



**Building on
Strength**



**Banking on
Trust**

Our Approach to Reporting

At Karur Vysya Bank, we are committed to creating a sustainable value for all stakeholders in a rapidly evolving financial landscape. This is the 4th Integrated Annual Report of the Bank, providing a holistic and transparent account of our performance, strategy and vision for the future.

Guided by principles of the integrated reporting framework, this report offers a comprehensive view of how we navigate opportunities and challenges to achieve long-term growth. It captures our financial achievements alongside the qualitative impact of our operations, including our focus on customer-centric innovation, digital transformation, and inclusive banking.

By integrating insights into our governance, risk management, and sustainability practices, we aim to provide our stakeholders — customers, shareholders/investors, employees, regulators, and communities — a clear understanding of our strategic priorities and value-creation process.

BASIS OF PREPARATION

This integrated report seeks to present a comprehensive view of interrelatedness and dependencies between the factors that collectively impact the organisation's ability to create sustainable value over time.

Framework, guidelines and standards

- This report adheres to the principles and guidelines of:
- The International Integrated Reporting Council's (IIRC) <IR> framework (now part of the IFRS Foundation)
 - The Companies Act, 2013 and the rules made thereunder
 - Indian Accounting Standards
 - Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
 - Secretarial Standards issued by the Institute of Company Secretaries of India
 - The Banking Regulation Act, 1949, and other pertinent RBI regulations
 - With reference to the Global Reporting Initiative (GRI) Universal Standards, 2021

Reporting period and boundaries of reporting

It is an annual publication that provides a comprehensive overview of the Bank's performance, activities, context and explanation for the financial results, outlining key trends, events, and factors that have influenced the Bank's performance and future outlook. The information presented is transparent, reliable, and relevant to the needs of various stakeholders, including Shareholders/Investors, employees, and the public. There were no significant changes in the organization's size, structure, or ownership during the reporting period.

Stakeholders

Shareholders and Investors	Government and Regulatory Authorities	Customers	Employees
Banking Associations and Industry	Partners/Vendors/Suppliers/ Service Providers	Local Communities and NGOs	Environment

Forward-looking statement

Certain statements in this document constitute 'forward-looking statements', which involve known and unknown risks and opportunities, other uncertainties, and important factors that could turn out to be materially different following the publication of actual results. These forward-looking statements speak only as of the date of this document. The Bank undertakes no obligation to update publicly, or release any revisions, to these forward-looking statements, to reflect events or circumstances after the date of this document, or to reflect the occurrence of anticipated events.

Feedback

We encourage feedback on our range of reports including but not limited to its clarity, accuracy and completeness of the report. This will help us to further improve our ongoing disclosures of relevant information, that aids stakeholder decision-making. Please send any queries or suggestions via email to kvb_sig@kvbmail.com

Capitals



Financial capital



Manufacturing capital



Intellectual capital



Human capital



Social and relationship capital

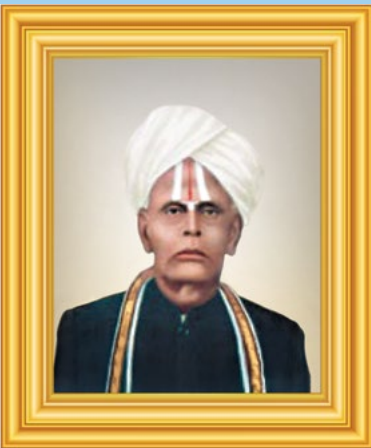


Natural capital

Tribute to our Visionary Founders



Shri M. A. Venkatarama Chettiar



Shri Athi Krishna Chettiar

Commemorating our Visionary Founders

Karur Vysya Bank, founded in 1916 in the town of Karur, has flourished for over 109 years to become a distinguished banking institution in India. It was established by the visionary efforts of Shri M. A. Venkatarama Chettiar and Shri Athi Krishna Chettiar, who collaborated to establish a financial institution dedicated to support the farmers and traders affected by the economic disruption following the First World War.

Starting with an initial capital of ₹ 1 Lakh, largely raised through personal guarantees to investors, the founders incorporated progressive clauses in the Articles of Association. These provisions underscored their commitment to

ethical banking and social responsibility, principles that became regulatory requirements later across the industry.

This foundational commitment to integrity, customer-centricity, and community development has guided our evolution over a century. While becoming a Bank with pan-India presence, Karur Vysya Bank now caters to more than ten million customers, delivering a diverse range of tailor-made products and services. As we continue to grow and adapt to changing market dynamics, we remain anchored in the value-driven approach that has defined our legacy, ensuring sustainable growth while contributing meaningfully to India's economic development.

Contents

CORPORATE OVERVIEW

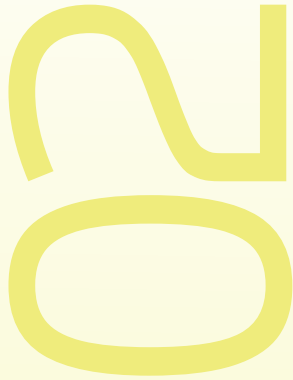
Building on Strength & Banking on Trust	4
Key Highlights	6
About KVB	8
Product Portfolio	10
Chairperson's Message	12
Managing Director & CEO's Message	16
Message from Outgoing Executive Director	20
Executive Director's Message	21
Marketing Activities	22
Strategic Priorities	26
Technology	28
Value Creation Model	30
Stakeholder Engagement	32
Risk Management	34
Materiality Assessment	36
Environment	40
Social – Investors	42
Social – People	44
Social – Customers	50
Social – Communities	54
Governance	60
Board of Directors	63
Team that Leads	64
Awards and Accolades	66
Showcasing Our Newest Branches	68
Corporate Information	70



From our humble roots in 1916, serving local traders and farmers, we have evolved into a formidable institution with over 888 branches.



PAGE 04



STATUTORY REPORTS

Directors' Report	71
Business Responsibility and Sustainability Reporting	102
Management Discussion and Analysis	139
Corporate Governance Report	170



At Karur Vysya Bank, we have embraced a holistic digitalisation strategy, integrating technology into every critical business process to enhance agility, compliance, customer engagement, and cost efficiency.



PAGE 28



FINANCIAL STATEMENTS

Independent Auditors' Report	222
Balance Sheet	232
Profit and Loss Account	233
Schedules	234
Cash Flow Statement	307
BASEL III - Pillar 3 Disclosures	309
Network of Branches	335
Principal Correspondent Banks	347
GRI Content Index	349



We aim to enhance financial resilience while contributing to a sustainable future.



PAGE 222

Building on Strength

For over a century, Karur Vysya Bank has emerged stronger, demonstrating resilience and progressive banking. From our humble roots in 1916, serving local traders and farmers, we have evolved into a formidable institution with over 888 branches. Today, we continue to build on solid foundations constructed through decades of disciplined banking.



Banking on Trust



Trust is the glue of life. It's a foundational principle that holds all relationships – Stephen R Covey. This philosophy lies at the heart of everything we do.

Our consistent track record of delivering robust growth, profitability and maintaining asset quality responsibly, across business cycles, has earned us the trust of customers, shareholders, employees, partners and communities alike. We have further deepened this trust through transparency, reliability and commitment to our stakeholders' financial well-being.

While we are deeply rooted in our core values, we embrace innovation as a catalyst for sustainable growth. We consistently invest in cutting-edge technology to create a seamless banking experience for our customers while preserving a personal touch. From AI-driven solutions to comprehensive digital platforms, we leverage technology strategically to scale operations and improve efficiency and service quality. We build partnerships to expand offerings to our customers.

Our community-centric approach ensures that as we grow, we uplift the societies we serve. Through various social initiatives and inclusive banking practices, we create shared values that extends beyond financial metrics.

In today's dynamic financial landscape, our focus on digital innovation, risk-managed expansion and deepening customer relationships positions us to capitalise on emerging opportunities while maintaining the financial stability that our stakeholders depend upon. With over a century of legacy, we continue to honour the trust placed in us, ensuring sustainable growth and value creation for all stakeholders.

Key Highlights

KVBs Universe



FINANCIAL HIGHLIGHTS

₹ **1,942** Crore
Net Profit
▲ 21% Y-o-Y growth

₹ **1,86,569** Crore
Total Business
▲ 14% Y-o-Y growth

₹ **1,02,078** Crore
Deposits
▲ 15% Y-o-Y growth

₹ **84,491** Crore
Loan Book
▲ 14% Y-o-Y growth

1.72%
Return on Assets
▲ up by 9 BPS

18.17%
Capital Adequacy Ratio
▲ up by 150 BPS

0.20%
Net NPAs
▼ down by 50%



ENVIRONMENT

847 tCO₂e
GHG emissions avoided

174.81 MT
e-waste & battery waste
safely disposed



INVESTORS

16.28%
Return on Equity

130%
Dividend



CUSTOMERS

100 Lakh +
Customers

12 Lakh +
New customers

98%
Digital transactions



PEOPLE

9,866
Employees

28%
Women Employees

2.74 Lakh+
Hours of Training



COMMUNITIES

1.60 Lakh+
Lives Impacted

₹ **29.58** Crore
CSR spend

80%
CSR spends on Education
& Healthcare



GOVERNANCE

100%
Board Meetings
Attendance

70%
Independent Directors
(as on report date)

264 hours
Training Programmes
for the Directors

About KVB

Who we are

Established in 1916, Karur Vysya Bank has evolved from its modest origins in Karur, Tamil Nadu, serving local traders and farmers, into a prominent player in India's banking sector. With a nationwide network of branches and a forte of digital products, KVB delivers superior banking services to a diverse clientele spanning across retail, commercial, agricultural, and corporate segments, driving financial inclusion and socio-economic development.

Rooted in tradition yet propelled by innovation, the Bank leverages advanced technology and fintech partnerships to provide secure, accessible, and efficient solutions, ensuring consistent value for stakeholders while maintaining strong fundamentals and unwavering ethical standards.



VISION

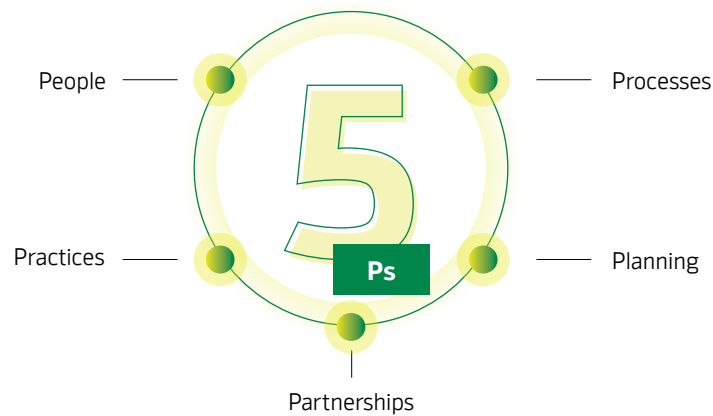
To be the preferred choice of stakeholders and deliver value by blending technology with tradition.



MISSION

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

OUR STRATEGIC PRIORITIES



100 +
Years of legacy

₹ 1,86,569 Crore
Total Business



Read more on page 26.



ADVANCE MIX (%)



● CBG-36 ● ABG-25
● Retail-25 ● CIG-14

DEPOSIT MIX (%)



● Term-73
● Savings-19
● Demand-8

BEST-IN-CLASS CUSTOMER REACH

Category	No. of branches	BBU*	CBU*	ARB*	Other offices#
Metro	222	10	9	8	8
Urban	177	3			
Semi-urban	354	1			
Rural	135				
Total	888	14	9	8	8

*BBU – Business Banking Unit, CBU – Corporate Business Unit, ARB – Asset Recovery Branch
#Other offices – Digital Banking Unit, Open Market Channel, Precious Metal Division and SMART units

888
Branches

45,000 +
UPI & Sound Box

2,252
ATM + Cash recyclers

22
Presence across States and UTs

Product Portfolio

Our Business

At Karur Vysya Bank, we are dedicated to meet the financial ambitions of our diverse clientele with a robust and innovative banking ecosystem. Our business is divided into four divisions. We offer a dynamic range of top-tier products and services, supported by advanced digital capabilities to address the evolving needs of our customers. By delivering seamless experiences across every interaction, we build an enduring trust and drive financial empowerment for our customers.

COMMERCIAL BANKING GROUP (CBG)



Key Offerings

Customised loans (Varthagamitra, MSME Pack, Textile Plus, Food and Agro Process Plus, Steel Plus, Pharma Plus, among others)

A. Fund-Based Facilities

- Working Capital Finance (Up to ₹ 100 lakh GST based without Audited Financial Statements)
- MSME Project Loans
- Commercial Gold Loans
- Export Credit Finance

- Commercial Vehicle Loans
- Machinery Loans
- Mortgage Loans
- Transaction Banking Services
- TReDS
- Factoring
- Supply Chain Finance (Dealer/ Vendor Finance)
- Rent Fin Loans
- Commercial Real Estate (CRE) Loans

B. Non-Fund Based Facilities

- Bank Guarantees
- Letters of Credit (ILC/FLC)

₹ 55.3 Lakh

Average ticket size

CONSUMER BANKING DEPARTMENT (CBD)



Key offerings
(Retail Assets)

- Housing Loans
- Two-wheeler Loans
- Personal Loans
- Gold Loans
- Mortgage Loans
- Deposit Loans
- Four-wheeler Loans
- Education Loans
- Rent Fin Loans
- Credit Cards

Key offerings
(Retail Liabilities)

- Current Account
- Savings Bank Account
- Life, Health and General Insurance through Partners
- FASTag
- Recurring Deposits
- Mutual Fund Products through Partner Tie-Ups
- Term Deposits
- NRI Deposits
- Debit Cards with Offers and Reward Programme
- 3-in-1 Account with Banking, Demat and Trading Services
- Gift and Prepaid Cards
- Multi Currency Travel Cards
- Demat Services
- Trading Services through Tie-up with Partners
- Locker Facility
- Social Security Schemes such as APY, PMSBY, PMJJBY, National Pension System etc.

₹ 15.71 Lakh

Average ticket size

AGRICULTURAL BANKING GROUP (ABG)



Key Offerings

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

₹ 2.45 Lakh

Average ticket size

CORPORATE AND INSTITUTIONAL GROUP (CIG)



Key Offerings

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

₹ 36.94 Crore

Average ticket size

Chairperson’s Message

Building a Positive Future

Dear Stakeholders,

It is with great pride that I present this year’s Integrated Annual Report, highlighting our Bank’s journey of sustained growth, record profitability, and robust financial performance. Our focus on consistency, credibility, and customer-centric innovation has further reinforced our position as a trusted financial institution. As we continue this trajectory, we remain committed to delivering long-term value to our stakeholders in an ever-evolving financial landscape.

MACRO-ECONOMIC OVERVIEW

In 2024-25, major central banks around the world started easing monetary policy as inflation started decelerating. However, wide geographic divergences across growth and last-mile disinflation have resulted in varied paces of rate cuts in countries. The tariff wars have also created uncertainty and trade disruptions.

India continues to be the fastest-growing large economy, though the growth tapered marginally during the fiscal on the back of a strong growth year. The Indian economy grew 6.5% during the fiscal FY 2024-25. Inflation largely stayed within the RBI’s comfort band and RBI did its first REPO cut in almost 5 years in February 2025 and followed with a few more subsequently. The current REPO rate stands at 5.5%. The bank credit growth for the fiscal FY 2024-25 also moderated to 11% following a higher base effect, regulatory actions like higher risk weights to counter stress in retail loans and the challenges in raising deposits.



Dr Meena Hemchandra
Chairperson

“ We strengthened customer data protection with advanced encryption, data masking, and tokenisation. Robust Data Leak Prevention, Privileged Access Management, and Multi-Factor Authentication ensured data security.

BUSINESS PERFORMANCE

Karur Vysya Bank had an exceptional year of business performance, earning its highest profits ever. The Bank witnessed 14% growth in Total Business to ₹ 1,86,569 Crore and the Net Profits moved to ₹ 1,942 Crore compared to previous years level of ₹ 1,605 Crore. During FY 2024-25, the Return on Equity (ROE) increased from 15.98% to 16.28%, and the Return on Assets (ROA) rose from 1.63% to 1.72%. While we delivered a robust performance both in topline and bottomlines, we further curbed down the GNPA and NNPA to 0.76% and 0.20% respectively, almost halving down from the previous year levels, reflecting positive performance trends in all metrics.

STRATEGIC FOCUS AREAS

We focussed on our strategy of branch network expansion, driving digitalisation, strengthening Feet on Street capabilities and forging partnerships. During FY 2024-25, we expanded our footprint with the addition of 50 branches – 38 Lite and 12 regular branches. We primarily focussed on the southern and western regions, to enhance our market reach. Further, Partnerships with NBFCs and FinTechs and other collaborations bolstered our service offerings.

This multifaceted strategy enabled us to grow our business across almost all the verticals during FY 2024-25, achieving a strong bottom line without any compromise on asset quality. You will observe that we walked our talk on all these aspects.

Going ahead, we will continue to focus on branch expansion during FY 2025-26, accelerate CASA growth, improve Retail Agriculture MSME (RAM) advances, strengthen our digital offerings and explore investing in credit substitutes, thereby to sustain the growth momentum with an eye on margins.

DIGITAL ADVANCEMENTS

In FY 2024-25, we transformed customer experience through innovative digital initiatives. The Central Pension Processing Cell streamlined pension disbursements for the Defence, Railways, and Postal departments, ensuring timely payments. The Interoperable Cardless Cash Withdrawal feature enabled UPI-based ATM withdrawals, thereby enhancing convenience. The DLite app’s Pay to Contacts, One Tap Pay, and Quick Search features simplified transactions, while UPI Lite facilitated faster low-value payments. The revamped Aadhaar-Enabled Payment System on Android expanded functionalities like Aadhaar seeding and RuPay transactions. Digital Re-KYC and e-KYC-based profile updates reduced branch visits, and Social Security Schemes like PMJJBY and PMSBY on the app promoted financial inclusion, reinforcing KVB’s commitment to accessible, customer-centric banking.

CYBER SECURITY FOCUS

We strengthened customer data protection with advanced encryption, data masking, and tokenisation. Robust Data Leak Prevention, Privileged Access Management, and Multi-Factor Authentication ensured data security. Regular security assessments, ISO 27001:2022 re-certification, and Data Rights Management solutions reinforced our defenses. Compliance with DPDP Act guidelines and periodic third-party audits further safeguards sensitive information.

STRONG BOARD GOVERNANCE

At KVB, we have established an effective corporate governance structure. We have 10 Board-level committees with majority of independent directors; complying with Bank’s Diversity policy and RBI regulations.

I am glad to welcome Smt. Srimathy Sridhar to the Board and KVB family. She is a veteran banker and retired as Executive Director at Indian Overseas Bank with more than three decades of working experience across multiple facets of banking.

I am equally happy to welcome Shri B Sankar, who joined our Bank as Executive Director. Shri B Sankar, a seasoned banker and a former Deputy Managing Director of State Bank of India, has more than 30+ years of robust banking experience in various areas of banking domain.

I am also glad to mention that Shri Murali Ramaswami has been reappointed as Non-Executive Independent Director of the Bank for a further period of five years and shareholders have approved the said reappointment. I am also happy to inform you that shareholders have also approved my (Dr Meena Hemchandra) reappointment as Non-Executive Independent Director of the Bank for a further period of five years and RBI has approved my tenure as Part-time Non Executive Chairperson of the Bank for second term of three years.

At this juncture, I fondly recollect the enormous contribution made by Shri J Natarajan, who has demitted second term office as Executive Director of the Bank upon completion of tenure. With a humble beginning as a Clerk in the Institution, he rose to the zenith of Executive Director in the Board. He has spearheaded almost all the segments in the Bank traversing Business to Operations to Technology and was instrumental in steering many milestone achievements in the Bank. The Bank will always remember his remarkable and noteworthy service to the Institution.

Now, our Board comprises ten members including MD & CEO, an Executive Director, a Non-Executive Non-Independent Director and seven

Non-Executive Independent Directors. There are two Women Non-Executive Independent Directors in the Board, including me as Part-time Chairperson of the Bank and Independent Directors constitute 70% of Board's strength. These seasoned professionals bring diverse expertise in banking and financial services, guiding the Bank through dynamic market landscapes. Their collective vision emphasises innovation, customer-centricity, and sustainable growth, fostering a culture of transparency, accountability and good governance.

EFFECTIVE RISK MANAGEMENT AND COMPLIANCE

We have put in place robust structure for our top level management to ensure a clear distinction of roles and responsibilities. Our Bank employs a holistic risk management framework that encompasses operational, legal, treasury, regulatory, and financial reporting domains. To oversee the formulation, execution, and monitoring of our risk management strategies, our Board has established a dedicated Risk Management Committee. We systematically address major risks through continuous mitigation efforts, while ensuring that risk assessment remains an ongoing and integral part of our operations.

We uphold exemplary compliance and governance standards through a Board-approved compliance framework, managed by the compliance department. This framework ensures regulatory adherence via continuous monitoring, advanced risk management and comprehensive employee training. Regular regulatory interactions and internal audits strengthen our governance. The compliance framework is reviewed annually, and this continuous process nurtures a culture of accountability and adaptability, enabling us to navigate obstacles.

SUSTAINABILITY VISION

We are actively collaborating with external entities and subject matter experts in developing ESG risk strategy. We

“
At Karur Vysya Bank, our commitment to social responsibility is at the heart of everything we do. We have undertaken various initiatives and efforts to make a meaningful impact on our communities.

recognise that our role extends beyond providing financial services; it includes fostering economic growth, supporting social wellbeing, and preserving the environment for future generations. As a recognition of our efforts in sustainability, our Bank received the award for the best ESG initiatives among small banks.

OPTIMISTIC FUTURE

We are positive of strengthening our CASA franchise during this year and also grow our retail deposits, since they are essential fuels for our credit expansion. We are also optimistic about growing our RAM Advances with focus on margins. Our robust cyber security posture and effective risk management and compliance will give the comfort our shareholders require, while we consciously expand our business.

SOCIAL RESPONSIBILITY

At Karur Vysya Bank, our commitment to social responsibility is at the heart of everything we do. We have undertaken various initiatives and efforts to make a meaningful impact on our communities. Our Bank is dedicated to being a force for good, consistently striving to uplift and empower those we serve. Through our focus on education, healthcare, and community development, we aim to create positive and lasting change. This year, we distributed an AI-powered

assistive device for the visually impaired. By investing in these critical areas, we believe we can foster inclusive growth and build a stronger, more resilient society. Our dedication to social commitment is a testament to our belief in creating a brighter future for all.

OUTLOOK

The financial landscape continues to be ever dynamic, shaped by technological advancements, evolving customer preference and regulatory stance. Amidst global uncertainties and margin pressures, KVB remains cautiously optimistic. We target a credit growth rate of 2% above the industry average, driven by our RAM advances, with recovery in corporate vertical. We will also strengthen our focus on digital offerings and further enhance our cyber security posture.

GRATITUDE AND COMMITMENT

As we reflect on our journey together, I am proud of the excellence we have achieved on all parameters and this was recognised through best bank awards garnered under different segments. Through collaborative effort, we have overcome challenges, capitalised on opportunities and established a foundation that will give impetus to sustainable growth going forward. Looking ahead, we are committed to strengthening our relationship and creating sustained value for all our stakeholders.

