**	**14.29**

3.13 Description of Contingent Liabilities

Sr. No.	Contingent Liability#	Brief Description
1	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 and taxation matters, currently in progress
2	Liability on account of forward exchange and derivative contracts	The Bank enters into foreign exchange contracts, (currency swaps, Forward exchange contracts and currency futures) on its own account and forward exchange contracts for customers. Forward exchange contracts are commitments to buy or sell foreign currency at a future date at the contracted rate
3	Guarantee 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 fulfill its financial or performance obligation
4	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
5	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.

4. ADDITIONAL DISCLOSURES

4.1 Disclosure of Letter of Comforts (LOCs) issued by Bank

The Bank has not issued any Letter of Comfort (LoC) during year ended March 31, 2026 and March 31, 2025.

4.2 Proposed Dividend

The Board of Directors have not recommended any dividend for Financial Year 2025-26 (Year ended March 31, 2025: Nil)

4.3 Provision for Long Term Contracts

The Bank has a process whereby periodically all long term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, the Bank has reviewed and recorded adequate provision as required under any Law/Accounting Standards for material foreseeable losses on such long term contracts (including derivative contracts) in the books of account and disclosed the same under the relevant notes in the financial statements.

4.4 Investor education and protection fund

The Bank had not declared any dividends since the financial year 2014-15, no amount was required to be transferred to the Investor Education and Protection Fund (the "Fund") by the Bank for the financial year ended March 31, 2026.

All the unclaimed dividends pertaining to the prior period/ financial years, which remained unclaimed for a period of seven (7) consecutive years or more, were transferred to the Fund in the corresponding previous financial years within the stipulated time and in the manner as prescribed in Section 124(6) of the Companies Act, 2013, read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended from time to time.

SCHEDULE 18: NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

4.5 Corporate Social Responsibility

Pursuant to Section 135 of the Companies Act, 2013 and Schedule VII of the said Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 and further, in accordance with the Corporate Social Responsibility Policy of the Bank, the amount required to be earmarked by the Bank for CSR activities for the financial year 2025-26 was ₹ 15.30 crore (Previous year ₹ 13.90 crore), being two percent of the average net profits of the Bank as per Section 135(5) of the Companies Act, 2013.

The Bank has successfully made use of the whole of the CSR budget earmarked, for the purpose of undertaking various CSR activities/projects including an ongoing project, in line with the annual action plan as approved by the CSR Committee and the Board.

A. The details of the CSR activities undertaken by the Bank are given below:

(₹ in crore)

Sl. No.	Particulars	March 31, 2026	March 31, 2025
1	Total CSR obligation for the financial year	15.30	13.90
2	Amount spent for construction/acquisition of any asset during the financial year	-	-
3	Amount of expenditure/spent incurred other than (2) above	5.75	6.11
4	Details of unspent at the end of the financial year	9.55*	7.79#

5 Details of unspent CSR amount for the preceding three financial years

Financial year	2024-25		Financial year	2023-24	
Purpose	Ongoing project - Project Dialysis conducted by Fairfax India Charitable Foundation		Purpose	Ongoing project - Project Dialysis conducted by Fairfax India Charitable Foundation	
Amount transferred to unspent CSR account	7.79 crore		Amount transferred to unspent CSR account	3.79 crore	
Date of transfer of fund	April 17, 2025		Date of transfer of fund	April 15, 2024	
Amount spent in the current financial from unspent CSR account	November 11, 2025	1.75 crore	Amount spent in the current financial from unspent CSR account	September 03, 2024	0.81 crore
	February 05, 2026	6.04 crore		November 07, 2024	2.98 crore
	Total	**7.79 crore**		**Total**	**3.79 crore**
Balance Amount in Unspent CSR Account	-		Balance Amount in Unspent CSR Account	-	
Unspent CSR amount for the FY 2023-24	-		Unspent CSR amount for the FY 2022-23	-	
Unspent CSR amount for the FY 2022-23	-		Unspent CSR amount for the FY 2021-22	-	
			-		

SCHEDULE 18: NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

		Financial year	2024-25	Financial year	2023-24
6	Nature of CSR activities	i. Eradicating hunger, poverty and malnutrition ii. Promoting healthcare including preventive healthcare & sanitization. iii. Promoting education iv. Setting up homes and hostels for women and orphans' v. training to promote rural sports, nationally recognised sports, paralympic sports and olympic sports vi. Ensuring environmental sustainability, ecological balance, maintaining quality of air vii. Women empowerment		i. Eradicating hunger, poverty and malnutrition ii. Promoting healthcare including preventive healthcare & sanitization. iii. Promoting education iv. Setting up homes and hostels for women and orphans'	
7	Details of related party transactions, e.g. contribution to a trust controlled by the Bank in relation to CSR expenditure as per relevant Accounting Standard	-		-	
8	Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision	-		-	

*The unspent amount of ₹ 9.55 crore pertains to an ongoing project, viz. Project Dialysis conducted by Fairfax India Charitable Foundation. The unspent amount was transferred to Unspent CSR account on April 24 2026, which will be released in a phased manner up on receipt of request from the foundation or based on the progress of the project on or before March 31, 2027.