I express our heartfelt gratitude to all our customers, Shareholders/Investors, business partners, employees and other stakeholders who have been integral to our success. I wish to express our sincere gratitude to Central and State Government Authorities, RBI, SEBI, MCA, Stock Exchanges – NSE & BSE, Depositories and other Regulatory Authorities for their valuable guidance and support. I am also thankful to the Mutual Fund houses, FII's, Insurance companies and corporates for their trust, partnership and support.

Regards,

Dr Meena Hemchandra
Chairperson



Managing Director & CEO's Message

Committed to Sustainable and Inclusive Progress



B Ramesh Babu
Managing Director & CEO

“ We had an incredible financial year 2024-25 in terms of growth and our overall performance in terms of business growth, profitability and asset quality. Our pursuit for excellence has garnered numerous prestigious awards throughout the year acknowledging our technological innovation, digital transformation initiatives, and superior product quality management.

Dear Shareholders,

It is with immense pride that I present you the 4th Integrated Annual Report for the year 2024-25.

The financial year 2024-25 unfolded against a backdrop of measured optimism, as the central banks across the globe adopted accommodative monetary policies in response to abating inflationary pressures. The world economy maintained its steady growth trajectory, with India once again continuing its march as the fastest-growing large economy, albeit with the growth moderating to 6.5%. The RBI projections for FY 2025-26 indicate a steady growth rate of 6.5%.

The financial sector witnessed calibrated deceleration in credit growth to approximately 11% in FY 2024-25, from ~20% in the previous year, as a result of elevated interest rates and prudent regulatory measures designed to temper sectoral overheating. However, the monetary policy landscape evolved favourably towards the end of the fiscal as inflation remained largely under control. RBI initiated a series of rate cuts beginning from February 2025 - for the first time in five years - followed by another 25 BPS in April 2025 and a decisive 50 BPS reduction in June 2025, bringing the REPO rate to 5.5% and signalling a shift to a neutral stance. The RBI's decision about the reduction in risk weights for lending to non-banking financial companies from April 2025 further augurs well for credit growth. In FY 2025-26, ICRA expects the incremental credit growth to stand at 10.8%.

“

Our commitment to superior asset quality management yielded exceptional results. Gross slippages for full year totalled to 0.57% of our loan book.

A LEGACY TRANSFORMED, A VISION REALISED

As I reflect upon our journey, I am deeply moved by the transition of Karur Vysya Bank from its humble origins in 1916 - a modest institution dedicated to empowering traders and agriculturists in Karur - into today's dynamic, financial hub. We have embraced cutting-edge technology, delivering seamless mobile banking, AI-enhanced customer interactions, and robust digital platforms, while expanding our footprint across corporate, commercial, retail, and agricultural sectors. We have changed with the times and blended our rich legacy of trust and community focus with the demands of a modern, tech-driven banking landscape, ensuring we continue to deliver value to all our stakeholders.

PERFORMANCE OVERVIEW

We had an incredible financial year 2024-25 in terms of growth and our overall performance in terms of business growth, profitability and asset quality. Our total business reached ₹ 1,86,569 Crore as on March 31, 2025, registering a growth of 14% over previous year's ₹ 1,63,536 Crore. The advances climbed to ₹ 84,491 Crore and deposits surged to ₹ 1,02,078 Crore, with a growth of 14% and 15% respectively.

The liability business, constituting 55% of the total business of the Bank, threw many challenges like shift in customer preference and just-in-time disbursement of funds

by Government departments. Most of the banks launched Special FD schemes for shorter periods. Despite the headwinds, we achieved a historic milestone with our deposits figure crossing the landmark figure of ₹ 1 trillion during the last quarter of the fiscal.

Deposits growth continues to remain one of the key focus areas for the Bank and the Bank had initiated various strategies for deposits growth including the establishment of an acquisition channel for both, term deposit and CASA growth.

Our comprehensive deposit mobilisation strategy encompassed specialised acquisition channels for both term deposits and Current Account Savings Account (CASA) growth. Term deposits witnessed an impressive 20% growth, with contribution from retail and bulk deposits remaining almost at equal levels.

While CASA growth moderated to 3%, our newly established acquisition channel showcased a decent performance in its first full year, facilitating opening of over 19,000 accounts with incremental aggregate balances exceeding ₹ 400 Crore. The strategic segmentation under our CASA acquisition initiative now targets institutional clients, corporate salary accounts, and trade and forex customers.

Our 'Net Interest Income' registered a significant growth of 12%, while non-

interest income grew by 22%. Our strategic portfolio rebalancing toward higher-yielding granular secured advances in Retail, Agriculture and MSME verticals (RAM) enabled to maintain the NIM above 4% levels.

While our Operating Profit for the year increased by 14%, majorly assisted by higher net interest income growth and other income, we are happy that our 'Cost to Income Ratio' improved to 47.25% in FY 2024-25 from the previous year's 48.26%. Most notably, our net profit achieved unprecedented heights, growing by 21% to reach ₹ 1,942 Crore - the highest in our institutional history.

Our commitment to superior asset quality management yielded exceptional results. Gross slippages for full year totalled to 0.57% of our loan book. The Special Mention Accounts (SMA) 30+ stood at only 0.30% of our loan book, down from 0.38% in the previous year, indicating continued maintenance of control over this aspect. Through persistent focus on recovery from technically written off accounts, we recovered a sum of ₹ 638 Crore during the year as against ₹ 341 Crore for FY 2023-24. Consequently, our Gross Non-Performing Assets (NPA) ratio declined to 0.76%, while Net NPA was curbed down to an exceptional level of 0.20%.

Our CRAR (Basel III) remains robust at 18.17%, providing us comfortable



We prioritise progressive HR practices with the aim to create a Bank where employees can build their careers and grow with the organisation.

headroom for growth without any need for capital infusion in FY 2025-26. We achieved ROA of 1.72% in FY 2024-25 as against 1.63% for the previous year, with expectations of maintaining the same at above 1.50%.

In recognition of our stellar performance, the Board of Directors has recommended a dividend of ₹2.60 per equity share (face value ₹ 2.00), representing 130% of paid-up equity capital for FY 2024-25.

RECOGNITION AND ACCOLADES

Our pursuit for excellence has garnered numerous prestigious awards throughout the year acknowledging our technological innovation, digital transformation initiatives, and superior product quality management. Most notably, we received the “Best Small Indian Bank for FY 2023-24” award from Business Today in March 2025 for the second consecutive year. This recognition is particularly meaningful, given our journey from the eighth position in FY 2019-20 – a testament to our remarkable five-year transformation.

DIGITAL TRANSFORMATION

In FY 2024-25, Karur Vysya Bank leveraged AI, analytics, and automation to drive operational excellence. Our digital transactions volume surged by 115% in FY 2024-25 and with the digital transactions now constituting 98% of our total transactions. The new version of our

mobile DLite app with enhanced features garnered exceptional user adoption, with 1.3+ million monthly active users and 5+ million downloads.

Our technological infrastructure enhancements included Google Analytics optimisation for DLite app performance and automated GST and tax notice tracking. We streamlined issuing Letters of Credit, enhanced credit card scalability and also improved legal and recovery efficiency. The End-use verification for Agri Gold Loans and ICEGATE payment modules further boosted compliance and efficiency, positioning KVB for sustained operational growth.

HUMAN CAPITAL

We prioritise progressive HR practices with the aim to create a Bank where employees can build their careers and grow with the organisation. Our human capital is pivotal to our success, embodying dedication and expertise in delivering exceptional banking services. With 9,866 employees in our total workforce, we emphasise collaboration and excellence across all operations. Our commitment to diversity and inclusion is exemplified by composition of 28% women employees and initiatives such as “Samarthan” and “She Leads Awards”, designed to empower women in leadership roles.

Our talent management framework incorporates AI-enabled recruitment assessments, comprehensive learning and development programmes, and strategic partnerships with leading platforms like Coursera, ensuring our human capital remains at the forefront of banking excellence.

PARTNERSHIPS

Recognising that partnerships with FinTech organisations are instrumental in developing innovative solutions for enhanced efficiency and financial accessibility, we have forged strategic digital alliances across both asset and liability segments. These synergistic relationships continue to drive growth and innovation.

GOVERNANCE AND COMPLIANCE

In response to evolving cybersecurity challenges, we have continuously strengthened our advanced security infrastructure, implementing comprehensive encryption protocols and multi-factor authentication systems. Regular security audits, proactive red team exercises, and customer security awareness programmes form the cornerstone of our cybersecurity framework.

Our compliance culture has been consistently reinforced through proactive



We anticipate decline in deposit costs from Q2 of FY 2025-26 onwards, which will support our growth in RAM verticals and we will focus on maintaining margin optimisation.

regulatory directive implementation, timely observation remediation, and comprehensive employee briefings on importance of compliance across all organisational forums.

SUSTAINABILITY COMMITMENT

At KVB, sustainability has evolved from a compliance-driven agenda to a fundamental pillar of our business strategy. We recognise the far-reaching impacts of our operations on environmental and social ecosystems, driving our commitment to practices that foster environmental stewardship.

Our Central Office building’s prestigious Platinum Certification from the Indian Green Building Council (IGBC) exemplifies our environmental commitment. Our renewable energy utilisation and environmental sustainability initiatives reflect our holistic approach to responsible banking.

Our comprehensive CSR portfolio encompasses rural development initiatives, healthcare programmes, and skill development initiatives aimed at enhancing youth employability. In recognition of these efforts, ASSOCHAM conferred upon us the award for Best ESG initiatives among small banks.

OUTLOOK

Anticipating further policy rate cuts to stimulate domestic demand and support economic growth, Karur Vysya Bank is strategically positioned for a consistent performance in FY 2025-26. Our credit growth trajectory is expected to align with liability growth, exceeding industry growth by over 2%, while maintaining our Credit-Deposit ratio at approximately 85%.

We anticipate decline in deposit costs from Q2 of FY 2025-26 onwards, which will support our growth in RAM verticals and we will focus on maintaining margin optimisation. Despite a temporary moderation in our corporate portfolio to 14%, we perceive significant opportunities in investing in bonds issued by AA- and below-rated corporates.

Our expansion strategy includes the opening Regular and Lite branches, primarily concentrated in Southern and Western India. We also envisage to maintain Net Interest Margin (NIM) at 3.7-3.75% during FY 2025-26, cost-to-income ratio at 50%, Gross NPA below 150 basis points, Net NPA under 1%, slippages below 1% and ROA between 1.55%-1.65% – reflecting our unwavering commitment to financial stability and sustainable growth.

CONCLUSION

With the utmost dedication and devotion of our talented team and your continuous support, we are confident in our ability to shape a prosperous future and deliver sustainable value to all stakeholders. On behalf of everyone at Karur Vysya Bank, we extend our sincere gratitude to the Central and State Governments, regulators, our esteemed Board members, employees, Shareholders/ Investors, and other stakeholders for their integral role in our significant journey.

Regards,

B Ramesh Babu
Managing Director & CEO

Message from Outgoing Executive Director#

Bidding adieu with satisfaction



J Natarajan

Dear Stakeholders,

It is with tremendous satisfaction and contentedness that I complete my long career in KVB. Of course, it is painful to bid farewell to an organisation which nurtured and raised me. But when I say that I am satisfied and contented, I say that from my heart – with at least three predominant reasons – performance, technology zenith and succession.

With a sense of pride, I wish to inform that I joined this Bank as a Clerk and made a steady progress to reach the level of Executive Director of the Bank. I wish to thank my mentors and the leadership

team for fostering a positive work culture and encouraging employees to shoulder responsibilities – which I tried to emulate during the later part of my career.

You may remember that the Bank went through a volatile phase during the years from 2016 to 2020, with almost all critical parameters remaining subdued. With the guidance of Board, we initiated transformative measures including digitalised loan processing, enhanced due diligence while onboarding borrowers, automated credit monitoring, risk-managed business growth, robust recovery mechanism and leveraging technological advancements wherever

possible. With our MD & CEO taking the helm in later part of the year 2020, we fast-tracked our progress and today, we stand strong among our peers.

Technology has always remained close to my heart and I tried to leverage it across the Bank – be it business functions or otherwise. From taking infant steps in introducing technology in the Bank, today we are one of the Banks extensively using technology in all facets of banking. We optimised our DLite mobile banking App with multiple features using Analytics, strengthened our offerings in Net Banking, automated government payments including GST, leveraged UPI technology in multiple delivery outlets, deployed advanced technologies in risk management, credit monitoring, recovery follow-ups etc., to name a few.

I am happy that Shri B Sankar, a veteran commercial banker and ex-DMD of SBI has taken charge as Executive Director of the Bank. I am doubly happy that he has strong experience in driving business growth and is also abreast of latest technological developments in the industry. His extensive experience in different arenas of banking will definitely benefit Karur Vysya Bank and with his induction, I am strongly optimistic about the Bank's future and its continued sustainable growth. I warmly welcome Shri B Sankar to KVB family and solicit your continued support to him.

Regards,

J Natarajan

Executive Director's Message

Shouldering Responsibility with Pride

Dear Stakeholders,

It's my honour to join KVB as the Executive Director. I am excited to join the Institution having illustrious legacy built over the last 109 years and to work alongside a dedicated team to drive sustainable growth for our customers, Shareholders/Investors, employees and communities.

I am particularly happy to take charge from Shri J Natarajan, a home-grown seasoned banking professional, with his entire career stint at KVB.

I am overseeing the business verticals of the Bank and ensuring robust compliance with regulatory standards. My responsibilities include driving strategic initiatives across business segments, fostering an enduring & robust compliance culture and also strengthening the operational efficiency of the Bank. This will be achieved with effective convergence of talents at top management and also the guidance from the Board and Board-level Committees. I am also confident that my three decades of experience with SBI spanning across varied business and non-business segments would allow me to navigate the complex challenges with strategic foresight and resilience.

As I embark on this new chapter, I am dedicated to encouraging the culture of innovation and excellence further by embracing digital transformation and leveraging cutting-edge technology. We can further enhance service delivery, streamline operations, and create greater value for our customers. I am particularly focussed on exploring growth opportunities in the SME segment, drawing on my extensive experience to drive profitability and customer centricity.

Further, ensuring the highest standards of compliance remains a priority, as these are foundational to sustainable growth and shareholder trust.

I am deeply committed to KVB's mission of delivering accessible, secure, and customer-focussed banking services. Together with the talented team at KVB, I aim to build on the Bank's strong foundation, rooted in its vision of the founders. My goal is to position KVB as a leader in the banking industry, recognised not just for its financial strengths but for its contribution

to societal development and customer satisfaction. I assure you my commitment to steering KVB to new heights of success. With collective efforts, we will continue to uphold Bank's legacy of integrity, innovation and community empowerment, creating a brighter future for all.

Thank you for your trust and support.

Regards,

B Sankar
Executive Director



B Sankar
Executive Director

#Executive Director for the FY 2024-25 and demitted office on May 21, 2025

Marketing Activities

Creating Impressions

At KVB, our marketing and branding strategy drives growth by enhancing brand visibility, fostering customer trust and deepening loyalty. Our approach balances tradition and innovation, engaging both long-standing customers and the digital-first young generation while staying true to our legacy and values.



We leverage an integrated approach across print, television and digital channels to effectively communicate our value proposition to customers. Our flagship product – including the DLite mobile App and streamlined digital loan services, take centre stage in campaigns that emphasize accessibility, rapid processing and user convenience.

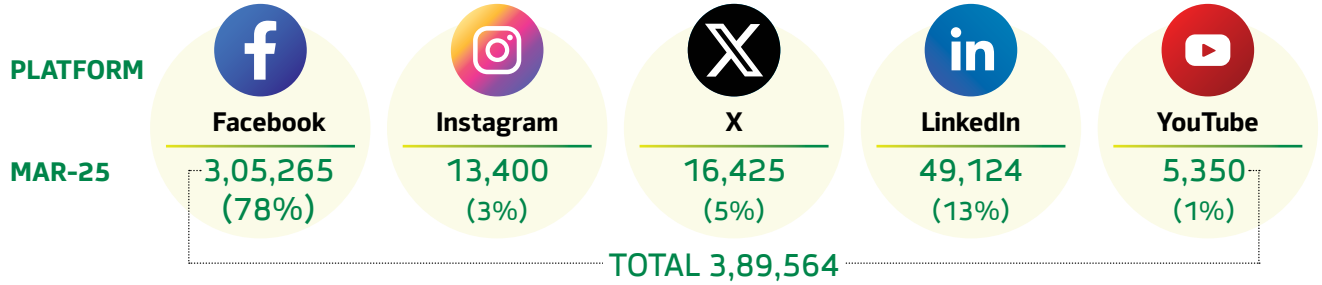
Beyond product marketing, we also undertake customer empowerment through educational initiatives. Our communication over essential topics such as nominee registration procedures, financial literacy development and comprehensive cybersecurity awareness programmes are designed to protect our customers from emerging digital threats.

This multifaceted approach demonstrates our commitment to responsible banking and customer-centric service delivery. By maintaining consistent, strategic communication across all touchpoints, we have cultivated a resilient brand identity that adapts to evolving market dynamics while preserving trust and confidence our customers place in us.

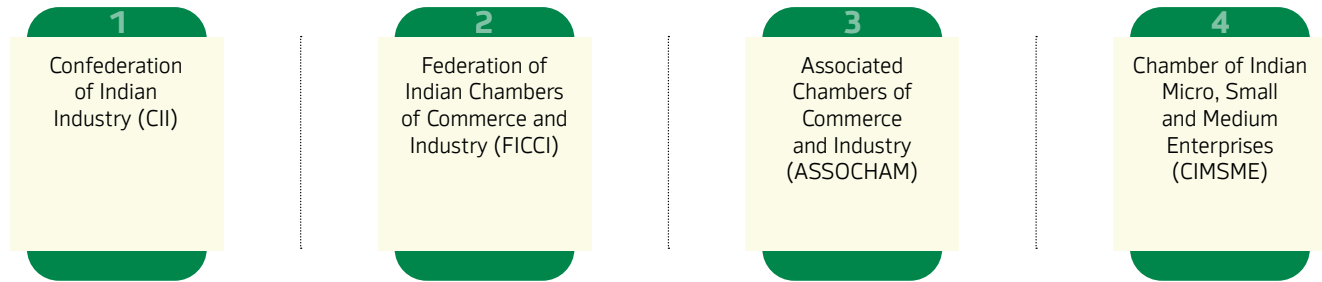
- Promoted 760 Days FD by way of campaign using a multi-channel approach, leveraging **Television, Radio, Out of Home advertising, and Digital platforms, driving increased visibility** and customer engagement.
 - Executed targeted digital marketing initiatives to enhance awareness and user adoption of the DLite Mobile Banking Service.
 - Streamlined our online presence by including over 800 branch listings under a unified Google Suite ID, ensuring easy and accurate branch discovery for customers.
 - Created 12 product explainer videos for the DLite Mobile Banking app, supporting the Digital Excellence team
- in enhancing customer understanding and experience.
 - Developed and delivered advertising creatives and materials to effectively communicate the Bank's financial results.
 - Designed and implemented targeted advertising campaigns for new branch openings.
 - We partnered with three teams in the Tamil Nadu Premier League (TNPL) 2024 to enhance brand visibility and support business sourcing.
 - Developed and designed the FY 2023-24 Corporate Profile in digital and print formats, addressing business teams' need for a
- comprehensive showcase of KVB's offerings, financial performance, and key information.
 - Strategised, designed, and developed branding creatives for divisional offices and respective Branches, ensuring strong brand representation.
 - Secured extensive print and digital media coverage for topical events, branch openings, financial results, and awards.
 - Supported the digital awareness campaigns by providing translated content for mailers to customers and also actively promoting them on our social media handles.

SOCIAL MEDIA FOLLOWERS

Social media advertising is crucial for banks for enhancing brand visibility and engaging diverse audiences, particularly the digital-first younger generation. It strengthens customer trust and loyalty by delivering targeted, value-driven campaigns that align with our growth strategy. We engage with our customers through all important social media platforms.



We have engaged with the following business chambers by participating in the Business events organised by them and also participated in various MSME day events conducted by leading business chambers/associations.





KVB

For the dreams they'll chase

KVB Jumbo
Savings account for kids

*Conditions Apply

KVB

Approvals easier than finding matching socks

KVB MSME Loans

KVB

Shield your savings and save big!

KVB Tax Shield Deposits

- Tax savings under Section 80C
- Deposits for Individuals & HUF
- 5-year lock-in period

Now offering higher returns:

- Regular Deposits: 7.00% p.a
- Senior Citizens: 7.40% p.a

Grow your investment while saving on taxes!

KVB Karur Vysya Bank
Smart way to bank

Make Your Home Ownership Dream a Reality with KVB Home Loans

*Conditions Apply

www.kvb.co.in | 1860 258 1916 |

KVB

WhatsApp your way to easy banking.

Just save the number and send a 'Hi'

917-699-4444

KVB

Turn your property into possibilities

KVB Mortgage Loan

KVB

Instant cash for new beginnings

KVB Jewel Loans

KVB

Harvest more joy with KVB Green Cards

Technology

Driving Digital Excellence

At Karur Vysya Bank, we have embraced a holistic digitalisation strategy, integrating technology into every critical business process to enhance agility, compliance, customer engagement, and cost efficiency. The strategic targets included reducing manual processes, increasing automation, ensuring regulatory compliance, and offering digital self-service capabilities.



We received 11 tech-related awards this fiscal year, reflecting our leadership in innovation, sustainability and security. Some of these prominent awards include:

Being Recognised



Best Technology Implementation in Risk Management from M/s. Quantic India



Winner under Best IT Risk and Cyber Security Initiatives from M/s. IBEX



Winner under Best Technology Bank of the Year M/s. Indian Banks' Association (IBA)



Most Innovative Use Of Technology (Special Mention) from M/s. IBEX



Winner under Best Digital Performance Innovations from M/s. ASSOCHAM

DIGITAL STRATEGY AND PROJECT PRIORITISATION

Our digital strategy is aligned with our business objectives, emphasising operational efficiency, customer engagement and sustainable growth. We prioritise digital initiatives through a comprehensive resource-impact analysis, categorising them from low-hanging projects delivering high impact with

minimal resources to high-hanging projects that require significant investments but yield substantial returns. We are migrating to a latest version of our CBS software and all the projects executed by us are rigorously monitored through a robust project management process.

The Digital Excellence team at the Bank continuously evaluates emerging digital technologies to align with the Bank's digital

strategy, performing thorough cost-benefit analysis before project initiation. Use cases are developed in collaboration with stakeholders to integrate new technologies with existing systems, ensuring strategic prioritisation and efficient resource utilisation. This year, the team successfully deployed over 50 initiatives, including upgrades to mobile and internet banking, automation of customer onboarding, and security enhancements, driving 98%

of transactions digital and significantly improving customer experience.

LOAN ORIGATION SYSTEM

Digital Loan Origination System:

Our Digital Loan Origination System (LOS) is designed to cater to the diverse needs of our Agricultural, Consumer, Commercial and MSME customer segments. By embracing Digital Lending, we have achieved significant advancements in loan processing efficiency and turnaround times.

Key Features:

- The LOS facilitates a streamlined loan application process, enabling loan disbursement within minutes.
- Faster sanctions with digital underwriting mechanisms.
- Integration with various APIs allows for swift customer verification and faster loan approvals.
- Online documentation and biometric e-signatures ensure a user- friendly experience.
- Robust business rule engines (BRE) and data-driven scorecards contribute to reduced delinquency rates.
- Onboarding, Rejection and Deviation channels are automated, further enhancing efficiency.
- Digital Loan Offerings:
 - Buy now pay later through Amazon India Services
 - 2-minute Personal Loan disbursement to customer account through D-Lite App
 - Pre-approved credit cards.

PARTNERSHIPS FOR SEAMLESS EXPERIENCE

KVB's agreement with the Reserve Bank Innovation Hub (RBIH) for onboarding onto the Unified Lending Interface (ULI) platform, is a significant step toward frictionless credit delivery. ULI facilitates

seamless data flow from diverse sources, including digitised land records and alternative data, to lenders via standardised APIs. This initiative, particularly beneficial for farmers and MSMEs, reduces credit appraisal times and simplifies the lending process, aligning with KVB's customer-centric goals.

OTHER TECHNOLOGY INITIATIVES

Personalised cross-selling: Using the transaction data, the Bank delivers tailored product nudges via the DLite app, optimising customer journeys based on interaction analytics to improve conversion rates.

AI-driven fraud management: The Enterprise Fraud Risk Management (EFRM) system, powered by AI, proactively identifies and prevents fraudulent activities, leading to significant financial savings.

Customer Experience Enhancements: Feedback from app stores and device usage analytics informs continuous improvements to the DLite app, ensuring a seamless user experience.

FIU-IND Compliance: Restrictions on high-risk PIN codes, aligned with FIU-IND compliance standards, reflect KVB's commitment to responsible digitalisation.

ELMS and Investment Services Integration: The Enterprise Loan Management System (ELMS) and API integrations streamline loan processing and investment services, enhancing operational agility.

Centralised Dashboards: These provide real-time insights, enabling data-driven decision-making across the organisation.

Analytics

We have significantly enhanced our data-driven decision-making process through our Analytics division. The department leverages both descriptive and predictive analytics across revenue, risk and cost management. Key achievements include improving the product per customer ratio, proactively protecting risk and refining the

statistical analysis to fine-tune anti-money laundering parameters among others. KVB is integrating Artificial Intelligence and Machine Learning to further strengthen risk management and marketing strategies, with tools like an Early Warning System and propensity models driving business growth.

Cyber Security

Digital transformation introduces risks such as cybersecurity threats, the need for continuous training, and dependence on third-party tech partners. KVB mitigates these through regular audits, TLS 1.3 upgrades, and robust vendor management. Our systems are up-to-date with no obsolescence and we are able to identify any vulnerabilities and fix it. With our robust systems, we are ready for future challenges.

Future Outlook

KVB plans to further leverage AI and Machine Learning (ML) for advanced fraud detection, aiming for greater operational resilience and cost savings. With initiatives like ELMS, Geojit API integrations, and centralised dashboards, the Bank is well on track to become a leader in digital banking, ready to embrace future innovations and challenges.

Value creation model

Creating a Better Future

OUR STRENGTHS

STRONG BALANCE SHEET

- ▶ Deposits ₹ 1,02,078 Crore
- ▶ Net Owned Funds ₹ 11,929 Crore

CAPABLE, MOTIVATED AND AGILE PEOPLE

- ▶ 9,866 employees
- ▶ 28% women employees

CONTINUED INVESTMENT IN TECHNOLOGY BUILDING DIGITAL BANKING

- ▶ ₹ 317+ Crore Technology spend

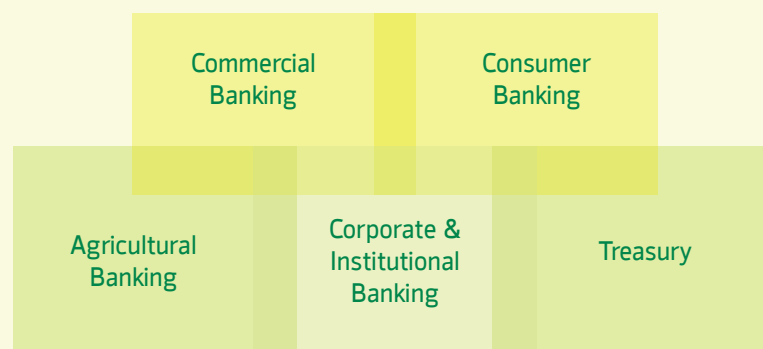
OUR BRAND

- ▶ 100+ years old and trustworthy

COMMITMENT TO SUSTAINABILITY

- ▶ Committed to preserving social well-being and protecting environment

HOW WE CREATE VALUE



Vision

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



Mission

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

OUR STRATEGIC PRIORITIES



VALUE WE CREATE



SHAREHOLDERS/INVESTORS

We seek to deliver the sustainable growth in earnings that support a consistent dividend for our shareholders.



OUR PEOPLE

We build inclusive, respectful and safe environment while supporting the career growth journey of our people so that they are valued.



CUSTOMERS

We seek to understand our customers and provide superior experiences to them while building deep relations and helping them prosper with trust and transparency.

➡ Read more on how we create value for our customers on page 50



ENVIRONMENT

We design our operations to minimise our environmental footprint.



COMMUNITIES

We aim to make positive contributions to our communities in line with our purpose, creating a brighter future for all.

OUTCOMES

- ▶ ₹ 1,942 Crore PAT
- ▶ ₹ 2.60 per equity share
- ▶ 16.28% ROE

- ▶ ₹ 85+ Crore paid in Employee benefits expenses

- ▶ 10 Mn+ customers
- ▶ 98% digital transactions

- ▶ 847 tCO₂e GHG emissions avoided

- ▶ 1.60 Lakh+ CSR beneficiaries

LINKAGES WITH UN SDGs



Stakeholder engagement

Responding to our Stakeholders

In FY 2024-25, at KVB, we continued to prioritise stakeholder engagement to identify and address material ESG-related topics that shape our performance and influence stakeholder decisions. By maintaining an active dialogue and working closely with our key stakeholders, we continually refine our business strategy and enhance our capacity to deliver sustainable, long-term value.

STAKEHOLDERS	WHETHER IDENTIFIED AS VULNERABLE & MARGINALISED GROUP (YES/NO)	MATERIAL TOPICS IDENTIFIED		SIGNIFICANT IMPACT	CHANNELS OF COMMUNICATION	FREQUENCY OF ENGAGEMENT	MODE OF ENGAGEMENT	
 Employees	No	- Training & Development - Diversity & Inclusion - Freedom of Association and Collective Bargaining	- Employee Wellbeing & Development - Talent Attraction & Retention - Business Ethics	Direct	- On the floor and virtual connect - Regular manager interaction - Various talent engagement initiatives by HR, such as training, team activities, and wellness initiatives	Continuous, Periodical, Need-Based	- Planned Individual Development - Timely communication - On-going performance feedback and support - Training programmes - Initiatives focussed on team building	
 Customers	Yes, if they qualify under the age and income criteria	- Cyber Security and Data Privacy - Customer Experience & Satisfaction	- Digitalisation - Financial Inclusion - Brand Reputation - Product Design & Innovation	Direct and Indirect	Multiple channels through physical and digital means	Continuous, Periodical, Need-Based	- Direct feedback from customers - Real-time social media engagement - Feedback through surveys - Periodical customer meets	- Dedicated relationship Managers - Call Centre - Business Correspondent network
 Investors / Shareholders	No	- Financial Performance - Corporate Governance - Regulatory Compliance	- Green Financing and Responsible business practices - Brand Reputation	Direct and Indirect	Email, newspaper advertisement, website, investor meetings & conferences, intimation to stock exchanges, annual/quarterly financials	Periodic, Need-based	- Quarterly investor calls - Presentations - Website updation - Annual General Meeting - Annual report	- Business Responsibility and Sustainability Report - Intimations through NSE portal
 Regulatory Bodies	No	- Regulatory Compliance - ESG Oversight - Business Ethics - Corporate Governance	- Transparency & Fair Disclosures - Financial Inclusion - Climate Change - Waste Management - Carbon Footprint	Direct and Indirect	Email, one-on-one meetings, video conference	Continuous, Need-based	- Continued engagement and representation - Periodical compliance reports	- Representation through trade bodies - Attending district-level and state-level bankers' committees
 Communities	The Bank considers women, communities living in rural areas, farmer communities and low-income group individuals as vulnerable & marginalised stakeholders	- Community Wellbeing or CSR - Financial inclusion - Investing in Green Opportunities - Business Ethics - Microfinance		Direct and Indirect	- Meetings, engagement through NGOs - Village and Rural meetings	- Continuous, Need-based - Continuous, Periodical, Need-Based	- Community engagement and local community meetings - CSR initiatives - Minimisation of environmental footprints	- Strong focus on ESG-related activities - Financial literacy initiatives and camps
 Vendors	No	- Sustainable Procurement - Business Ethics - Regulatory Compliance - Waste Management - Reputation Risk		Direct and Indirect	Multiple channels through physical and digital means	Ongoing basis	- Fair and accountable supply chain practices, Supplier financial health, reputation, and service quality, Access to knowledge on sustainable supply chain practices - Vendor management	

Risk Management

Navigating risks

At KVB, we recognise that effective risk management is fundamental to sustaining our financial stability and supporting long-term growth in dynamic banking environment. The Bank adopts a robust framework to identify, assess and mitigate various risks ensuring alignment with regulatory standards and business objectives. This approach is integral to safeguarding stakeholder interests and maintaining resilience against economic uncertainties. The Bank continues to enhance its risk management practices to address emerging challenges and opportunities in the Indian banking sector.



Financial Capital



Manufactured Capital



Intellectual Capital



Human Capital



Social and Relationship Capital



Natural Capital



RISK : LIQUIDITY AND INTEREST RATE RISK

Risk Impact

Risk of not meeting financial obligations without incurring unexpected losses in meeting liquidity requirement.

Liquidity risk can hinder the Bank's ability to meet the depositors' demands, leading to financial instability and a negative impact on the Bank's reputation.

Interest rate risk can impact margins as well as profitability.

Mitigation Strategy

- Bank is having defined Asset Liability Management policy with roles and responsibilities, processes and limits, monitoring controls, stress testing, reporting on Liquidity and Interest rate aspects.
- ALCO conducts regular reviews of Asset Liability pricing and ensures adherence to risk limits.
- Contingency Funding Plan (CFP) ensures availability of liquid resources to meet liabilities promptly.
- Quarterly review of the CFP by ALCO and the Board.
- Stress Testing to assess the impact of adverse economic scenarios.

Capital Impacted



RISK : CREDIT RISK

Risk Impact

Borrower's inability to pay back as per repayment schedule results higher loan defaults and reduce profitability and strain capital reserves.

Mitigation Strategy

- Defined Policy with risk limits to ensure quality of the portfolio.
- Stringent evaluation of borrower's creditworthiness and repayment capacity and regular monitoring.
- Diversification across portfolios and borrowers.
- Regular reviews of products and portfolios.
- Stress testing with plausible and possible scenarios.

Capital Impacted



RISK : OPERATIONAL RISK

Risk Impact

Risk of loss resulting from inadequate internal processes, system, people or external events. This can result in disruptions in the Bank's operations, leading to financial and reputational losses and regulatory penalties due to process, system or human errors.

Mitigation Strategy

- Defined Policy with Organisational Operational Risk Management Framework.
- Thorough risk assessments with robust internal controls with defined RCSA and KRI standards.
- Regular audits, monitoring and compliance with policies and procedures.
- Emphasis on employee training.
- Investment in technology solutions for operational security.
- Establishment of business continuity plans.

Capital Impacted



RISK : MARKET RISK

Risk Impact

Potential loss due to change in market factors such as interest rates, exchange rates or asset prices. Any adverse movement in these can impact Bank's profitability and capital.

Mitigation Strategy

- Board-approved policies.
- Risk limits for trading desk and securities.
- Independent mid office serves as a risk control unit.
- Utilising tools like stress test and VAR for measuring and controlling market risk.

Capital Impacted



RISK : COMPLIANCE RISK

Risk Impact

Compliance risk can result in fines, legal penalties, regulatory action against the Bank, leading to loss of customer trust and reputation due to non-compliance of laws, regulations, or internal policies.

Mitigation Strategy

- Strong oversight of compliance with all applicable laws and regulations.
- Robust anti-money laundering measures to prevent financial crimes.
- Yearly compliance risk assessment with risk scores assigned to each department.
- For enhanced oversight and improved governance, Policies are placed to Board-level Committees before placing to Board.

Capital Impacted



RISK : FRAUD RISK

Risk Impact

Fraud risk directly impacts financial stability, reputation and operational efficiency. It impacts customer trust and the Bank's integrity.

Mitigation Strategy

- Comprehensive risk management policy and operating procedures.
- Analysis of transactions to identify potential risk and suggestions thereupon.
- Sharing of Early Warning Signal (EWS).
- Monitoring of online transactions using Enterprise Fraud Risk Management application (EFRM).
- Red Flagged Accounts are identified based on EWS and closely monitored for a period of six months to decide to either lift the RFA status or to declare the account as 'Fraud'.
- Encouraging staff to use the Whistle Blower Mechanism for flagging issues.
- Implementation of additional safeguards like Gap analysis to identify and prevent similar fraud recurrences.
- Established whistleblower policies to protect individuals reporting misconduct.
- Vigilance policies to monitor and mitigate fraud risks effectively.
- Creating awareness among employees and customers.

Capital Impacted



Materiality Assessment

Materiality Issues We Care About

Our commitment to sustainability is guided by a robust Materiality Assessment process. This process helps us identify and prioritise Environmental, Social and Governance (ESG) issues that are most critical to stakeholders and our business, ensuring alignment with strategic objectives. It empowers us to focus on issues that drive sustainable growth and stakeholder value creation.

IMPORTANCE OF THE MATERIALITY ASSESSMENT PROCESS

1
Aligns strategy and sustainability -
materiality assessment helps identify priority ESG issues to integrate into our business model, enhancing resilience and unlocking new opportunities

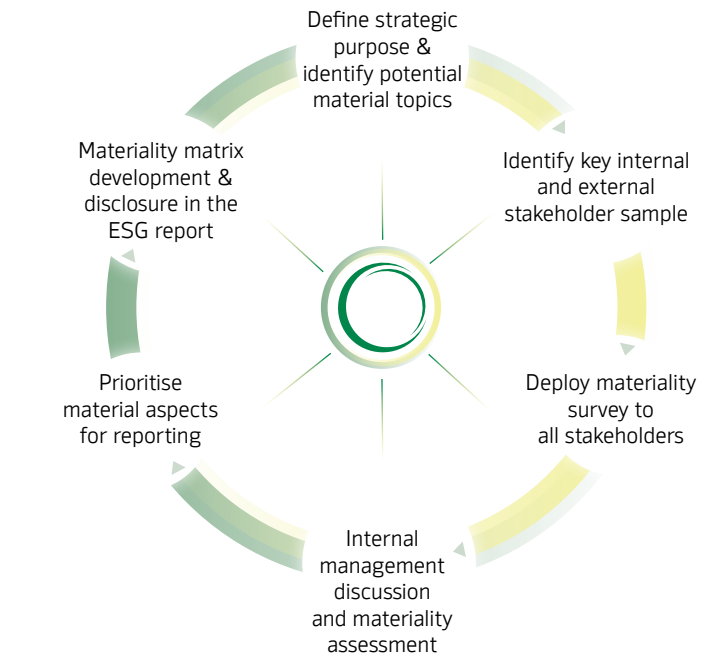
2
Optimise resources –
Directs finite resources – people, budgets and investments towards high-impact areas

3
Builds stakeholder trust –
Fosters transparency and credibility through inclusive engagement

4
Guides ESG disclosures –
Ensures compliance with frameworks like SEBI's BRSR and GRI shaping our non-financial reporting

OUR MATERIALITY ASSESSMENT PROCESS

We followed a six-step process, adhering to international sustainability reporting standards



MATERIALITY MATRIX THEMES

- Environment

Social

Governance

Sl. No.	Top Material Topics Identified
1	Cyber Security and Data Privacy
2	Financial Performance
3	Brand Reputation
4	Regulatory Compliance
5	Fraud Risk Management
6	Transparency & Fair Disclosures
7	Customer Experience & Satisfaction
8	Digitalisation
9	Business Ethics
10	Financial Inclusion
11	Corporate Governance
12	Training and Development

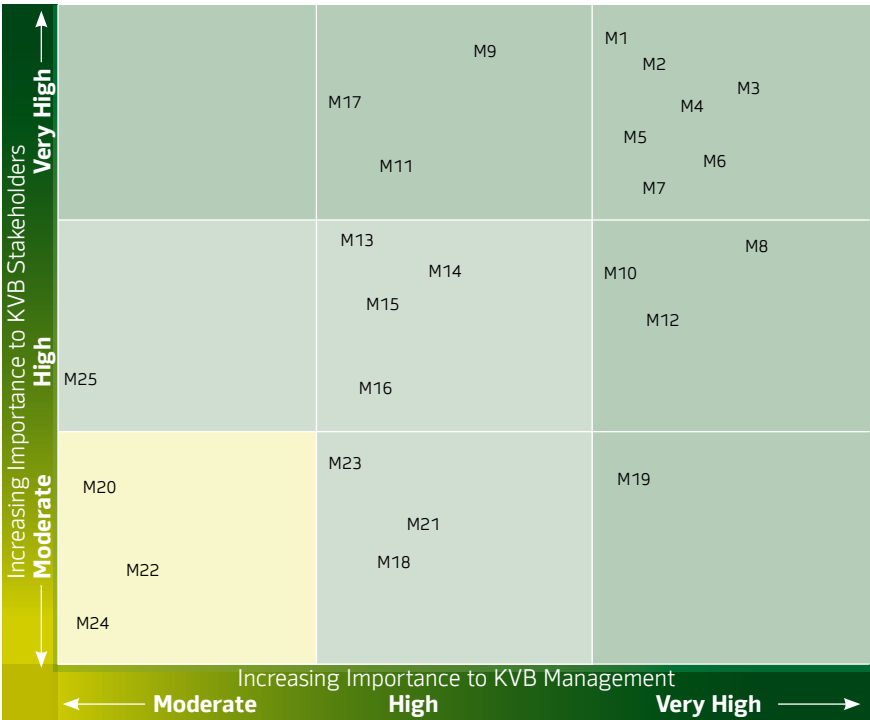
These topics reflect a strong emphasis on governance and social dimensions of sustainability, underlining the trust, security, compliance and service excellence that aligns with banking sector or for any financial institutions. None of the 12 topics fall under the Environmental domain,

reflecting that while environmental issues are acknowledged, they are currently perceived to have a relatively lower direct impact on KVB's core banking operations.

However, KVB remains committed in integrating environmental considerations

into its operations through energy efficiency measures, responsible resource use, and sustainable finance. While not ranked in the top tier of materiality, topics like carbon footprint, waste management, and green financing remains important and are addressed through various environmental initiatives and disclosures.

Based on material topics identified, the matrix was developed as follows:



Karur Vysya Bank's (KVB) materiality matrix prioritises ESG issues based on stakeholder and management perspectives. Key governance topics – cybersecurity, financial performance, regulatory compliance, fraud risk management, and customer satisfaction – rank highly for both groups, reflecting their critical role. Environmental issues, such as climate change, carbon footprint, and green finance, rank lower,

suggesting a potential gap given the increase in global and regulatory focus. Social aspects like employee wellbeing and inclusion are mid-tier, with internal emphasis on training and development. To meet evolving ESG expectations, we will strengthen environmental priorities, deepen stakeholder engagement, and embed material topics into strategy, reporting, and KPIs.

- ENVIRONMENT

M21. Carbon Footprint
M22. Waste Management
M23. Investing in Green Opportunities
M24. Climate Change
- SOCIAL

M1. Cyber Security and Data Privacy
M7. Customer Experience & Satisfaction
M10. Financial Inclusion
M12. Training & Development
M13. Diversity & Inclusion
M15. Freedom of Association and Collective Bargaining
M17. Community Wellbeing/CSR
M19. Employee Wellbeing and Development
M20. Talent Attraction & Retention
M25. Sustainable Procurement
- GOVERNANCE

M2. Financial Performance
M3. Brand Reputation Opportunities
M4. Regulatory Compliance
M5. Fraud Risk management
M6. Transparency & Fair Disclosures
M8. Digitisation
M9. Business Ethics
M11. Corporate Governance
M14. ESG Oversight
M16. Executive Compensation linked to ESG targets
M18. Product Design & Innovation

Our Commitment to Sustainability

At KVB, we recognise that **Environmental, Social, and Governance (ESG) principles** are fundamental to sustainable growth and responsible banking. Our commitment extends beyond compliance, focussing on real-world impact through ethical governance, environmental stewardship, and social responsibility. By integrating ESG into our core business strategy, we aim to enhance financial resilience while contributing to a sustainable future. The bank has subscribed to M/s. Crisil ESG Ratings, a Category I Subscriber-Pays ESG rating provider registered with SEBI. They have assessed our bank's ESG performance using publicly available information and assigned an ESG rating of 68 for FY 2023-24.

Our commitment to environmental stewardship, social responsibility, and ethical governance drives us to create lasting positive impact for our people, customers, and communities.

To accelerate these efforts, we have established a dedicated ESG team that facilitate compliance with sustainability standards and drives policy alignment. This structured approach ensures that ESG is embedded across all levels of our operations.

ESG GOVERNANCE

The Governance pillar of ESG focusses on maintaining robust governance practices through transparency, accountability and ethical decision-making. KVB upholds the highest governance standards, ensuring accountability and alignment with global frameworks. To ensure consistent ESG progress, Board-level CSR & ESG Committee is reviewing the ESG initiatives and implementations periodically, enabling real-time monitoring, strategic evaluation, and proactive decision-making.

Environment

Contributing to a Greener Tomorrow

At KVB, our commitment to environmental stewardship is integral to our vision of responsible banking. The Environment pillar of ESG is dedicated to minimising the Bank’s impact on the planet. We have accelerated our efforts to align with national climate goals by prioritising reduction in our ecological footprint through innovative energy solutions, waste management, and green financing. We are embedding sustainability into our operations to create lasting value for the planet and our stakeholders.

GREEN INFRASTRUCTURE

KVB’s Central Office Main Building earned the prestigious IGBC Platinum certification for energy efficiency and sustainable design. This is the highest recognition granted by Indian Green Building Council. Further, our project was published in Coffee Table Book Volume VI of IGBC. The book was launched on November 14, 2024.



Key initiatives undertaken in Central Office for the certification

- Heat reduction
- Solar Reflective Index (SRI) tiles are installed in the terrace floor of the Central Office to reflect sunlight, which reduces heat absorption.
- Water management
- Sewage Treatment Plant (STP) to treat wastewater, which is reused for landscaping and gardening.
 - Reduced water usage by 50% through low-flow fixtures installed in restrooms.
 - Installed water meters to monitor and manage water consumption effectively.
 - Collecting more than 75% of rainwater runoff through the Rainwater Harvesting tank capacity of 51,000 litres.
- Waste management
- Built a scrapyard yard for waste segregation to improve recycling and waste management.
 - Developed vermicomposting pit to convert organic waste into nutrient-rich compost and supporting landscaping needs.

Occupant well-being and accessibility

- Ensured good daylight and fresh air ventilation throughout the building for a healthier indoor environment.
- Added provision for differently abled individuals, including accessible toilets, ramps, braille system in lifts and dedicated parking spaces.

Renewable energy adoption

Windmill

Our Bank owns an 850 KW Wind Turbine Generator at Theni. The power generated by the Wind Turbine is utilised for our Central Office at Karur and Divisional Office at Chennai.