#The unspent amount of ₹ 7.79 crore pertains to an ongoing project, viz. Project Dialysis conducted by Fairfax India Charitable Foundation. The unspent amount was transferred to Unspent CSR account on April 17, 2025. This amount was subsequently released in a phased manner on November 04, 2025 (₹1.75 crore) and on February 05, 2026 (₹6.04 crore) based on the request by the foundation.

4.6 Inter-Bank participation with risk sharing

During the year, the Bank has not entered into any inter-Bank transaction with risk sharing. (Previous year Nil)

4.7 Small and Micro Industries

Under the Micro, Small and Medium Enterprises Development Act, 2006 which came into force from October 02, 2006, certain disclosures are required to be made relating to Micro, Small and Medium Enterprises. Except as detailed below, there have been no reported cases of delays in payments to micro and small enterprises or of interest payments due to delays in such payments. The above is based on the information available with the Bank which has been relied upon by the auditors.

SCHEDULE 18: NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

(₹ in crore)

Particulars	March 31, 2026		March 31, 2025	
	Principal	Interest	Principal	Interest
The principal amount and the interest due thereon remaining unpaid to any supplier	0.05*	-	1.13	-
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	-	-	-	-
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	-	-	-	-
The amount of interest accrued and remaining unpaid	-	-	-	-
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	-	-	-	-

*Reason for delay: There are a total of 8 invoices pending for payment. Of these, 7 invoices were received recently and are within the 45-day TAT; they will be processed shortly. One invoice, dated February 26, has been pending for more than 45 days, as it was initially not traceable. Subsequently, we received intimation from the vendor, and the invoice is now under process for payment.

Note: Outstanding dues to those vendors/suppliers who are registered as micro/small enterprise under the Micro, Small and Medium Enterprises Development Act, (MSMED) 2006 and having an Udyam Registration are only counted as qualified MSME for the purpose of the reporting.

4.8 Intermediary Transactions

The Bank, as part of its normal Banking business that is conducted ensuring adherence to all regulatory requirements, grants loans and advances, makes investment, provides guarantees to and accept deposits and borrowings from its customers, other entities and persons.

a) Funds Given

No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Bank to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Bank("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Bank other than those in the ordinary course of Banking business.

b) Funds Taken

The Bank has not received any fund from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Bank shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries than those in the ordinary course of Banking business.

SCHEDULE 18: NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

4.9 Audit Trail

As per the requirements of Rule 3(1) of the Companies (Accounts) Rules 2014 the Bank uses such accounting software for maintaining its books of account that have a feature of recording audit trail of each and every transaction creating an edit log of each change made in the books of account along with the date when such changes were made within such accounting software. This feature of recording audit trail has enabled throughout the year and was not tampered with during the year. The Bank has established and maintained an adequate internal control framework and based on its assessment, believes that this was effective as of March 31, 2026.

Comparative Figures

The previous year's figures have been regrouped and reclassified wherever necessary to conform to current year's presentation.

As per our attached report of even date

For Sundaram & Srinivasan
Chartered Accountants
Firm Registration No:004207S

Sd/-
P. Menakshi Sundaram
Partner
(Membership No. 217914)

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No:001076N/N500013

Sd/-
Sudhir N. Pillai
Partner
(Membership No. 105782)

Date : May 04, 2026
Place : Mumbai

For and on behalf of the Board of Directors

Sd/-
Biswamohan Mahapatra
Chairperson
DIN:06990345

Sd/-
Pralay Mondal
Managing Director & CEO
DIN: 00117994

Sd/-
Sharmila Abhay Karve
Chairperson-Audit Committee
DIN:05018751

Sd/-
B.K. Divakara
Executive Director
DIN: 06439053

Sd/-
Sijo Varghese
Company Secretary

Sd/-
Satish Gundewar
Chief Financial Officer

Date : May 04, 2026
Place : Mumbai

NOTES

NOTES

NOTES

CSB BANK LIMITED

Regd. Office: CSB Bhavan,

St. Mary's College Road,

Thrissur,

Kerala - 680 020

Tel: +91 487 2333020

Fax: +91 487 2338764

Email: secretarial@csb.bank.in

CIN: L65191KL1920PLC000175