Solar

A rooftop solar power plant (38 KW) has been installed at our Bank’s own building at Hyderabad Divisional Office for the utilisation of solar energy. Further, installation of rooftop solar power plant is in progress at our Bank-owned buildings at Namakkal Main branch (15 KW) and Trichy Divisional office building (38 KW).



The amount of units generated from solar

46 MWh

Sustainable landscaping

- Established herbal garden with native medicinal plants, enhancing air quality and offering a relaxing green space.
- Covered 75% of non-roof areas with native trees, promoting biodiversity and reducing soil erosion.

Materials and resources

- Using eco-friendly housekeeping chemicals throughout the building.



Number of units generated from wind

1,118.61 MWh



IGBC Certification for the Central Office



GHG emissions avoided

847 tonnes of CO₂e

E-Waste and Battery Waste Management

The Bank ensures that most IT assets are replaced or disposed of only after the completion of their defined life cycle, in line with the policy. This approach minimises premature disposal and supports responsible e-waste management.

These measures reflect the Bank’s ongoing focus on sustainable operations and compliance with environmental norms.

The Bank remains committed to environmentally responsible practices, including the safe disposal of e-waste and battery waste. During FY 2024-25, a total of 175 metric tonnes of e-waste and battery waste were safely disposed of through Pollution Control Board- authorised vendors and through buyback arrangement with the Original Equipment Manufacturer (OEM).

Green office initiative

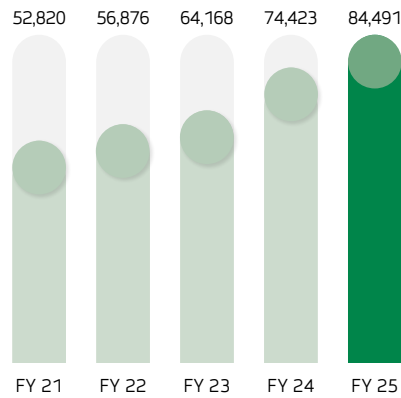
As part of Soil Day 2024, employees participated in the “Planting for a Greener Tomorrow” campaign by planting saplings at all branches and the offices.

Social – Investors

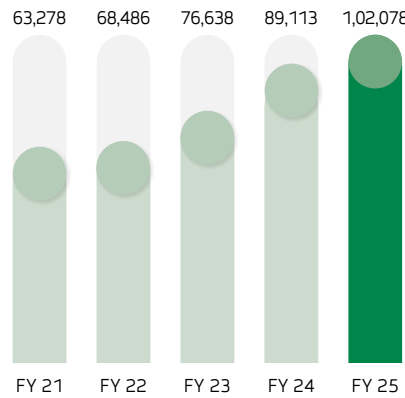
Striving to Provide Sustainable Growth

Our continued focus on customer centricity through branch expansion to expand our base and technology and other initiatives to improve customer experience, along with financial prudence, has resulted in yet another year of record profits for our investors. Our endeavour to create shareholder value is visible through our consistently improving dividend payment record.

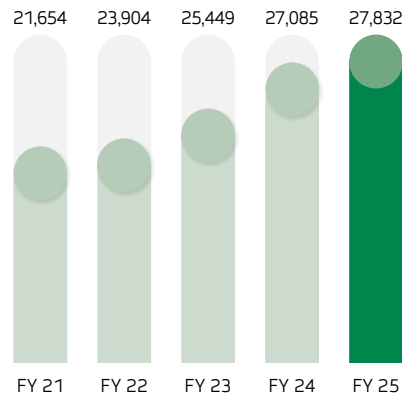
Total Advances (₹ in Crore)



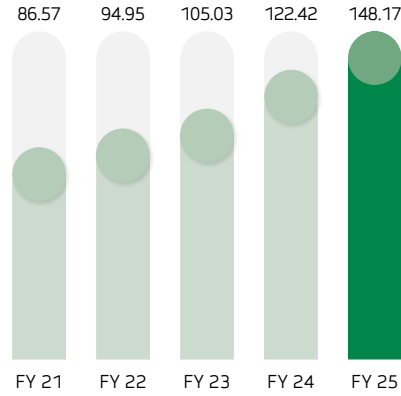
Total Deposits (₹ in Crore)



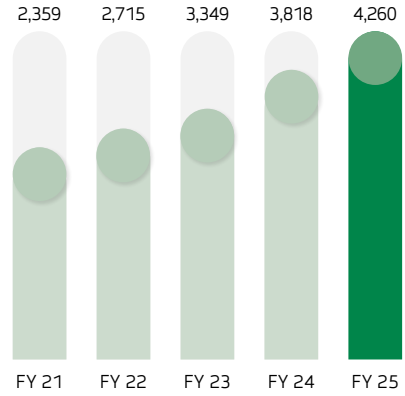
CASA (₹ in Crore)



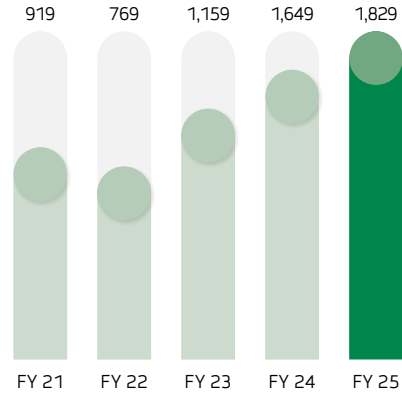
Book Value (₹)



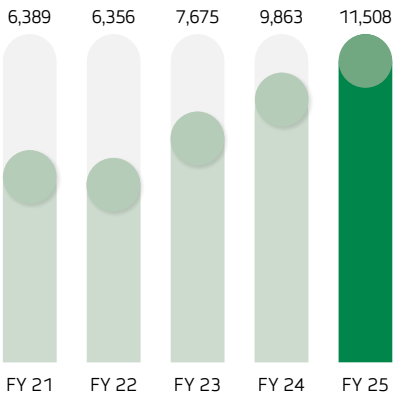
Net Interest Income (₹ in Crore)



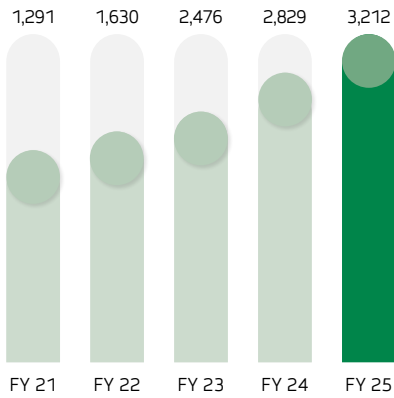
Non-Interest Income (₹ in Crore)



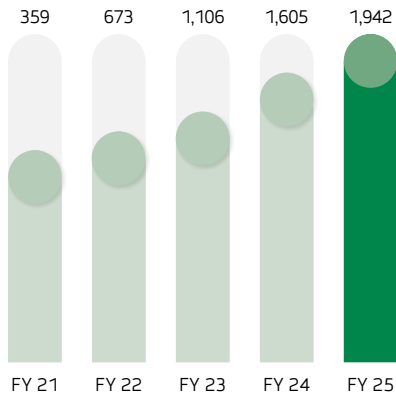
Total Income (₹ in Crore)



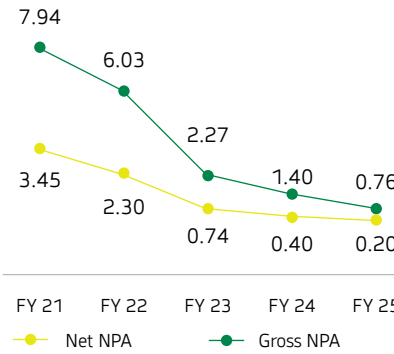
Operating Profit (₹ in Crore)



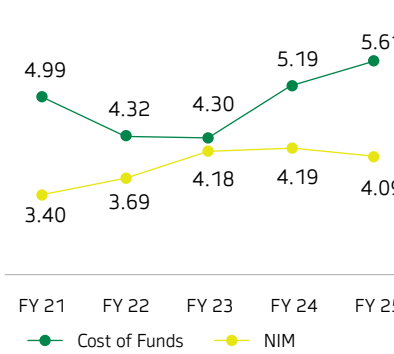
Net Profit (₹ in Crore)



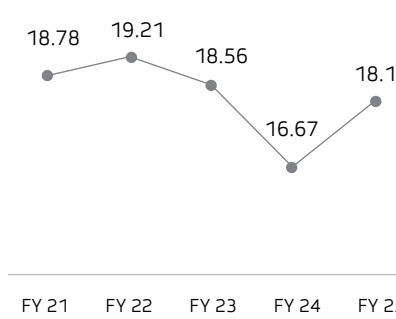
NPA (%)



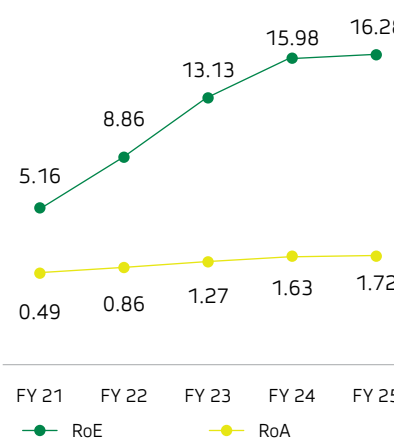
Margin Profile (%)



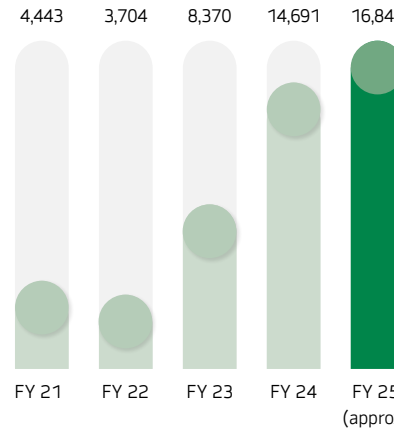
CRAR (%)



Return Ratios (%)



Market Capitalisation (₹ in Crore)



Social – People

Working for a Shared Purpose

Extraordinary organisations are built by extraordinary people who are given extraordinary opportunities to thrive. Our human resource philosophy centres on creating a workplace where talent is nurtured, potential is unleashed, and every individual contribution is recognised as integral to our collective success. We have cultivated a culture where learning is continuous, innovation is encouraged, and diversity is leveraged as a competitive advantage. By prioritising employee growth, well-being, and engagement, we have built a workplace where people are personally invested in our shared vision of banking excellence.

KVB has adopted a comprehensive Code of Ethics policy, which demonstrates a commitment to Human Rights, Anti-Harassment, and Diversity, Equity and Inclusion (DEI) principles of the Bank. This policy reinforces our resolve to foster a workplace that is safe, respectful and inclusive, ensuring that every employee feels valued and supported. By upholding these core principles, we strive to create a conducive environment where employees can work, grow and develop to their full potential.

KEY HIGHLIGHTS:

9,866
Employees

28%
Women Employees



DIGITAL TRANSFORMATION IN HR FUNCTIONS

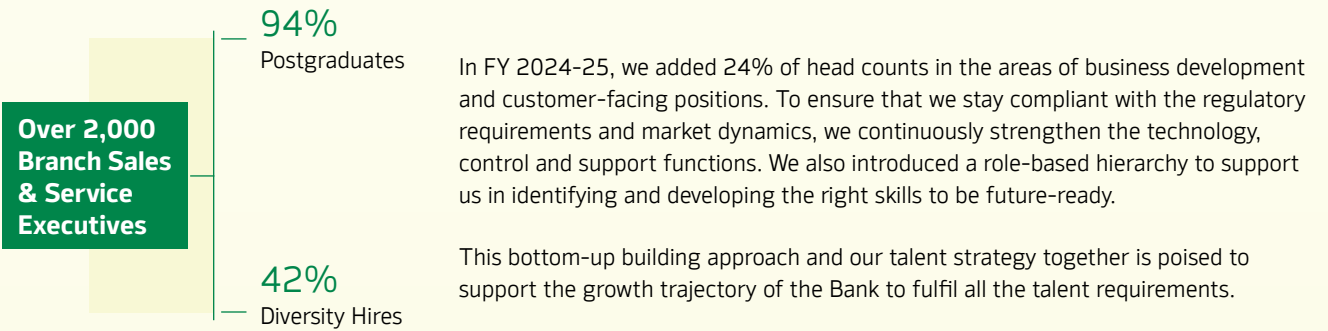
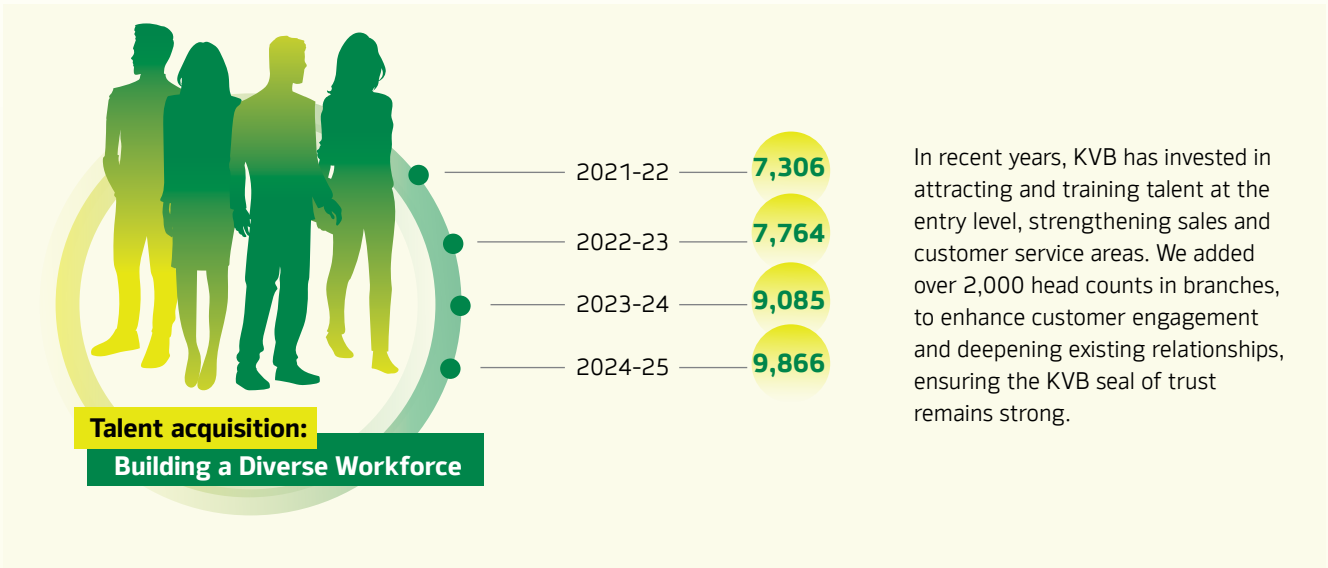
iRMS

This fiscal, we have implemented the Integrated Recruitment Management System, providing comprehensive digital workflows working in unison to manage the entire hiring and on-boarding process.

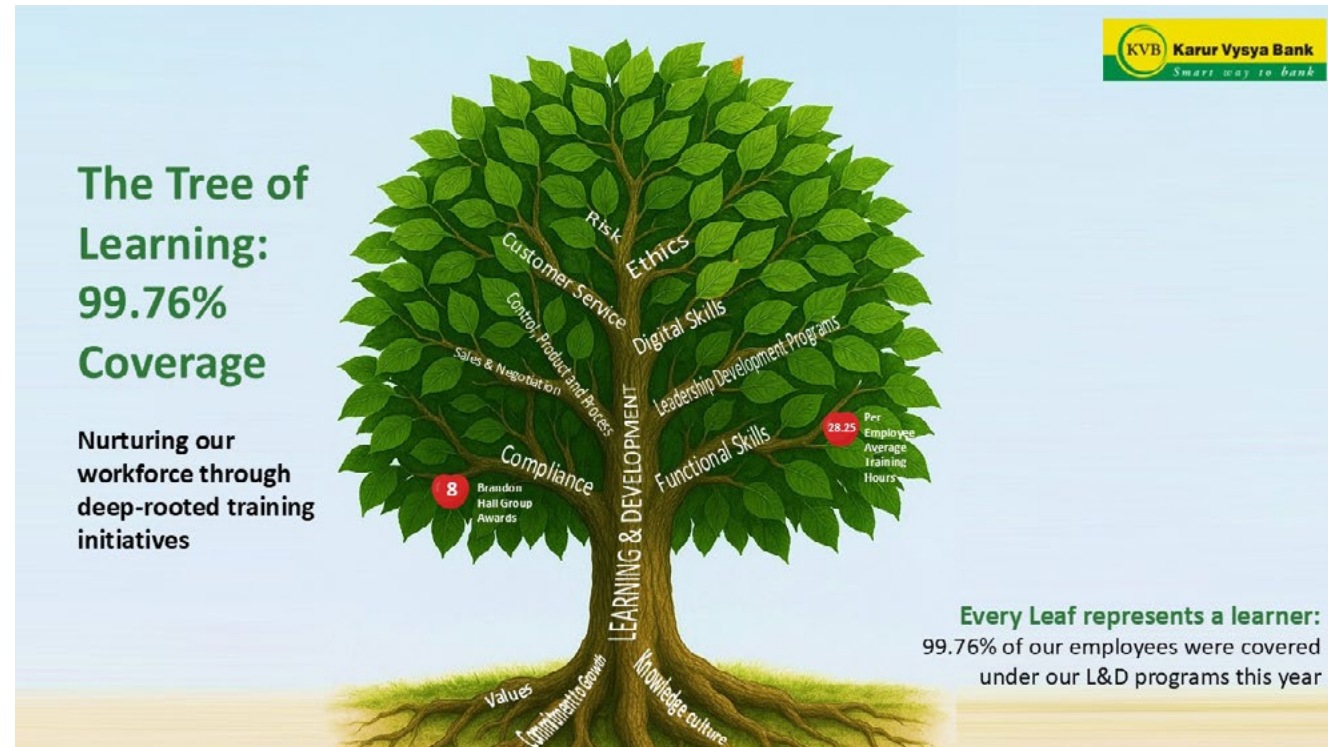
This solution extends to the third-party vendors and document management system for digital employee files, ensuring transparency, effective, reliable, and scalable staffing.

This system also supports the ESG initiatives of the Bank through its end-to-end paperless process flow.

Our digital touchpoints enable employees and managers with dedicated dashboards, workflow-based transactions to deliver right mix of tech and touch for enhanced employee experience.



LEARNING & DEVELOPMENT



At KVB, we attract and nurture talent through a proactive and holistic approach by providing diverse training opportunities to enhance employees' skills, knowledge, and professional growth.

Leadership development is tailored for emerging, mid-level, and senior leaders, while regular virtual training sessions on products, processes, and risk management are conducted by the Staff Training College. The upgraded L&D Portal offers curated content like blogs, podcasts, and E-Magazines, and employees have access to Coursera for globally recognised courses. E-learning on diversified topics including customer service, gender diversity, Agri gold loans, and cybersecurity ensure comprehensive skill development, with over 90% training coverage.

Additionally, KVB promotes continuous learning through Quiz Marathons, Knowledge Update

Tests (KUTs), and the Flex Training initiative, which mandates at least two relevant training programmes monthly.

Engaging learning programmes

■ **Knowledge update tests (KUTs)** are conducted periodically to assess employees' understanding of key banking concepts and regulations.

■ **The flex training** by Divisional Offices ensures that employees are trained in minimum two training programmes in a month, which are relevant and critical to banking, regularly.

■ **Banking tides:** Our Staff Training College, publishes daily news about the Industry, economic development, RBI notifications, policies and processes, among others, for all employees.

■ **The mentor loop** - We introduced this novel initiative of promoting cross-generational learning by enabling younger employees to mentor senior executives on emerging trends, digital advancements and new-age customer expectations. This facilitates leadership adaptability, knowledge promotion, and strengthens a culture of continuous learning and collaboration across all levels.

9,733 employees
Participation in training programmes

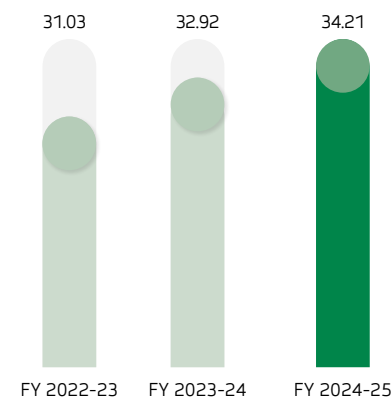
848
Training programmes conducted

97.03%
E-learning training coverage rate

DIVERSITY AND INCLUSION

The Bank's efforts in improving its gender diversity have led to noticeable improvements by targeted recruitment efforts and supportive policies. The share of Women employees recruited over the last three financial years is illustrated below:

Women Hires (%)



The following initiatives are undertaken to empower the women workforce of the Bank:

Exclusive leadership development programme: This dedicated training programme was designed for female branch heads to empower women in leadership roles.

Launch of Samarthan: This initiative supports new and expecting mothers among employees through a webinar with an aim to equip them with the knowledge and resources needed to successfully navigate motherhood. It covers varied topics such as information on their health, well-being, and the importance of nutrition.

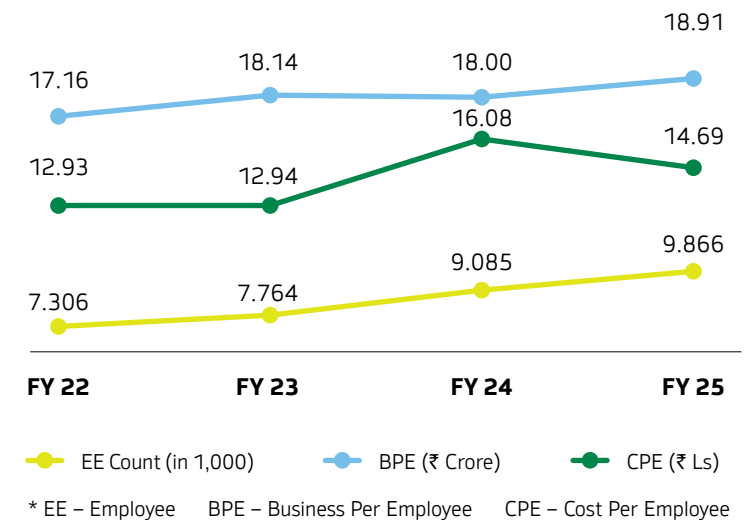
Perna women's group: A new email ID has been created for women employees to share any concerns or suggestions, which is assessed by women executives who are trained to handle such issues with full confidentiality and compassion.

She leads awards: This initiative is designed to celebrate and recognise women employees across various roles, inviting male employees to nominate women colleagues in 12 different categories. These awards aim to acknowledge the achievements and contributions of women in the workplace.

EMPLOYEE FIRST

KVB is committed to fostering a future-ready, resilient workforce through an inclusive environment that promotes learning, growth, and excellence. Our employee engagement initiatives, including the Aarogya-Wellness programme, support physical and mental well-being, reducing workforce risks and building a dynamic talent pool equipped for evolving business demands. Strategic efforts to enhance productivity and rebuild customer relationships have driven business growth.

KVB has deployed dedicated Branch Sales & Service Executives and Relationship Managers to strengthen customer relationships and foster a sales-driven culture at the branch level. The Promod Mass Communication Program has boosted employee



productivity, enhancing new customer acquisition, deepening existing client relationships, and increasing digital adoption. Despite an 8% increase in headcount from last fiscal, per-employee costs have decreased, while productivity has risen by over 5%.

EMPLOYEE ENGAGEMENT INITIATIVES

Our employee engagement initiatives are designed to build a skilled, engaged, and future-ready workforce with deep interpersonal bonds and a sense of belonging while driving organisational excellence. Through a variety of programmes, we prioritise inclusivity, creativity, well-being, and recognition to create a dynamic workplace.



Cultural and Festive Celebrations:

We celebrate diversity and team spirit through events like Women's Day, Onam Pookalam Competition, Children's Day, New Year celebrations and Founder's Day observed annually on July 1. Founder's Day honours our founding fathers with activities such as feeding the poor across all locations and recognise meritorious children of employees scoring 80% and above in their Xth/XIIth public examinations with cash incentives and certificates.

Employee wellness and support:

We run multiple wellness and support programmes to our employees. This includes Aarogya Wellness Program which promotes physical and mental well-being through webinars on yoga, health talks by gastroenterologists and orthopaedics, and art therapy. Additionally, the Bandhan programme run by the Bank supports retiring employees and their spouses in preparing for post-retirement life, ensuring a smooth transition.



Samarthan

This initiative focusses on supporting new and expecting mothers to equip them with the knowledge and resources needed to successfully navigate motherhood, including information on their health, well-being, and the importance of nutrition.

Creative engagement and talent

recognition: We organise 52-Week Quiz Marathon, Ezine with active and plentiful contributions (like articles, blogs, poems, artwork etc.) and creative contests.



Global recognition through

communication: Our Pramod mass communication initiative, implemented in three phases across all employee cadres, was widely appreciated and earned global acclaim with the prestigious Brandon Hall Excellence Awards, highlighting our commitment to impactful engagement strategies.

RECOGNISING EMPLOYEE CONTRIBUTIONS

Fostering a culture of engagement and recognising employee contributions are key priorities. Several structured programmes and metrics are in place to ensure employees feel valued and motivated.



Performance-based rewards: High-performing branch heads are recognised on a quarterly basis and recognised as members of MD's Club (silver and gold). Apart from that, the Bank has performance oriented incentives based on individual achievements.

KVB Rathna: KVB Rathna is a platform wherein the employee gets instant appreciation from the senior management in recognition of achievement in any area of operations.

Service milestone recognition:

Employees completing 25 years of service are honoured with certificates and tokens of appreciation.

By implementing a well-structured learning plan and promoting employee engagement and wellbeing initiatives, the Bank has enhanced the employee motivation and job satisfaction, fostering a supportive environment that encourages growth and long-term career development.

PRAMOD, AN INITIATIVE CARRIED OUT ACROSS THE BANK IN THREE IMPACTFUL PHASES:

Phase I – Relationship Next

This initiative focussed on celebrating achievements and fostering a sense of pride among employees. Through an engaging mix of storytelling, interactive sessions, and success case studies, this phase aimed to build emotional resonance and instill the belief that every employee's contribution is vital to the bank's larger success.

Participants filled out a pledge card at the end of the session, reflecting their personal commitment to contributing positively. These pledge cards were taken back as a "carry-back" message to act upon in their everyday work.



Phase 2 – The Joy of Success

Building on the momentum, Phase 2 titled "The Joy of Success" was launched to reinforce the importance of customer centricity. This phase emphasised the need to elevate customer experience and deepen customer relationships through understanding customer needs and service excellence.

Phase 3 – Beyond Boundaries

This programme was designed to further strengthen the strategic alignment across the organisation.

All three phases were rolled out Bank-wide with the enthusiastic participation of teams from various functions and locations. The structured approach, commitment to training, and focus on measurable outcomes ensured that Pramod evolved into more than a programme – it became a movement that touched every employee and elevated our customer experience and internal collaboration.

This initiative has been recognised with the prestigious Brandon Hall Award, a global recognition for excellence for the strategic impact and transformational outcome under eight distinct categories. This honour is a testament to the power of collective effort and the innovative spirit that defines our Bank.

Social – Customers

Building Lasting Relationships

We support our customers to bring a brighter future, together. At KVB, we have prioritised customer-centricity through innovative services, accessibility enhancements, and robust grievance redressal mechanisms. By reducing loan approval turnaround time, improving digital adoption, and ensuring inclusivity, KVB has solidified its position as a customer-focussed institution.

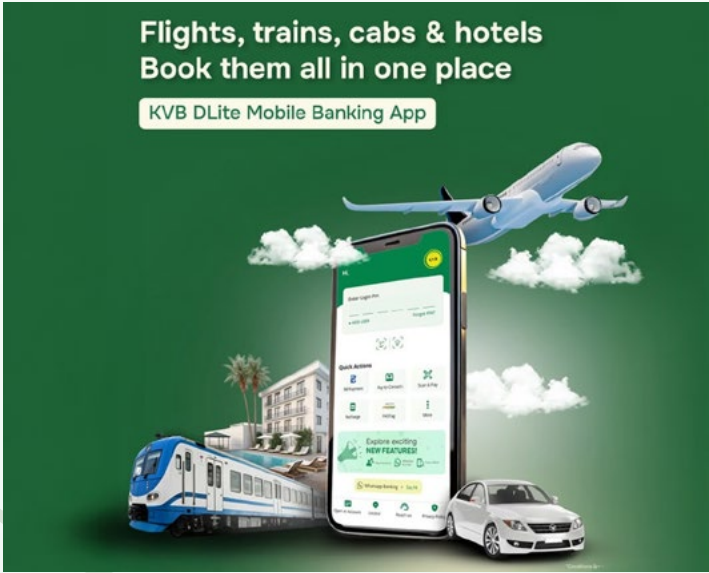
KVB has introduced several digital solutions to enhance customer convenience and accessibility. The UPI Lite platform, designed by NPCI for small-value transactions (≤₹500), offers a faster, customer-friendly payment solution. This complements our expanded digital channels, including upgraded Internet Banking, Mobile Banking, and debit card services. The Internet Banking platform features a unified dashboard, simplified fund transfers, Quick Pay, Quick Response Search, password-protected e-receipts, multilingual support, and feedback capture, ensuring a seamless user experience accessible on mobile devices.

KVB also introduced voice-based login as an alternate login option, simplifying the login process for customers. The Re-KYC and customer profile update processes were fully digitised in FY 2024-25, with drop-off analysis conducted to fine-tune conversions and improve user experience. Additionally, Insta FD for new-to-bank customers and DIY journeys for Current Accounts and retail asset products are under implementation, with plans to digitise Standard Operating Procedures (SOPs) and enhance de-dupe checks for Current Account openings.

During the fiscal, we launched enhanced version of DLite App with enhanced customer experience, pay to contacts, statements download, Loan certificate, social security schemes, Email ID verification, among others. Tutorial videos on the Bank website guide customers in navigating mobile banking.

For the corporate customers, the DLite Corporate App provides a tailored experience with integrations for bill payments, FASTag, merchant services, trade finance and transaction banking. Planned enhancements for DLite Retail include self-service features like virtual debit cards, cardless cash withdrawal and customer satisfaction (CSAT) capturing, further improving user engagement.

The migration of internet and mobile banking to the cloud has improved reliability, scalability and availability while ensuring uninterrupted service delivery.



Enhanced Security Features

Application Security

Tampered app detection, app blacklisting, runtime integrity checks, and detection of side-loaded apps.

Anti-Malware Capabilities

Protection against app spoofing, unsecured keyboard usage, spyware, adware, and riskware, as well as key-logger prevention and detection of hooking frameworks.

Fraud Prevention Controls

Alerts for social engineering, voice call interception, SMS forwarding, OTP sharing, remote access via screen-sharing apps, and protection against “juice jacking” (data theft via charging cables).

4.7

Google Play DLite App rating

4.1

Apple Store DLite App rating

1.3+ Million

Monthly active users

5+ Million

Total downloads of DLite App

Accessibility Enhancements for Inclusive Banking

KVB is committed to making banking accessible to all customer segments, particularly those with disabilities. Wherever feasible, branches are equipped with ramp facilities in compliance with Reserve Bank of India (RBI) guidelines. ATMs and cash deposit machines feature Braille keypads and voice assistants to assist visually impaired customers. The Bank’s website includes high-contrast mode and font-size adjustment options, enhancing usability for visually impaired users. Doorstep banking is offered free of charge to disabled customers, ensuring equitable access to banking services.

To further enhance accessibility, KVB has deployed 294 Self-Service Passbook Kiosks and cash recyclers at onsite locations, enabling 24/7 account access. Digital Signage Units (DSUs) are utilised to display product updates and safe banking advisories, keeping customers informed and engaged. The Bank also partnered with a new vendor for POS deployment, streamlining merchant services.

Robust Grievance Redressal and Customer Feedback Mechanism

KVB has strengthened its grievance redressal framework to ensure timely and effective resolution of customer issues. The Bank’s grievance redressal mechanism aligns with RBI’s Master Direction (December 2023) and follows a Standard Operating Procedure (SOP) issued on September 26, 2024. The complaint management portal facilitates efficient complaint tracking and resolution, with the policy publicly available on the KVB customer support page. Customers can provide feedback through multiple channels, including the website portal, branch-level Customer Service Committee meetings, and Standing Committee sessions. A Depositor Satisfaction Survey conducted in FY 2023-24, with the FY 2024-25 survey underway, reflects KVB’s commitment to collecting customer feedback for continuous improvement.

KVB Call Centre

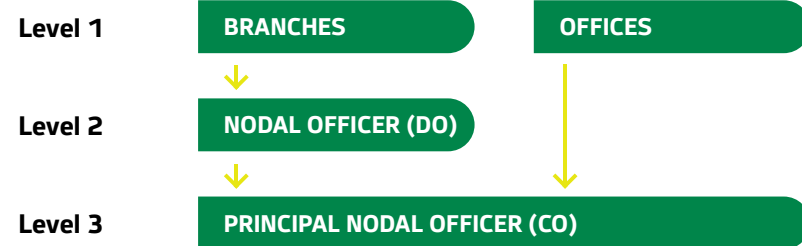
In FY 2024-25, KVB’s call centre enhanced customer service through advanced digital solutions. The implementation of IVRS for Enterprise Fraud Risk Management (EFRM) calls, effective December 2024, streamlined transaction verification, reducing manual intervention. Email and SMS triggers for National Cybercrime Reporting Portal (NCRP) non-connect customers ensured timely grievance resolution. The revamped Servosys Ticketing Tool improved complaint tracking, while Credit Card Inbound Customer Support strengthened service reliability. Virtual Machine (VM) servers for Armsotech Dialer and CRM are in progress, boosting operational scalability. Future priorities include a comprehensive IVRS revamp, development of a dedicated Credit Card IVRS, and digital pre-due collection activities to enhance efficiency, reinforcing KVB’s commitment to seamless, technology-driven customer engagement.

Our Robust Grievance Redressal Framework

KVB is dedicated to providing superior customer experience by ensuring swift and effective resolution of grievances. Our initiatives are guided by commitment to customer satisfaction and adherence to highest standards of service.

GRIEVANCE REDRESSAL FRAMEWORK

We have developed a tiered approach that ensures systematic escalation and resolution within defined timelines, emphasising our proactive stance towards customer support.



The grievance redressal process is meticulously designed through the following levels.

LEVEL 1

Initial contact point (Branches):

Our branches serve as a primary point of grievance registration. Our dedicated staff are trained to understand and resolve a wide array of customer issues promptly. If proper resolution not achieved at branch level within 10 days, the grievance is escalated to the respective Divisional Office (DO) on 11th day.

LEVEL 2

Nodal Offices (Respective Divisional Offices):

The Nodal offices bring more focussed attention and expertise to resolve more complex issues. If a satisfactory resolution at DO not given within 7 days, then the complaint is escalated to Principal nodal officer on 18th day.

LEVEL 3

Principal nodal officer – This apex team provides strategic guidance and intervention, ensuring a conclusive resolution is delivered within the TAT (Turn Around Time) of 30 days.

Note: Partly rejected and wholly rejected complaints are referred to the Internal ombudsman as per the IO scheme guidelines 2018.

We are pleased to report a high level of efficiency in our primary customer grievance efforts in FY 2024-25

Complaints resolved at first level

85.47%

UPHOLDING CUSTOMER SATISFACTION AND TRUST

We rigorously ensure that as a financial institution, we adhere to the SOP and guidelines of the bank and RBI and provide resolution within the standard protocol and the procedure for customer trust and satisfaction. Recognising the critical importance of addressing systemic issues, we employ a robust Root Cause Analysis (RCA) for frequently occurring complaints. This analytical approach helps us identify underlying problems and implement targeted corrective actions, leading to a demonstrable reduction in complaint volumes.

STRATEGIC INITIATIVES FOR ENHANCED CUSTOMER EXPERIENCE

Streamlined KYC Process: To ensure seamless and efficient compliance, we have introduced E-KYC / E-sign based Re-KYC and Profile updation. This technology-driven approach minimises documentation and enables real-time updates, significantly improving customer convenience. Our Bank is in the process of implementing CKYC based account opening and performing Re-KYC through CKYC records.

Digital fraud prevention: In response to the evolving landscape of digital threats, KVB is committed to proactive customer and public education and awareness campaigns through various channels like DSU's / SMS / E-Mail / Social Media etc.

Ethical practices: We maintain zero tolerance policy towards mis-selling and aggressive recovery practices.

Performance Metrics

No. of customer complaints received

6,377

Grievances solved in TAT

6,180

Average TAT for solving complaints

14 days

Pushed to Banking Ombudsman in FY 2024-25

715 grievances

Employees trained in handling customer grievances

7,885

Case Study:

Reduction in complaints due to root cause analysis

Complaints falling under Loans and Advances category reduced from 1,589 to 1,138 during FY 2024-25 while compared to FY 2023-24. After conducting RCA complaints under Loans and Advances category reduced by 40%.

Root cause:

Most of BNPL complaints are unaware cases, where customers have availed credit facility/limit, but upon finding the Bank's name in their CIBIL reports, raising the complaints stating that they had never availed such loan/facility from the bank. Even though, customer didn't utilise the limit approved under BNPL, Bank's name will reflect in CIBIL report till closure of the limit/facility. Upon closure of BNPL Limit/facility, customers are immediately escalating for non updation of CIBIL in their credit reports, which usually takes a timeline of 30-45 days based on various scenarios.

Mitigation:

Creating awareness to the customers on -BNPL Co-lending arrangement with Axio, while on boarding/documentation journey by displaying the Bank's name and logo. Customers are notified through SMS from Axio while on boarding journey mentioning that it is Co-Lending arrangement with KVB. Centralised team at DTPC is addressing all BNPL complaints/queries, thus resolution is taking place in a swift manner

Social – Communities

Giving back to the society

Our CSR philosophy is rooted in the belief that sustainable banking goes hand in hand with sustainable communities. We channel our efforts into transformative initiatives across education, healthcare, environmental conservation and community empowerment. By combining direct implementation with strategic collaborations, we ensure our CSR investments reach those who need them most. Our programmes build long-term capacity within communities, inculcating self-reliance and promoting sustainable growth that extends well beyond our initial involvement.

1,60,621

Lives impacted



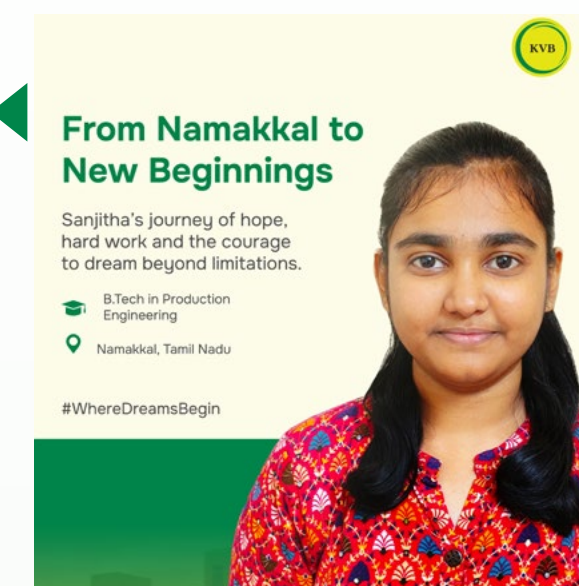
EDUCATION AND SKILL DEVELOPMENT

KVB scholarship programme: KVB's flagship scholarship programme, supports economically disadvantaged students by providing financial assistance for education. This year, we supported 100 such students from Tamil Nadu, Andhra Pradesh and Telangana through this project.

Cybersecurity and financial literacy awareness: At KVB, we promote Financial Literacy Awareness Programme as part of Cybersecurity awareness in Trichy, Karur and Madurai through digital campaigns, roadshows, newspapers, radio, and cinema. These efforts equip general public, women groups, and self-help groups etc. with necessary knowledge and skills to make good financial decisions and secure their future, leading to economic growth and prosperity.

Mini science centre in government schools: To revolutionise STEM education, we are establishing 35 Mini Science Centres in Government Schools across Tamil Nadu. These centres will foster innovative learning in science and Maths for students hailing from underprivileged families and studying in rural municipal schools.

Support to weightlifting sports person: KVB provides financial assistance to Mr. Dhanush Loganathan (a national records holder in weightlifting) to cover the costs of training, equipment, travel, and participation in international weightlifting events to help him achieve his full potential and represent India globally. The support also facilitates his participation in international competitions, contributing to the recognition and prominence of Indian athletes in global sports.





Financial Inclusion and Literacy:

KVB advances financial inclusion by offering accessible banking products, leveraging technology and conducting financial literacy campaigns. The Bank has conducted 302 financial literacy campaigns in Rural, semi-urban/Urban areas, including the RBI Financial Literacy Week campaign 2025, benefiting 4,099 individuals.

PROMOTION OF SANITATION, HYGIENE, HEALTHCARE, AND CLEAN DRINKING WATER

Sanitation facilities in government schools: We enhanced sanitation infrastructure at 15 government schools in Karur and Namakkal providing training on Water, Sanitation and Hygiene (WaSH) and Menstrual Health Management (MHM) to improve educational outcomes through better hygiene.

Provision of skill development training to rural women on different trades:

We are extending entrepreneurial opportunities to 180 Women of a self-help group through skill development training on palm jaggery production and Seashell crafts for enhancing their sustainable livelihood across Thiruppullani, Mandapam and Kadaladi Blocks in Ramanathapuram District.

Hydroponic farming training: We support hands-on training in hydroponic farming, and hydroponic vegetable cultivation for producing fresh, nutrient-dense vegetables and greens efficiently and for setting up a demonstration unit to train 90 women and men from various villages at Kuthampakkam, Tiruvallur district.

Skill development for women and youth: Our Bank has provided placement-linked skill development opportunities to 400 youth and women to enhance their livelihood by setting up a training centre at Coimbatore, Tamil Nadu.

Integrating skill building and entrepreneurship development: KVB empowered 400 women as successful entrepreneurs and scale their business operations along with required skills, knowledge, and resources through

Primary Producers Groups (PPGs) in Thirupullani and Kadaladi blocks, Ramanathapuram District in Palm-Based handicrafts products, Jute & Cloth Bag Preparation, Basic Tailoring and Aari and Embroidery.

Support for Speech & Language Therapy, Vocational Tools, and equipment for training students with Special needs: We along with a partner, supported the project for 90+ children with special needs to get direct, required education through functional learning & vocational training.



Early childhood care and education for children of migrant labourers:

We support early childhood care and education for the children of migrant labourers addressing neglect and nutritional deficiencies during their critical years of development.

Spine & limb deformities treatment:

KVB, in association with Ganga Spine Injury Foundation offers monetary assistance to deserving people who need surgery for the management of defects present at birth or inflicted due to accidents, enabling patients to recover and support their families.

Free dialysis unit: KVB funds project Asha Kiran in Bengaluru to provide free dialysis, supportive pathology tests, medicines and technician salaries for patients from economically weaker sections. The centre currently supports one shift with 14-bed dialysis units and has plans to support additional 32 poor and needy people for dialysis.

Reconstructive surgery support: KVB supports the 'Changing Lives through Reconstructive Surgery' initiative, offering monetary assistance to deserving people who are in need of reconstructive surgery for the management of defects present at birth or inflicted due to accidents, infection or cancer.

Treatment of cancer patients: We support the initiative to provide treatment to stage II & III cancer patients from the economically weaker sections of society who have fair chance of recovery.

Medical equipment for government primary health centre: KVB provided critical medical equipment to the Government Primary Health Centre, Singalandapuram, Namakkal. We also provided essential medical equipment to VIRRD Hospital, Dwarkatirumala, Eluru Dist, AP. We also provided medical equipment to Government Medical College Hospital, Karur.



Ambulance for elderly care: KVB supports The Vanchi Poor Fund for Old Age with an ambulance equipped with stretcher and medical facilities serving 22 elderly women for emergency care and regular treatments.

Ophthalmic equipment to government hospital: We provided ophthalmic operating microscope to the Government Hospital, Madurantakam,

Chengalpattu District benefiting over 3,000+ patients and helping to achieve a cataract blindness backlog-free society by the year 2025.

Additionally, the Bank also provided Lensometers and Trial sets to Vision centres of Sankara Eye Hospital, Pammal, Chennai.

Ambulance to Melmaruvathur Adhiparasakthi Institute: Our Bank funded ambulance for easy accessibility to the nearby villages for conducting medical camps, thereby providing healthcare facilities to the poor and underprivileged people.

Reconstructive surgery for burn survivors: We extend support through a Trust to carry out the required reconstructive surgeries for post-burn contracture/deformities to the affected people free of cost.

Renovation of 5 primary healthcare centres in rural areas: KVB has partnered with Bharat Cares to bridge the healthcare gap by transforming the 5 centres in flood-affected areas into modern, well-equipped facilities that can provide high-quality medical care to underserved communities.



Sanitation and waste management: We provided battery-operated garbage collection vehicle to Naganatha Swamy Temple, Thirunageswaram to promote environmental sustainability.

We also partnered with IIT Madras Incubation Cell, Chennai for the provision of a HomoSEP unit to municipal corporations in Erode, Trichy/Salem/Kanchipuram, providing training for the sanitation workers on safe cleaning practices of septic tanks or manholes and reducing manual interventions.



PROTECTING THE ENVIRONMENT & SUSTAINABLE DEVELOPMENT

Walk N Jog: Since 2020, KVB has been maintaining Walk n Jog facility at old Amaravathi bridge (Karur) featuring a walk way, children's play area, Miyawaki garden, drinking water and fountain with maintenance rights for a period of 20 years.

Climate-resilient dry-land agriculture: KVB, in partnership with a non-profit organisation, supports sustainable agriculture in eight villages in Aruppukottai, Virudhunagar covering 3,013 households through community-based initiatives to combat land degradation and promote ecological security.

Urban biodiversity restoration: KVB has partnered to plant 10,000 tree saplings of native species in Urban area, Chennai to restore the lost Green Cover, create a Natural Habitat & Bio-Diversity and build stronger communities.

Village forest: KVB supports planting 1,200 tree saplings in 2.25 acres in Mayanur, Karur to create mini forests and foster environmental awareness for future generations.

Other Initiatives

Support to children with Cerebral Palsy: KVB is currently supporting 65 young special children in various age groups by providing early intervention, skill training, and home-based intervention for those with severe disabilities and hailing from economically disadvantaged backgrounds in Old Washermanpet Centre in North Chennai.

Renovation of storm water drains and structure at temple: At KVB, we supported with renovation of storm water drains and structure at Aadhi Kumbeshwarar temple via drain works of outer pragaram.

Sanitation facilities for government school: We funded construction of toilets and urinals for 474 students at the Government High School, Andankoil East, Karur, improving health and sanitation outcomes.

Solar water heating system: We are providing roof-top based solar water heating system to 3 Hostels at Mother Teresa Women's University, Kodaikanal to improve infrastructure amenities at the institute and reduce dependency from fossil fuel-based power generation units, benefiting 300 girl students in the hostels.



Governance

Integrity, Accountability and Transparency

At KVB, we recognise that trust is essential for the success of any financial institution. To build this trust, we maintain the highest standards of governance, ethics and integrity and create sustained value for our stakeholders. We embrace best-in-class banking practices and robust governance practices, including risk frameworks and transparent reporting and regularly review them to ensure that we act in the best interest of our stakeholders. We execute our strategic priorities to enhance our competitiveness and differentiation.

GOVERNANCE STRUCTURE

Board of Directors

The Board of Directors oversees the Bank's corporate governance framework. It is responsible for providing leadership and strategic guidance, formulating policies and overseeing management operations.

Number of Directors

10

Women Directors on the Board

2

Non-Executive Non-Independent Directors

1

Non-Executive Independent Directors (inclusive of Women Directors)

7

(as on report date)



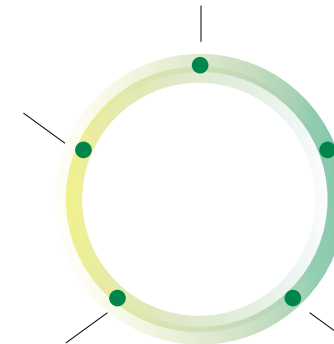
Board oversight
70% of our Board consists of Independent Directors, ensuring robust governance, including two women directors. Independent Directors play a major role in the Committees as also Chair the major Committees of the Board.

Gender diversity

Currently Board consists of Two Women Directors, of whom, one woman director is the Part-time Chairperson of the Bank.

Disclosures

Enhanced disclosures are made adhering to Regulatory requirement, transparency & Governance. Bank is benchmarking its disclosure standards to match the expectations/requirements of Proxy Advisory agencies.



Board performance evaluation

Board has carried out the annual evaluation on the performance of Board, its Committees, Chairperson, MD & CEO, ED and Non-Executive Independent Directors.

Risk management

The Risk Management and Asset Liability Management Committee (RM&ALM) oversees risk related matters ensuring financial stability.

Board Committees

The Board Committees assist our board in its oversight of various matters. We have dedicated board committees, including Audit, Nomination and Remuneration, Risk Management, CSR, Customer Service, and Technology committees, among others.

All the Board level Committees extensively deliberate on the agendas and provide their views/ recommendations to the Board on required agendas. The Board level Committees also review the performance of Executive level Committees and guide those Committees. Further, the Chairpersons of the respective board level Committees apprise the Board about the key discussions and decisions in the meetings.

Each Committee plays a critical role in overseeing specific aspects of operations, ensuring compliance, and guiding strategic decisions. The Committees include experienced Directors and uphold transparency, accountability, and support our commitment to excellence and stakeholder trust.

Leadership team

The leadership team ensures the effective implementation of strategic and policy decisions endorsed by the Board and Committees, while staying updated on pertinent developments.

Board's role

The primary role of the Board of Directors is to provide leadership along with strategic guidance. They contribute to the development of strategy, annual review of the strategy and play an essential role in maintaining oversight, thereby safeguarding shareholder interests. Committed to diversity and regulatory compliance, our Board includes a mix of Independent and Non-Independent Directors, ensuring inclusive governance and informed decision-making.

Accountability and Transparency

Karur Vysya Bank upholds accountability and transparency through rigorous governance practices. We ensure regular audits and reviews and maintain transparency in all dealings. We follow accountability to the core by complying with all regulatory requirements and disclosing information promptly and accurately to shareholders and the public. We practice ethical conduct.

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

Management Committee of the Board

Audit Committee of the Board

Nomination and Remuneration Committee

Customer Service and Stakeholders' Relationship Committee

Risk Management & Asset Liability Management Committee

Corporate Social Responsibility & Environmental, Social and Governance Committee

NPA Management Committee

Special Committee of the Board for Monitoring and Follow-up of Fraud Cases

IT Strategy and Digital Transaction Monitoring Committee

Review Committee for Wilful Defaulters and Large Defaulters

Ethics, code of conduct and policies

At Karur Vysya Bank, we adhere to rigorous policies, codes, and standards to ensure ethical conduct, security, and regulatory compliance across our operations.

Ethics and integrity: We cultivate a culture that values ethics, honesty, and integrity throughout the organisation, promoting responsible decision-making and transparency.

Code of conduct: At KVB, our comprehensive Code of Conduct establishes rigorous standards for ethical behaviour, integrity, and compliance with legal and regulatory requirements for all employees and stakeholders. We have also implemented a Code of Conduct and Ethics tailored for Directors and Senior Management. This framework facilitates

- Ethical decision-making
- Prompt identification and resolution of ethical concerns
- Promotion of a culture of transparency and accountability
- Establishment of mechanisms for reporting unethical behaviour without fear of reprisal

Our Code represents a commitment to operating with the highest standard of integrity and dedication to operating the Bank in the best interests of Shareholders/Investors, creditors, employees, and all stakeholders, fostering trust and sustaining successful business operations. By embedding the ethical principles in our daily operations, we create trust and establish foundation for sustainable value creation.

Whistleblower policy

Our Bank has established a Whistleblower policy that creates a secure environment for reporting any unethical behaviour or wrongdoing confidentially, protecting whistleblowers from retaliation, and encouraging transparency throughout the organisation. The policy aims at prompt detection of any adverse incidents or misconducts by employees, enabling timely corrective measures to safeguard the Bank's interests. The framework ensures that employees reporting incidents receive complete protection and also ensures availability of direct access to the Chairman of the Audit Committee of the Board. There were

no instances seeking access to the Audit Committee of the Board during the year. For more information, the Whistle-Blower Policy can be found on the Bank's website at <https://www.kvb.co.in/docs/whistle-blower-policy.pdf>

Customer privacy and data security: Stringent measures safeguard customer information, including robust data encryption, secure handling practices, and adherence to privacy laws.

Information Technology and cybersecurity:

Comprehensive policies and protocols safeguard our IT infrastructure against cyber threats, ensuring the confidentiality, integrity, and availability of data.

Fraud prevention and NPA management

Policies and practices are in place to monitor and mitigate fraud risks, as well as manage Non-Performing Assets effectively to protect the Bank's financial health.

Board of Directors



Top Row (Standing)

From Left to Right

Shri R Vidhya Shankar

Non-Executive Independent Director

Shri Murali Ramaswami

Non-Executive Independent Director

Shri B Sankar

Executive Director

Shri R Ramkumar

Non-Executive Non-Independent Director

Dr R Harshavardhan

Non-Executive Independent Director

Bottom Row (Seating)

From Left to Right

Shri K G Mohan

Non-Executive Independent Director

Shri B Ramesh Babu

Managing Director and Chief Executive Officer

Dr Meena Hemchandra

Non-Executive Independent (Part-time) Chairperson

Smt Srimathy Sridhar

Non-Executive Independent Director

CA Dr Chinnasamy Ganesan

Non-Executive Independent Director

Team that Leads



B Ramesh Babu
Managing Director & CEO



B Sankar
Executive Director



Jatla Sivaramakrishna
Chief Risk Officer



Ravi S
Head - Agricultural Banking Group



Vinoth Kumar S
Head-Br. Channel - Retail Assets



Chandrasekaran M S
Chief Operating Officer



Shekhar Ramarajan
Head - Corporate & Institutional Group



Immanuel Gnanaraj Daniel
Chief Human Resources Officer



Gopal S T
Head - Retail Liabilities



Mohan Kumar G
Chief Compliance Officer



Saravanan S
Chief Information Technology Officer



Ramshankar R
Chief Financial Officer



Murali L
Head - Internal Audit



Nitin Rangaswami A
Head - Retail Assets



Vijayakumar P V
Head - Operations



Muthu Kumar K P
Head - Commercial Banking Group

Awards and Accolades

Recognising Excellence



Awarded for Best Small Indian Bank by Business Today



Winner for Best IT Risk and Cybersecurity Initiatives awarded by M/s IBEX



Winner category under best digital performance innovation awarded by M/s ASSOCHAM



Best Technology Implementation in Risk Management awarded by M/s Quantic India



Awards under multiple categories under Human Resources by renowned Brandon Hall Group



CSR Initiative and Business responsibility award (Private Sector) by M/s CIMSME



Best Technology Bank of the Year award by M/s IBA



Special award for supporting MSME's (Runner Up) by M/s CIMMSE



Awarded Best ESG Initiatives under Small banks category by M/s ASSOCHAM

Showcasing Our Newest Branches

Making Banking Convenient



Salem Gorimedu
- Salem Division



Vijayawada Pattamada
- Vijayawada Division



Palamedu
- Madurai Division



Ongole
Mangamuru Road
- Vijayawada Division



Proddattur
Mydukur Road
- Tirupati Division



Yendada
- Visakhapatnam Division



Alapakkam
- Chennai Division



Corporate Information

REGISTERED & CENTRAL OFFICE

CIN: L65110TN1916PLC001295
No. 20, Erode Road, Vadivel Nagar,
L.N.S., Karur – 639 002.
Phone: 04324-269000
Fax: 04324-225700
E-mail: kvb_sig@kvbmail.com
Website: www.kvb.co.in

JOINT STATUTORY CENTRAL AUDITORS

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

M/s Varma & Varma,
Chartered Accountants, Kochi

SECRETARIAL AUDITORS

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

Other General Managers

Mahendran K
Ramanjaneya Kumar R V S
Ganesan R

LIST OF DEPUTY GENERAL MANAGERS

Lakshmana Murthy P
Senior DGM
Ramasamy G V
Senior DGM
Akbar Dorai D
Malpani Bhavesh Hariprasad
Sridhar D
Monica Sharma
Murali V
Chakkaravarthy N
Venkata Kirankumar B
Vippala Ramachandradeddy
Shanmugavel S
Ramu S

Aravindan T
Krishnan V
Giridharan S
Hema S
Hariharan M
Joseph Antony Arul Raj S
Suryanarayana Murthy K
Satish Kumar K
Janarthanan P
Anandalakshmi S
Ramesh Nerella
Saravanan G
Deepak Bhan
Umar Farooq P

Prasanna K
Prasanta Kumar Rout
Ravichandran K
Ravindran N
Srinivasan D
Muthukumar L
Manoj Kumar Malhotra
Dronadula Sreedhar
Thamaraikannan K
Senthil Kumar S
Kalyani T
Ravindra Kumar Trivedi
Sujata Nair

COMPANY SECRETARY & DEPUTY GENERAL MANAGER

Srinivasarao Maddirala

REGISTRAR AND SHARE TRANSFER AGENT

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

Unit: The Karur Vysya Bank Limited
(ISIN: INE036D01028)

“Surya” 35 Mayflower Avenue,
Behind Senthil Nagar,
Sowripalayam Road,
Coimbatore – 641028,
Tamil Nadu.

Tel: 0422-2314792, 4958995,
2539835, 2539836

Email: coimbatore@in.mpms.mufg.com

Website: www.in.mpms.mufg.com

CIN:U67190MH1999PTC118368

Directors' Report

To the Members,

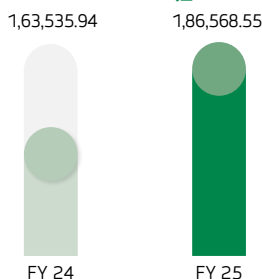
The Board of Directors of your Bank is immensely pleased to present the 106th Annual Report on the business and operations of the Bank together with the audited accounts for the financial year ended March 31, 2025.

KEY PERFORMANCE INDICATORS

Your Bank has been able to achieve significant growth in all areas of operation and delivered a striking performance during the financial year 2024-25, which depict the aptness of the strategies implemented during the last few years. The essence of the performance for the financial year 2024-25 is as below:

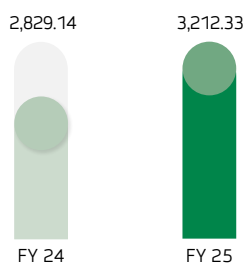
PARTICULARS	MARCH 31, 2025 (₹ in Crore)	MARCH 31, 2024 (₹ in Crore)
Deposits	1,02,077.99	89,112.72
Advances	84,490.56	74,423.22
Investments	24,206.14	22,840.45
Total Income	11,507.59	9,862.63
Total Expenditure	8,295.26	7,033.49
Operating Profit	3,212.33	2,829.14
Net NPA	166.21	297.97
Net Profit	1,941.64	1,604.81

TOTAL BUSINESS (₹ in Crore)



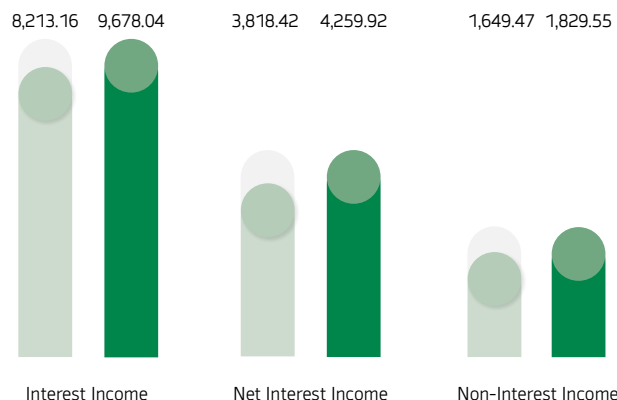
Registered a growth of **14.08%**

OPERATING PROFIT (₹ in Crore)



Registered a growth of **13.54%**

INCOME (₹ in Crore)



Interest Income registering a growth of 17.84%.
Net Interest Income increased by 11.56%.
Non-Interest Income increased by 10.92%.

DEPOSITS

The Gross Deposits grew by ₹12,965.27 Crore and reached ₹1,02,077.99 Crore as on March 31, 2025 from ₹89,112.72 Crore as on March 31, 2024, recording a growth of 14.55%.

The Term Deposits grew by ₹12,218.55 Crore and reached ₹74,246.22 Crore as on March 31, 2025, from ₹62,027.67 Crore as on March 31, 2024, registering a growth of 19.70%.

Your Bank's CASA balances grew by ₹746.71 Crore and reached ₹27,831.77 Crore as on March 31, 2025 from ₹27,085.06 Crore as on March 31, 2024, recording a growth of 2.76%. The CASA balance as on March 31, 2025 is constituted by Savings Bank deposits of ₹19,478.84 Crore and Other Demand Deposits of ₹8,352.93 Crore. The CASA ratio of the Bank as on March 31, 2025, stood at 27.27%.

ADVANCES

During the year, your Bank's credit portfolio grew by ₹10,068 Crore and reached ₹84,491 Crore as on March 31, 2025, from ₹74,423.22 Crore as on March 31, 2024, registering a growth of 13.52%. Growth in advances is majorly contributed by Commercial, Retail and Agriculture. Commercial loan book increased its share to 36% of the total loan portfolio followed by Retail as well as Agriculture at 25% each and Corporate Loan Book reduced to 14% indicating our continued shift towards granular portfolio. The degrowth in Corporate and Institutional

Directors' Report (Contd.)

loan books resonates with our preference over margins than topline growth. The details of the advances portfolio for the financial year 2024-25 and financial year 2023-24 along with their comparative growth are given in the table below.

CLASSIFICATION OF ADVANCES PORTFOLIO

PARTICULARS	MARCH 31, 2025 (₹ in Crore)	MARCH 31, 2024 (₹ in Crore)	Y-O-Y Growth%
Commercial	30,729.51	25,449.22	20.75
Retail (Personal Banking)	20,896.00	17,661.49	18.31
Agriculture	20,818.50	17,363.09	19.90
Corporate	12,046.55	13,949.42	(13.64)
Total Advances	84,490.56	74,423.22	13.53

As on March 31, 2025, the Priority Sector Lending of your Bank reached ₹35,476.26 Crore and constituted 47.09% of its Adjusted Net Bank Credit (ANBC) as against the statutory requirement of 40%.

AGRICULTURE ADVANCES

Your Bank's Agriculture Advances reached ₹20,818.50 Crore as on March 31, 2025. Also, the bank's Priority Sector - Agriculture advances in terms of RBI guidelines stood at ₹15,266.15 Crore which constitutes 20.26% of ANBC as against the regulatory stipulation of 18%. Advances to Micro Enterprises and Weaker Sections Credit stood at 7.95% and 12.47% of ANBC respectively. Your Bank has continuously achieved and surpassed all the targets and sub-targets under the Priority sector for all the quarters of the year through a focused lending strategies.

ASSET QUALITY

Your Bank has a dedicated vertical (Credit Monitoring and Recovery Department) that takes care of recovery. It plays a pivotal role in ensuring the health and stability of our bank's loan portfolio. In the face of economic fluctuations and market challenges, your Bank diligently manages Non-Performing Assets (NPAs) to minimise risks and optimise recovery strategies. High value NPA accounts are taken care by eight Asset Recovery Branches spread across India for effective recovery. Your bank has also engaged recovery agencies to assist the Asset recovery Branches to reach the end customers for continuous follow-up.

The Gross NPAs of your Bank curtailed by ₹399.84 Crore and contained to ₹641.80 Crore as on March 31, 2025, from the level of ₹1,041.64 Crore as on March 31, 2024. Correspondingly, Net NPA of your Bank curtailed by ₹131.76 Crore and contained to ₹166.21 Crore as on March 31, 2025 from the level of ₹297.97 Crore as on March 31, 2024. In terms of percentage, your Bank's Gross Non-Performing Assets (Gross NPA) and Net Non- Performing Assets (Net NPA) were well contained at 0.76% and 0.20% as against 1.40% and 0.40% of the previous year respectively. Further, your Bank's SMA30+ levels has been managed well and confined to 0.30% as against 0.38% of previous year. Your Bank has carried out focused recovery drive on a continuous basis which resulted in improved recovery performance during the past three years. The Provision Coverage Ratio stood at 96.81% and your Bank is continuously strengthening the ratio for the past five years. Your Bank will take all possible steps to curtail slippages and expedite recovery in existing SMA / NPAs.

Your bank has implemented several measures to minimise slippages and enhance recovery, including strengthening credit risk assessment processes, implementing proactive monitoring systems, offering timely restructuring options for stressed borrowers, collaborating with specialised recovery agencies, leveraging data analytics for early warning signals, and streamlining legal and recovery frameworks. These steps ensure proactive identification of potential defaults, prompt action for resolution, and efficient recovery processes, ultimately contributing to the reduction of slippages and improved recovery rates.

Analytics Department has devised a separate EWS Tool, which generates Early Warning Signals for helping Bank to monitor Portfolio regularly.

INVESTMENTS

Your Bank's investment portfolio grew by ₹1,365.69 Crore and reached ₹24,206.14 Crore as on March 31, 2025, from ₹22,840.44 Crore as on March 31, 2024, registering a growth of 5.98%. The average investment for the financial year 2024-25 stood at ₹24,563.83 Crore. The investment portfolio's composition is consistent with the Investment Policy of the Bank and lays stress on liquidity and regulatory management besides providing gains.

Directors' Report (Contd.)

Interest income earned on investments during the financial year 2024-25 was ₹1,622.47 Crore as against ₹1,331.01 Crore in financial year 2023-24. Profit made on sale of investments was at ₹68.36 Crore for the FY 2024-25. With a view to prevent large volatility, Modified Duration of overall portfolio including Held To Maturity (HTM) was maintained at a lower level of 3.43 years. Liquidity position was maintained at comfortable levels throughout the financial year 2024-25.

FOREIGN EXCHANGE TRANSACTIONS

Your Bank's merchant turnover reached ₹25,136 Crore during the financial year 2024-25 as against previous year's achievement of ₹24,559 Crore. Bank's Export credit de-grown to ₹1467 Crore during the financial year 2024-25 as against previous year's position of ₹1,554 Crore. Total Income earned through foreign exchange transactions was ₹58.83 Crore for the financial year 2024-25 as against ₹57.85 Crore for the previous financial year 2023-24. Exchange Profit of ₹ 31.56 Crore and Commission & others of ₹27.27 Crore forms part of total Income earned through foreign exchange transactions.

EXPENDITURE

Your Bank's Interest expenditure increased by ₹1,023.38 Crore and reached ₹5,418.12 Crore for the financial year 2024-25 as against ₹4,394.74 Crore for the financial year 2023-24. The Operating expenses also increased to ₹2,877.14 Crore during the financial year 2024-25 from ₹2,638.75 Crore of the previous financial year in line with the business growth and various new initiatives taken by the Bank. Your Bank regularly monitored both its operating and establishment expenses during the year and tight controls were exercised on the expenditures.

Your Bank's Cost of deposits for the year increased by 42 bps to 5.61% during the financial year 2024-25, and in tune with the same, yield on advances also improved by 20 bps from 9.95% to 10.15%. Further, yield on investments improved by 38 bps to 6.61%. Hence, spread between yield on funds (8.93%) and cost of funds (5.61%) works out to 3.32%, as against 3.45% a year ago. Accordingly, Net Interest Margin (NIM) of your Bank reduced by 11 bps to 4.09% over the previous year position of 4.20%.

APPROPRIATIONS

The Net Profit of ₹1,941.64 Crore along with ₹10.21 Crore brought forward from the previous financial year, aggregating to ₹1,951.85 Crore, was appropriated as follows

Appropriation – Transfer to Reserves	Amount (₹ in Crore)
Statutory reserve	485.50
Capital reserve	0.22
Investment reserve	Nil
Investment Fluctuation reserve	120.00
Special reserve	70.00
General reserve	1,055.00
Balance carried to Balance sheet (including proposed dividend of ₹ 209.33 Crore)	221.13

DIVIDEND

Your Bank has formulated the Dividend Distribution Policy as per the requirements of Regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("SEBI LODR") and guidelines issued by Reserve Bank India. The objective of the Policy is to ensure an equitable balance between rewarding the shareholders through dividend and retaining sufficient funds for future growth of the Bank subject to compliance with the dividend pay-out ratio matrix prescribed as per extant guidelines issued by Reserve Bank of India. The Dividend Distribution Policy is available on the Bank's website at <https://www.kvb.co.in/docs/dividend-distribution-policy.pdf>

Accordingly, considering the capital position of the Bank and the quantum of dividend pay-out permitted, Board of Directors of the Bank is pleased to recommend a Dividend of ₹2.60/- per equity share of face value of ₹ 2/- each i.e., 130%, for the financial year 2024-25. Your Bank has notified August 07, 2025 as record date for determining the names of members eligible for dividend on Equity shares. The Dividend pay-out is in accordance with Bank's Dividend Distribution Policy and is subject to the approval of the shareholders at the ensuing 106th Annual General Meeting and also any regulatory/statutory authorities, if required.

In accordance with Accounting Standards 4 - Contingencies and Events occurring after the Balance Sheet date - notified by the MCA on March 30, 2016, the proposed dividend amounting to ₹209.33 Crore has not been shown as an appropriation from the Profit and Loss account as of March 31, 2025 and correspondingly not reported under Other Liabilities and Provisions as at March 31, 2025 (is reported under balance of profit).

SHARE CAPITAL

The Authorised share capital of the Bank stood at ₹200 Crore divided into ₹100 Crore equity shares with a face value of ₹2/-

Directors' Report (Contd.)

each as on March 31, 2025. During the financial year under review, there has been no change in the Authorised share capital of the Bank.

During the financial year under review, Bank has allotted 6,80,540 Equity Shares of face value ₹2/- each to the employees who exercised their options under KVB ESOS 2011 Scheme and KVB ESOS 2018 Scheme. Further Bank has allotted 67,121 shares which were kept under abeyance category to the claimants. Post allotment of the aforesaid equity shares, the Issued Share Capital increased from ₹1,61,00,85,864 to ₹1,61,14,46,944 comprising of 80,57,23,472 equity shares with a face value ₹2/- each and the Paid-up Share Capital increased from ₹160,87,53,996 to ₹1,61,02,49,318 comprising of 80,51,24,659 equity shares with a face value ₹2/- each. Other than the aforementioned, there is no change in capital structure of the Bank during the year under review.

DEBT INSTRUMENTS & CREDIT RATING

Bank has not issued any Debt instruments and the details of credit rating received during the year under review is as follows;

Particulars	Rating Agency	Rating	Rating Action	Date of Revision
Certificate of Deposit Programme for ₹3,000 Crore	ICRA	ICRA A1+	Reaffirmed	21.05.2024
		ICRA A1+	Reaffirmed	21.08.2024
		ICRA A1+	Reaffirmed	25.11.2024
Certificate of Deposit Programme for ₹5,000 Crore (Enhanced from ₹3,000 Crore)	ICRA	ICRA A1+	Reaffirmed/ Assigned for enhanced amount	10.12.2024
Certificate of Deposit Programme for ₹5,000 Crore	ICRA	ICRA A1+	Reaffirmed	11.03.2025
Issuer Rating	ICRA	[ICRA]AA (Stable)	Assigned	10.12.2024
Certificate of Deposits Programme for ₹3,000 Crore	CRISIL	CRISIL A1+	Reaffirmed	17.05.2024
		CRISIL A1+	Reaffirmed	25.07.2024
Certificate of Deposits Programme for ₹5,000 Crore (Enhanced from ₹3,000 Crore)	CRISIL	CRISIL A1+	Reaffirmed	24.09.2024
Certificate of Deposits Programme for ₹5,000 Crore	CRISIL	CRISIL A1+	Reaffirmed	18.11.2024
	CRISIL	CRISIL A1+	Reaffirmed	16.01.2025
	CRISIL	CRISIL A1+	Reaffirmed	18.03.2025
Short Term Fixed Deposit of ₹12,000 Crore	CARE	CARE A1+	Assigned	30.10.2024
Fixed Deposit		CARE AA; Stable	Assigned	30.10.2024

The Board of Directors in their meeting held on July 24, 2025 has approved alteration of Authorised Share Capital from ₹200 Crore divided into 100 Crore equity shares of ₹2/- each to ₹250 Crore divided into 125 Crore equity shares of ₹2/- each and issue of Bonus shares subject to the approval of members of the Bank in the 106th AGM of the Bank.

The Bank's Net owned funds grew to ₹11,929.54 Crore as on March 31, 2025, from ₹10,040.07 Crore of the previous financial year.

EARNINGS PER SHARE/BOOK VALUE

Bank's Earnings Per Share (Basic) stood at ₹24.13 for the financial year 2024-25 as against ₹19.99 for the financial year 2023-24. The Book Value of shares was ₹145.57 per equity share of face value ₹2/- each (fully paid up) as on March 31, 2025, as against previous year position of ₹122.42.

Directors' Report (Contd.)

As per ICRA ratings schedule:-

ICRA A1+: Instruments with this rating are considered to have very strong degree of safety regarding timely payment of financial obligations. Such instruments carry lowest credit risk.

ICRA AA (Stable): Instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry low credit risk.

As per CRISIL ratings schedule:-

CRISIL A1+: Instruments with this rating are considered to have very strong degree of safety regarding timely payment of financial obligations. Such instruments carry lowest credit risk.

As per CARE ratings schedule:-

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

Further, during the financial year 2024-25 for the Bank's Basel III Tier II Bonds, India Ratings and Research vide its communication dated 07.05.2024 has withdrawn its Credit Rating "IND A+/Stable," and ICRA vide its communication dated 12.07.2024 has withdrawn its Credit Rating "ICRA AA- (Stable), consequent to repayment of principal on 12.03.2024.

CAPITAL ADEQUACY

The Bank's Capital Adequacy Ratio stood at 18.17% as on March 31, 2025, as per BASEL III norms. This is well above the statutory limit of 11.50% (9% plus Capital Conservation Buffer of 2.50% is required to be maintained as of March 31, 2025) as prescribed by the Reserve Bank of India Guidelines.

SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Your Bank does not have any Subsidiaries or Associates/JVs to report during the year under review.

MANAGEMENT DISCUSSION AND ANALYSIS

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

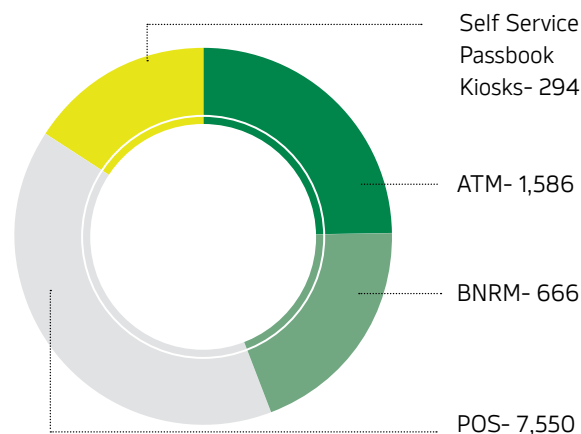
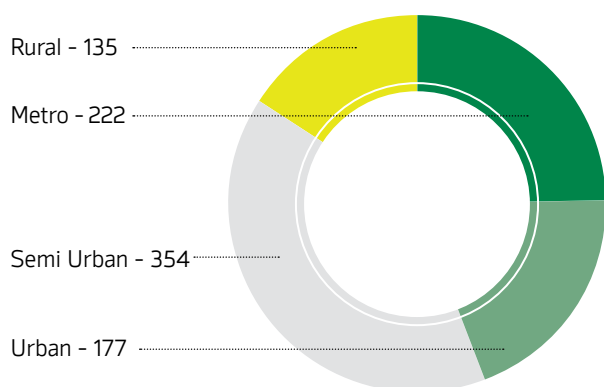
NETWORK OF BRANCHES

The selection of new branch and office locations follows a strategic approach focused on identifying high-potential areas. To assess the viability of potential centres, your Bank conducts a detailed analysis on leveraging data from various forums and sites. Additionally, we rely on location-based surveys received from respective Divisional Offices, which provide valuable insights. By combining these sources of information, we carefully shortlist the locations for opening new branches or offices, ensuring that our expansion efforts align with the growth prospects of each centre. Your Bank has added Fifty (50) Branches (Regular Branches – 12, LITE-38) and Two (2) Offices viz. Corporate Communication and Social Responsibility Cell and Corporate Institutional Group at Chennai during the financial year 2024-25. Your Bank has **888** Branches as on March 31, 2025. The branch network including Corporate Business Units, Business Banking Units, Asset Recovery Branches, OMC, SMART, Digital Banking Units and Precious Metal Division totals to 888 as on March 31, 2025, excluding three Extension Counters and four Satellite Offices. During the year under review, your Bank has installed 88 new Automated Teller Machines (ATM), 100 Bunch Note Recycler Machines (BNRM) and 77 Self Service Passbook Kiosks. As of March 31, 2025, 1,586 Automated Teller Machines (ATM), 666 Bunch Note Recycler Machines (BNRM) and 294 Self-Service Passbook Kiosks are providing uninterrupted Banking services to customers.

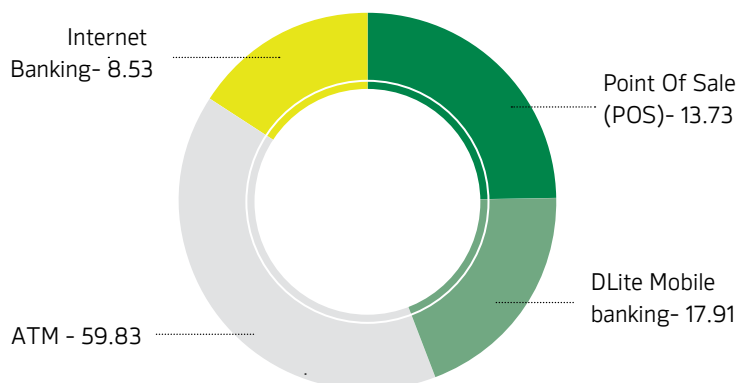
Directors' Report (Contd.)

Classification of branches and alternate channel

Total Branches - 888



No. of Transactions through alternate channels FY 2024-25 (%)



CURRENCY CHEST

As on March 31, 2025, your Bank has **eight** Currency Chests across different locations in Tamil Nadu, Andhra Pradesh, Telangana and Karnataka to supply adequate cash to Branches & ATMs in its respective areas and the Clean Note Policy of RBI is being adhered to. Currency Chests also support the branches to maintain cash within the retention limit for smooth operations. Bank also conducted soiled note exchange melas and distribution of coins through Currency Chest linked branches.

FINANCIAL INCLUSION

Financial Inclusion ensures availability of basic banking services and products to all, thereby reaching the unreached, un-banked and under-banked areas. Bank has been actively pursuing the agenda of Financial Inclusion with key interventions in offering

appropriate financial products, using technology and financial literacy. Bank is providing various Business Correspondents (BCs) services & implementing comprehensive Financial Inclusion programme through effective utilisation of BCs in Sub Service Area (SSA). SSA is a cluster of few villages and is linked to one base branch of the Bank.

Your Bank has reached the underprivileged segment of the society and extended its focused financial services through **156 Bank Mitras in rural villages, 3 Bank Mitras in urban locations including 39 Ultra Small Branches**. The Bank Mitra use Micro ATM for providing the banking services to the customers.

Your Bank continues to provide basic financial products including Basic Savings Bank Deposit Account (BSBDA), Social security schemes of Insurances like., Pradhan Mantri Jeevan Jyoti Bima

Directors' Report (Contd.)

Yojana (PMJJBY), Pradhan Mantri Suraksha Bima Yojana (PMSBY) and Pension product like., Atal Pension Yojana (APY) and thereby support the Government in implementation of various social welfare schemes. Your bank has made 39,590 fresh enrollments under PMJJBY, 1,90,839 fresh enrollments under PMSBY and 5,403 enrollments under APY during the year.

Pradhan Mantri Jan Dhan Yojana (PMJDY):

Your Bank has enrolled **26,117 PMJDY** accounts during the year. The Balance outstanding in the PMJDY accounts as on March 31, 2025, was **₹12.12 Crore**. The Bank has issued **26,117 Rupay Debit Cards** under PMJDY accounts during the year. Micro ATM devices are provided to Bank Mitras for facilitating payments, which are enabled for accepting Rupay Card transactions/Aadhaar enabled Payment system (AePs)/Third Party deposit, Balance enquiry, Mini statement. Bank Mitras have done **3.57 Lakh** transactions, amounting to **₹44.98 Crore** during the year under report which includes of DBT/Old Age Pension/MGNREGS transactions.

Micro credit (SHGS Bank linkage):

Your Bank is providing credit facilities to Self-Help Groups (SHG) / Joint Liability Groups (JLG) to meet the credit needs of the poor. As on March 31, 2025, the Bank has **98,970 JLG loans** with outstanding of ₹331.84 Crore.

Financial literacy:

Financial Literacy campaigns are intended to provide basic banking knowledge to people across various corners of the Society. Your Bank has been in the forefront in creating awareness to the rural mass on the financial services and products through the Financial Literacy Campaigns. During the FY 2024-25, your Bank has conducted **302** financial literacy campaigns in Rural, Semi Urban/Urban areas, including RBI Financial Literacy week campaign 2025.

TECHNOLOGY INITIATIVES

Your Bank is always inclined to plan and implement the latest trends, technological advancements, and innovations. Such long-term projects are initially taken up as study projects. Based on their technical feasibility, these study projects are converted into regular action plan projects to benefit our customers. The bank has been integrating AI and ML into its operations to improve decision-making processes, risk assessment, and customer service. These technologies help in providing personalised banking experiences and optimising operational workflows.

Your Bank has implemented the following customer centric projects during the financial year 2024-25:

- **Completion of Middleware Version migration:**

As part of the ongoing technology enhancement initiative for FY 2024-25, the middleware version has been migrated to the latest version. This migration was undertaken to enhance technology performance and ensure better support for the bank's application.

- **GST UPI Payment facility:**

GSTN has enabled tax collection via the UPI payment mode, in addition to the existing Over the Counter and Internet Banking payment options.

This feature will be useful for customers to conveniently pay their GST payments using any mobile UPI application.

Our bank has implemented this GST UPI Payments facility, allowing any customer to pay GST taxes seamlessly through any UPI-enabled mobile App.

- **Implemented CPPC pension module under Government Business process for central government like defence, Telecom, Postal and Railways:**

The Pension Module Application automates and streamlines the pension disbursement process for civil pensioners, including those from Central Government ministries, union territories, retired judges, former Members of the Parliament, All India Service pensioners, and family pensioners. By eliminating manual calculations and reducing dependency on manpower, the application ensures faster, accurate, and reliable pension payments.

The application integrates with the Central Pension Processing Centers (CPPCs) to manage the entire pension payment process, from capturing Pension Payment Order (PPOs) to crediting payments. It also generates necessary reports and scrolls/e-scrolls for reimbursement, extending its functionality to Central and State Government treasuries for consistent and efficient pension management.

- **Dlite:** Launched updated version of DLite App with enhanced customer experience, pay to contacts, statements download, Loan certificate, Social Security Schemes, Email ID verification, Tutorial videos for Mobile banking in corporate website.

Directors' Report (Contd.)

- **Implemented UPI Pay to Contact in mobile Banking:**

The UPI Numerical Mapper (Pay to Contacts) allows us to make payments using just a mobile number instead of a full UPI ID / IFSC, Account number / MMID. It is a customer-friendly way to simplify digital payments using familiar contact details.

- **Enhanced Security Features:** Application Security, Tampered app detection, app blacklisting, runtime integrity checks, and detection of side-loaded apps.

- **Anti-Malware Capabilities:** Protection against app spoofing, unsecured keyboard usage, spyware, adware, and riskware, as well as key-logger prevention and detection of hooking frameworks.

- **Fraud Prevention Controls:** Alerts for social engineering, voice call interception, SMS forwarding, OTP sharing, remote access via screen-sharing apps, and protection against "juice jacking" (data theft via charging cables).

- **Internet Banking:** Unified Dashboard, Simplified Fund Transfer, Quick Pay, Quick Response Search, Password Protected E-Receipts for Transactions, Accessibility over Mobile, Multi-Lingual Support and Feedback Capture & Management.

- **Credit Card Inbound Customer Support:** With effect from December 13, 2024, exclusive Credit Card customer support was setup at our existing call center and the customers queries / request / complaints are handled by the customer support executives.

- **E-mail & SMS triggers for the National Cybercrime Reporting Portal (NCRP):** Non-Connect Customers / Customers directly report the fraudulent transactions at NCRP, the data is shared by COC to call center and outcalls are initiated to customers to ascertain the modus operandi. If the customers are non-contactable, after the stipulated attempts, SMS and E-mail are triggered to the non-connected customers, to reach us back or the Branch for providing the details. Such non-connects are entered in the payment fraud data entry screen.

INFORMATION SECURITY

Information Security Group has been established to safeguard the bank's information assets (systems, data & networks) against internal and external threats by implementing comprehensive information security controls, policies, and technologies in alignment with regulatory standards and frameworks. The scope of ISG activities range from designing the information security policy, implementation, compliance to regulatory guidelines, SOC monitoring, Incident Management, Application Security, Cloud Security, Data Security, End Point Security, Network Security, Threat Monitoring and Intelligence, Cyber Forensics, Vulnerability Management to Security Assessments. The department is in process of adopting models like Artificial Intelligence / Machine learning, Zero trust models etc. with a view of strengthening the security posture of the bank.

The Board and Senior Management of your Bank have envisaged the risks associated with adoption of Information Technology and Digital Transformation initiatives to enhance customer service. Your Bank has established an Information Security Group headed by Chief Information Security Officer (CISO), who is specialised in Information and Cyber Security Risk Management to protect the Bank's Information Assets.

The CISO is responsible for setting the strategic direction of Information Security initiatives within the bank, and reports to the Chief Risk Officer. Also, responsible for overall security Governance, Risk Management, Policy creation, Security Monitoring on 24x7x365 days, Cyber Incident response, and ensuring that your Bank complies with relevant laws and RBI regulations, relating to Cyber Security.

The CISO Office establish the Information Security Policy, Digital Payment Security controls policy and Cyber Crisis management plan which are approved by the Board and reviewed annually. The CISO office is committed to work towards aligning itself with the evolving threat landscape with dedicated People implementing Processes and Technology.

Your Bank is compliant with ISO/IEC 27001, which is the international standard for Information Security, duly certified by M/s TUV SUD since 2018. Accordingly, the CISO Office has defined documented ISMS procedures which includes the processes to be followed for Change Management and Incident Management. In respect of security issues arising due to any reason, the CISO Office has a robust process for Incident

Directors' Report (Contd.)

Response which requires Root Cause Analysis (RCA) for each incident and implementation of corrective actions to plug the gaps, if any. Your Bank has also established best practices of Baselines for the IT systems.

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

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

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

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

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

Highlights

1. **ISO 27001:2022 Certification:** The Bank is now certified with a recent version of ISMS - ISO 27001:2022. Successful transition from ISO 27001:2013 to recent 27001:2022 version depicts the commitment in aligning with the globally recognised best practices in information security there by ensuring that controls implemented in our environment are capable to handle the evolving threat landscape and meets regulatory expectations.
2. **Version Enhancements of Security Solutions :** All critical infosec tools have migrated to the recent version to equip the bank to handle the emerging threat landscape.
3. **Training Programs :** Various internal and external training sessions to enhance the skill set of internal teams.
4. **Implementation of new Security solutions:** New security tools were procured for equipping the organisation to protect against emerging threat landscapes.

CHANGE IN NATURE OF BUSINESS

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

SYSTEM FOR INTERNAL FINANCIAL CONTROL AND ITS ADEQUACY

The Bank has on par computerised solutions similar to New-Gen Private Sector Banks to serve its customers in respect of all banking requirements. Adequate infrastructure has been established in processing the day-to-day transactions. "Flexcube" is the CBS platform used in the Bank which is commonly used in several well-known banks in the Country. The CBS platform has well defined set-up to ensure internal financial controls viz maker-checker requirements with adequate credentials. Automation of interest & charges application and accounting transactions ensures necessary internal financial control. IT audit in respect of CBS is also being conducted as per the stipulated periodicity which ensures adherence to the regulatory and mandatory guidelines. Exclusive unswerving reporting software is used by Bank with appropriate systems and protocols which have periodical review. The same ensures reporting of Bank's business without any ambiguity. The Bank has standardised operating procedures in monitoring the account operations to

Directors' Report (Contd.)

have effective internal controls. Separate monitoring team has been identified to prevent and detect frauds and errors in the Bank. Compliance of regulatory/mandatory requirements are being taken care by an individual team which has its exclusive procedure in adhering to regulated and framed policies besides reporting of financial information in a disciplined manner. These systems enable the Bank to have established internal control over financial information reporting.

The Bank has Board approved policies in respect of various banking activities like lending, investment, borrowing etc. with well-defined hierarchy of officials vested with sanctioning powers. Inspection Department and Risk Management Department review various aspects of internal control, adherence to procedure and review credit assessment protocols periodically.

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

RISK MANAGEMENT

Risks are inherent in any business and banking is not an exception to this. Your Bank has adopted a multi-layered risk management process to identify, assess, monitor and manage risks through the effective use of processes and information technology.

Objective of risk management of the Bank is to balance the trade-off between risk and return and ensure that the Bank operates within the Board approved risk appetite statement. An independent risk management function ensures that the risk is managed through policies and processes approved by the Board of Directors encompassing independent identification, measurement, and management of risks across the various businesses of the Bank. The risk management function in the Bank strives to proactively anticipate vulnerabilities at the transaction as well as at the portfolio level, through quantitative or qualitative examination of the risks. The Bank continues to focus on refining and improving its risk measurement systems including automation of processes, not only to ensure compliance with regulatory requirements, but also to ensure optimal capital utilisation with a better risk-adjusted return. The Board reviews the risk profile of the Bank at periodic intervals and ensures that risk levels are within the defined risk appetite.

The Board is responsible for overseeing the overall risk management framework by approving various policies relating to the Risk functions and has delegated powers to Board Level Risk Management and Asset Liability Management Committee (RM & ALM) for monitoring the implementation of Risk Governance Framework, compliance to various policies & processes. The RM & ALM Committee ensures the same by closely monitoring & guiding the functions through Executive Level Credit Risk Management Committee, Market Risk Management Committee, Operational Risk Management Committee and Asset Liability Management Committee, which regularly assess the functional efficiency of the Bank's risk management processes. Minutes of these Committee meetings are placed to the RM & ALM Committee of the Board for its perusal and further guidance. The Board is reviewing the performance of these executive level committees on half yearly basis.

Risk Management department examines various policies of the Bank to ensure risk management aspects are addressed in those policies. Risk Management Department also maintains various risk management policies viz., Credit risk rating, Market risk, Liquidity risk, Operational risk, Risk culture, Strategic risk management, Reputational risk, Integrated risk management, Stress testing and ICAAP.

Bank's risk management objectives broadly cover proper identification, assessment, measurement, monitoring, controlling, mitigation and reporting of the risks across various business segments of the Bank. The risk management strategy adopted by the Bank is based on a clear understanding of the risks and level of risk appetite, which is dependent on the willingness of the Bank to take risks in the normal and stressed course of business operations.

All material risks of the Bank emerging during its business are identified, assessed, monitored, managed, and mitigated with the effective control measures in place.

Bank is well capitalised; CRAR stands at 18.17% as on March 31, 2025. Capital provides the required buffer to manage and meet any unexpected risks / losses that materialise despite prudent and timely risk management actions. In view of the foregoing, apparently there are no material risks which threaten the existence of the Bank.

VIGIL MECHANISM/WHISTLE-BLOWER POLICY

The Bank has put in place a 'Whistle Blower Policy' in compliance to the provisions of Regulation 4(2)(d)(iv) of the Listing

Directors' Report (Contd.)

Regulations, the Companies Act, 2013 and SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended. This policy also incorporates suggestions of the Protected Disclosure Scheme for Private Sector Banks instituted by the Reserve Bank of India. The Bank's Whistle Blower Policy is in synchronisation with all statutory and regulatory guidelines on Vigil mechanism.

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

Under the Whistle Blower Policy, the employees are free to report violations of applicable laws and regulations and the Code of Conduct. The objective of the policy is to pre-emptively identify any untoward events with the help of the employees and to take timely corrective measures before they become incidents. This mechanism also provides adequate safeguards against victimisation of employees who avail this mechanism and provides for direct access to the Chairman of the Audit Committee of the Board, in exceptional cases when the Whistle Blower is not satisfied with the resolution of the complaint. During the FY 2024-25, 5 complaints were received under this mechanism and there were no instances of escalations made to the ACB Chairman. The Audit Committee of the Board reviews the complaints received through the Whistle Blower Mechanism on a quarterly basis.

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

The details of the Whistle Blower Policy is made available on the website of the Bank <https://www.kvb.co.in/docs/whistle-blower-policy.pdf>

Vigil at KVB

The stakeholders are encouraged to voice their concerns by way of Whistle Blowing.

May raise their concerns at pds@kvbmail.com

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

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

RELATED PARTY TRANSACTIONS

All transactions entered by your Bank with related parties are not material and repetitive in nature in ordinary course of business and on an arm's length basis. Omnibus approval is obtained from the Audit Committee for transactions which are repetitive in nature and the same are reviewed on periodic basis. The Bank's policy on Related Party Transactions can be viewed at: <https://www.kvb.co.in/docs/related-party-transactions-policy.pdf>.

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

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

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

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

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

Directors' Report (Contd.)

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

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

AUDITORS

Joint Statutory Central Auditors

In terms of Section 139 of the Companies Act, 2013 read with Section 30(1A) of the Banking Regulation Act, 1949, it is proposed to re-appoint, M/s. Kalyaniwalla & Mistry LLP, Chartered Accountants (Firm Registration No. 104607W/ W100166) and M/s. Varma & Varma, Chartered Accountants (Firm Registration No. 004532S) as Joint Statutory Central Auditors of the Bank, who are retiring at the conclusion of the ensuing 106th Annual General Meeting (AGM), subject to the approval of Reserve Bank of India and shareholders of the Bank. The Bank has received consent from the Auditors on their reappointment and confirmation to the effect that they are not disqualified to be reappointed as the Auditors of the Bank in terms of the provisions of the Companies Act, 2013 and the rules made thereunder.

Accordingly, the Board of Directors have recommended to the shareholders, the reappointment of M/s. Kalyaniwalla & Mistry LLP, Chartered Accountants (Firm Registration No. 104607W/ W100166) and M/s. Varma & Varma, Chartered Accountants (Firm Registration No. 004532S) as Joint Statutory Central Auditors of the Bank, to hold office from the conclusion of the ensuing 106th AGM till the conclusion of the next AGM. Fee payable to Statutory Auditors is proposed at ₹1,30,00,000 (Rupees One Crore and Thirty Lakh only) plus applicable taxes and out of pocket expenses with a cap of 10% of fees for the financial year 2025-26, subject to the approval of Reserve Bank of India and Shareholders of the Bank.

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

Pursuant to the Regulation 33(1)(d) of the SEBI LODR, the 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.

Independent Auditors' Report

The Joint Statutory Central Auditors of the Bank viz., M/s. Kalyaniwalla & Mistry LLP, Chartered Accountants (Firm Registration No. 104607W/W100166) and M/s. Varma & Varma, Chartered Accountants (Firm Registration No. 004532S), have audited the accounts of the Bank for the financial year 2024-25 and their Report forms part of this Annual Report. 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 Independent Auditor's Report.

There are no qualifications, reservations or adverse remarks made by the Statutory Auditors in their report for the financial year 2024-25.

During the period under review, no fraud was reported by the Auditors under sub-section (12) of Section 143 of the Companies Act, 2013.

Secretarial Auditors

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

Members are requested to consider the appointment of M/s S.A.E & Associates LLP, Company Secretaries, (Firm Registration No. L2018TN004700) as Secretarial Auditor of the Bank.

Secretarial Audit and secretarial compliance report

In line with Section 204 of the Companies Act, 2013 and Regulation 24A (1) of the SEBI LODR, your Bank has appointed M/s S.A.E.

Directors' Report (Contd.)

& Associates LLP, Company Secretaries, (Firm Registration No. L2018TN004700) to undertake the Secretarial Audit of the Bank for the financial year 2024-25. The Bank produced all necessary records to the Secretarial Auditors for smooth conduct of their Audit. The Secretarial Audit Report for the financial year 2024-25 is annexed to this report as **Annexure – I**.

There are no qualifications, reservations or adverse remarks made by the Secretarial Auditors in their report for the financial year 2024-25

Pursuant to regulation 24A (2) of the SEBI LODR and SEBI Master Circular No. SEBI/HO/CFD/PoD2/CIR/P/0155 dated November 11, 2024, the Bank has obtained Secretarial Compliance Report, from 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 to Stock Exchange within Sixty days from the end of the Financial Year.

Implementation of Indian Accounting Standards (Ind AS)

As per RBI guidelines, Proforma IndAS statements have to be submitted on half-yearly basis and accordingly submitted to RBI. RBI has issued discussion paper on introduction of Expected Credit Loss Framework for provisioning by banks during FY 2022-23. Final guidelines are awaited. Further details are given in **Schedule 18** – Notes to Account of the Balance Sheet.

COMPLIANCE WITH SECRETARIAL STANDARDS

During the financial year 2024-25, your Bank is in compliance with the applicable Secretarial Standards issued by The Institute of Company Secretaries of India.

STATUTORY DISCLOSURES

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

Conservation of Energy

Your Bank has undertaken various energy efficiency improvement initiatives for energy conservation at its branches / offices by installing LED lights in a phased manner. VRF (Variant Refrigerant Flow) AC units have been installed in back offices across various cities to save electricity by energy conservation technology.

Your Bank owns a 850 kW Wind Turbine Generator in Govindanagaram, Theni District, Tamilnadu and the said wind mill has generated 11,18,616 units during the year under review. Bank is utilising the power generated by Wind Turbine for its Central office at Karur and Divisional Office at Chennai. Roof top solar power plant (38 kW) has been installed at our Bank's own building at Hyderabad Divisional Office for utilisation of renewable energy and the said plant has generated 46,650 units.

Your Bank has made a capital investment of ₹45,55,426/- on LED Lights during the financial year 2024-25.

Technology Absorption

Your Bank has always used information technology extensively to deliver quality service to its customer, for more details please refer the section on Technology Initiatives of Directors Report forming part of the Annual Report.

Foreign Exchange Earnings and Outgo

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

MATERIAL EVENTS THAT HAVE OCCURRED AFTER THE BALANCE SHEET DATE

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

SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS

During the financial year 2024-25, no significant and material orders were passed by the Regulators or Courts or Tribunals against the Bank which impacts its going concern status and Bank's operations in future.

MAINTENANCE OF COST RECORDS

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

ANNUAL RETURN

The Annual Return for the financial year ended March 31, 2025, as required under Section 92 (3) and Section 134(3)(a) of the Companies Act, 2013 is available on the Bank's website at <https://www.kvb.co.in/investor-corner/annual-general-meeting/annual-return/>

Directors' Report (Contd.)

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

There is no application or proceeding against the Bank under Insolvency and Bankruptcy Code, 2016 during the financial year under review.

However, Bank has been filing cases in NCLT under IBC, 2016 as a part of its recovery mechanism and the status of the cases as at the end of the financial year 2024-25 is furnished as below:

S. No	Particulars	No of Cases	Book balance (₹ in Crore)	Status
1 [^]	Cases filed by KVB against the Corporate Debtors under IBC	2	237.13	Under Liquidation
2	Cases filed by KVB against Individual Guarantors of the Corporate Debtors	15	427.75	Filed and pending

[^] In addition to the two claims, there are 50 other claims filed with NCLT under IBC by other Lenders/ Operational Creditors, involving ₹ 1,165.66 Crore, in which our Bank has submitted claims as one of the creditors.

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

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

PARTICULARS OF EMPLOYEES

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

EMPLOYEE STOCK OPTION SCHEME

Your Bank has formulated and adopted Employee Stock Option Schemes to provide a platform to employees for participating in the ownership of the Bank and in its long-term growth. Bank uses stock options as a compensation tool to attract and retain critical

talent and encourage employees to align individual performances with that of Bank's objectives. Currently, the Bank has the following Schemes in compliance with the provisions of SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("SEBI SBEB & SE Regulations") erstwhile SEBI (Share Based Employee Benefits) Regulations, 2014.

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

During the period under review, your Bank has granted 2,48,568 options under KVB-ESOS-2018 to Shri B Ramesh Babu, MD & CEO, Shri J Natarajan, Former Executive Director (while holding the position as President & COO) and Senior Management towards their variable pay as a part of non-cash component. The said variable pay is in accordance with Bank's Compensation policy read with Reserve Bank of India circular DOR.Appt.BC.No.23/29.67.001/2019-20 dated November 04, 2019. Further, your Bank has allotted 58,216 Equity Shares to Shri B Ramesh Babu, MD & CEO under KVB ESOS 2018 during the year under review as a part of his non-cash component of variable pay for the financial year 2021-22 and 2022-23 and 58,055 Equity Shares to Shri J Natarajan, Former Executive Director (while holding the position as President & COO), under KVB ESOS 2018 during the year under review as a part of his non-cash component of variable pay for the financial year 2021-22 in terms of compensation structure. Furthermore, your Bank has allotted 1,32,297 shares to Senior Management towards their variable pay as a part of non-cash component and 3,64,851 Equity Shares of face value ₹ 2 each to the employees who have exercised their options under KVB ESOS 2011 Scheme and KVB ESOS 2018 Scheme during the year under review.

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

Directors' Report (Contd.)

The Board of Directors in their meeting held on July 24, 2025, have approved the Karur Vysya Bank Employee Stock Option Scheme – 2025 ("KVB-ESOS-2025"), Subject to approval of shareholders of the Bank in the ensuing Annual General Meeting. The details of the scheme is furnished in the AGM Notice.

TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

Pursuant to Sections 124 and 125 of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules'), the dividends remaining unclaimed for period of 7 years and all shares in respect of which dividend are not claimed for the last 7 consecutive years are liable to be transferred to the Investor Education and Protection Fund ('IEPF'). The said requirement does not apply to shares in respect of which there is a specific Order of Court, Tribunal or Statutory Authority, restraining transfer of the shares. Further details are provided in the Corporate Governance Report that forms part of this Annual Report.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Articles of Association of the Bank drafted in 1916, provided for setting aside of one percent of the annual profits to a "Charity Account", which would be used to support the needy for their health and education requirements. The Bank continues with that tradition even today after 109 years in the modern avatar of Corporate Social Responsibility. Karur Vysya Bank views Corporate Social Responsibility (CSR) not merely as a regulatory obligation, but as a strategic commitment to creating long-term value for the planet, people, and purpose. Anchored in its CSR Policy and in alignment with Section 135 of the Companies Act, 2013, the Bank remains focused on inclusive and sustainable development. A Corporate Social Responsibility (CSR) Committee has been constituted in accordance with the provisions of Section 135 of the Companies Act, 2013, read with the amended Companies (Corporate Social Responsibility Policy) Rules, 2014.

During the year under review, Bank has spent ₹ **29.58** Crore towards CSR initiatives, directing these funds to key priority areas as outlined under Schedule VII of the Act. These included Healthcare & Sanitation, Education & Skill Development, Environmental Sustainability, Rural Development, Livelihood Enhancement, and the Promotion of Art & Culture. All initiatives were carefully monitored and executed under the guidance of a dedicated CSR Committee, ensuring strategic alignment, transparency, and measurable outcomes.

Through these efforts, the Bank aims to foster meaningful change at the grassroots level while aligning its business values with broader societal needs. The brief outline of the CSR policy of the Bank, CSR spends, and other mandatory disclosures are enclosed to this Report as **Annexure – III**.

ENVIRONMENTAL, SOCIAL, AND GOVERNANCE (ESG)

Your bank recognises that Environmental, Social, and Governance (ESG) principles are fundamental to sustainable growth and responsible banking. Our commitment extends beyond compliance, focusing on real-world impact through ethical governance, environmental stewardship, and social responsibility. By integrating ESG into our core business strategy, we aim to enhance financial resilience while contributing to a sustainable future. Bank has voluntarily adopted integrated annual report framework and published its maiden Sustainability Report FY 2023-24 with reference to Global Reporting Initiative (GRI).

To accelerate these efforts, we have established a dedicated ESG team that facilitate compliance with sustainability standards and drives policy alignment. This structured approach ensures that ESG is embedded across all levels of our operations.

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING (BRSR)

In terms of Regulation 34(2)(f) of the SEBI LODR read with SEBI circular SEBI/HO/CFD/CMD-2/P/CIR/2021/562 dated May 10, 2021, the filing of BRSR shall be mandatory for the top 1000 listed companies (by market capitalisation) from the FY 2022-23. Your Bank on voluntary basis to keep up the good governance practices and ensure transparency among our stakeholders have published the Business Responsibility and Sustainability Report since Financial Year 2021-22.

The Business Responsibility & Sustainability Reporting (BRSR) of the Bank for the financial year 2024-25 is annexed to this Report as **Annexure – IV**.

BOARD MEETINGS

The composition of the Board of Directors is in compliance with all the relevant applicable statutory regulations. The Board meets at regular intervals to discuss and decide on Bank's business policy and strategy, apart from other items of business. During the year under review, Thirteen Board Meetings were conducted and the relevant periodicity for holding the meetings was complied. The schedule of the meetings of the Board is circulated in advance to the Members of the Board, for their consideration and

Directors' Report (Contd.)

approval. Details of the composition of Board, Meetings held and Attendance of the Directors at such Meetings are provided in the Corporate Governance Report which forms part of Annual Report.

BOARD EVALUATION

Pursuant to Section 134(3) (p) of the Companies Act, 2013, Regulation 17(10) of SEBI LODR and other applicable regulations, Board has carried out annual evaluation of its own performance (Board as a whole), Committees of the Board, Non-Executive Independent Directors including Chairperson and MD & CEO. Further Independent Directors in their Separate Meeting have carried out evaluation of Board as a whole and Non-Executive Non-Independent Director. The manner of evaluation conducted during the financial year 2024-25 is furnished in the Corporate Governance Report that forms part of this Annual Report.

CHANGES IN BOARD OF DIRECTORS OF THE BANK

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

Appointment

Shri R Vidhya Shankar (DIN: 00002498)

Shri R Vidhya Shankar was co-opted as an Additional Director of the Bank under "Non-Executive Independent Director" category for a period of three (3) years with effect from April 22, 2024 to April 21, 2027, by the Board in its meeting held on April 22, 2024 and the shareholders approval was sought through Postal Ballot having remote e-voting process and the same was approved by shareholders of the Bank on July 16, 2024, In terms of Regulation 17 (1C) of SEBI LODR.

Shri R Vidhya Shankar holds a Bachelor of Commerce and Bachelor of Law degree from Bharathiyar University, Coimbatore. He is a Gold Medalist and holds the record for a very rare first class in Law at Bharathiyar University. He is the senior partner of M/s Ramani & Shankar, one of the oldest Law Firms in Western Tamil Nadu and much sought after lawyer in western Tamil Nadu for corporate litigations, transactions and opinions.

He specialises in Corporate Law, including in corporate transactions, corporate restructuring, schemes and arrangements, corporate litigations, domestic and international arbitrations, capital market, FEMA compliances, cross-border transactions and general corporate advisory services.

He has more than 100 reported decisions in the field of corporate law to his credit and he is regular speaker at the seminars and workshops of Bar Association, Chambers of Commerce and professional Institutes.

Shri J Natarajan (DIN: 02710776)

In the context of growing complexities of the banking sector and to establish an effective senior management complementing Managing Director and CEO's position, Reserve Bank of India vide its circular RBI/2023-24/70 DOR.HGG. GOV. REC.46/29.67.001/2023-24 Appointment of Whole-Time Director(s) dated October 25, 2023, has advised to ensure the presence of at least two Whole Time Directors (WTDs), including the Managing Director and CEO, on the Bank's Board.

Accordingly, based on the recommendation of Nomination and Remuneration Committee and Board of Directors of the Bank, The Reserve Bank of India vide its letter No. DoR.GOV. No. S1076 /08.41.001 /2024-25 dated May 16, 2024, had accorded its approval for the appointment of Shri J Natarajan (DIN: 02710776) as Whole-time Director (Executive Director) of the Bank, for a period of One (1) year with effect from the date of his taking charge, along with the terms and conditions. Subsequently Shri J Natarajan was taken charge on May 22, 2024, as Whole Time Director and designated as Executive Director of the Bank, not liable to retire by rotation.

The shareholder's approval was obtained through Postal Ballot on July 16, 2024, in compliance with the Regulation 17(1C) of SEBI LODR.

Shri J Natarajan joined Karur Vysya Bank as a Trainee in the year 1982 and moved up to different levels including General Manager of the Bank in the year 2010, Chief General Manager of the Bank in the year 2017 and President of the Bank in the year 2019 reporting to MD&CEO of the Bank. He has extensive work experience in Credit, Treasury, Finance, Human resources, Information technology, Merchant Banking etc., He was instrumental in Bank's digital lending journey and various other key initiatives in the Bank.

Smt Srimathy Sridhar (DIN: 10627997)

Smt Srimathy Sridhar was co-opted as an Additional Director of the Bank under "Non-Executive Independent Director" category by the Board in its meeting held on September 26, 2024, subject to the approval of the Shareholders of the Bank

Directors' Report (Contd.)

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

Accordingly, the appointment of Smt Srimathy Sridhar as Non-Executive Independent Director of the Bank, for a period of three (3) years with effect from September 26, 2024 to September 25, 2027 not liable to retire by rotation, was placed before the shareholders of the Bank for their approval through Postal Ballot having remote e-voting process and the same was approved by shareholders of the Bank on December 10, 2024.

Smt. Srimathy Sridhar started her career as a probationary clerk at Andhra Bank in 1985 and moved to Canara Bank as Probationary Officer in 1986. Over a period of 34 years in Canara Bank, she rose to the level of Chief General Manager. She has exposure to various verticals in the Bank Viz; Branch operations across diverse locations from rural to metro, Retail & Corporate credit, Mid & Large credits, Human Resources, Internal Control & Compliance, Risk Management, Treasury, Administrative offices etc. She has headed the Large Corporate Vertical at Head Office of the bank and a large circle of Canara Bank at Chennai.

On a Deputational Assignment, she functioned as Chief Vigilance Officer of NABARD. During this tenure, she also handled additional assignments as Chief Vigilance Officer of New India Assurance Company, State Bank of India and Bank of Baroda for varying periods.

She moved up to the position of Executive Director at Indian Overseas Bank in March 2021. She handled multiple critical portfolios like Corporate Credit, Retail Lending, Agricultural Credit and Financial Inclusion, including SLBC functions, Treasury, Risk, Internal Control & Inspection, Digital Banking etc. Upon completion of her tenure as Executive Director in IOB, she demitted office in March 2024.

Shri B Sankar (DIN: 08846754)

In order to have effective senior management complementing Managing Director and CEO's position, Reserve Bank of India vide its circular RBI/2023-24/70/DOR.HGG.GOV. REC.46/29.67.001/2023-24 Appointment of Whole-Time Director(s) dated October 25, 2023, has advised to ensure the

presence of at least two Whole Time Directors (WTDs), including the Managing Director and CEO, on the Bank's Board.

Accordingly, the Bank appointed Shri J Natarajan as Whole time Director designated as Executive Director on May 22, 2024 for a period of one year. Since the term of the said director would be ended on May 21, 2025, as a part of succession planning, based on the application made by the Bank, Reserve Bank of India vide its letter DoR.GOV.No.7292/08.41.001/2024-25 dated February 11, 2025 has accorded its approval in terms of Section 35B of the Banking Regulation Act, 1949, for the appointment of Shri B Sankar, as Whole Time Director (Executive Director) of the Bank for a period of three years from the date of taking charge. Subsequently, Shri B Sankar, was co-opted as an Additional Director of the Bank under "Whole Time Director" category by the Board in its meeting held on February 20, 2025, subject to the approval of the Shareholders of the Bank ensuring adherence to the aforesaid RBI Circular. Further, He has taken charge on March 12, 2025.

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

Accordingly, the appointment of Shri B Sankar as Whole Time Director designated as Executive Director of the Bank, for a period of three (3) years with effect from March 12, 2025 to March 11, 2028 not liable to retire by rotation, was placed before the shareholders of the Bank for their approval through Postal Ballot having remote e-voting process and the same was approved by shareholders of the Bank on May 17, 2025.

Shri B Sankar was former Deputy Managing Director - Stressed Assets, managing NPA worth ~₹ 82k Crore in SBI. He was CGM of SME - Corporate Centre SBI and tasked with reactivating the SBI's SME business. Further, he served as the Chief Operating Officer and managed operations for all 23,000 branches including customer service, ATMs (~65,200), and branch re-design, CRM, etc. Exposure to Risk Management, Internal Audits, Board Experience, enhancing efficiency and operations by leveraging technology. In 2019, he served as Chief General Manager (CGM) of Chennai, overseeing the entire Tamil Nadu and Pondicherry regions with 1,391 branches. Managing deposits of over ₹ 1,80,000 Crore and advances of ₹ 1,22,000 Crore.

Directors' Report (Contd.)

Re-Appointment

Dr Meena Hemchandra (DIN: 05337181) was re-appointed as Non-Executive Independent Director of the Bank for the second term of five years (5) with effect from May 26, 2025, not liable to retire by rotation. The said re-appointment was approved by the shareholders of the Bank vide resolution dated May 17, 2025 through postal ballot. Further Reserve Bank of India accorded its approval for the re-appointment of Dr Meena Hemchandra as Part-Time Chairperson of the Bank vide letter dated May 09, 2025 for a second term of three years effect from July 25, 2025.

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

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

In the opinion of the Board, the Independent Directors appointed during the year possess requisite qualifications, proficiency, expertise, track record, integrity, independence, vast and rich experience in their respective domains. Independent Directors appointed during the year have qualified the online proficiency self-assessment test for Independent Director's Databank/availed exemption, within the timelines prescribed.

Retirement by rotation

Shri R Ramkumar (DIN: 00275622), Non-Executive Non Independent Director, retires by rotation at the ensuing 106th Annual General Meeting (AGM) and being eligible, offers himself for re-appointment in terms of Section 152 of the Companies Act, 2013. He hails from the promoter's family and was on the Board since June 25, 2018 and would be representing "Minority Sector" under sectoral representation on the Board such as Business Management, Finance, Human Resources. Approval of the shareholders is being requested for reappointment of Shri R Ramkumar as Non-Executive Non-Independent Director of the Bank, liable to retire by rotation.

The brief profile and details in terms of Regulation 36 (3) of SEBI LODR and the Secretarial Standard on General Meetings,

in respect of the Director seeking appointment/re-appointment has been annexed to the Notice of the ensuing AGM and in the Corporate Governance Report that forms part of this Annual Report.

Retirement on completion of tenure

Dr K S Ravichandran (DIN: 00002713), Non-Executive Independent Director of the Bank demitted office at the close of office hours on May 25, 2024, consequent to completion of his eight (8) years tenure in terms of Section 10A(2A)(i) of the Banking Regulation Act, 1949.

Shri J Natarajan (DIN: 02710776), Executive Director of the Bank demitted office at the close of office hours on May 21, 2025, consequent to completion of his one (1) year tenure in terms of Section 10A(2A)(i) of the Banking Regulation Act, 1949.

KEY MANAGERIAL PERSONNEL

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

Appointment

Shri J Natarajan (former President and Key Managerial Personnel of the Bank) was appointed as an Executive Director of the Bank on May 22, 2024 and he continues as Key Managerial Personnel of the Bank.

Shri B Sankar was appointed as an Executive Director on March 12, 2025 and Key Managerial Personnel of the Bank.

Cessation

Shri J Natarajan (DIN: 02710776), Executive Director of the Bank demitted office at the close of office hours on May 21, 2025, consequent to completion of his one (1) year tenure in terms of Section 10A(2A)(i) of the Banking Regulation Act, 1949.

Shri Sudhakar K V S M, Chief Compliance Officer forming part of Senior Management Personnel of the Bank had relieved from the office on April 30, 2025, consequent to his resignation.

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

Directors' Report (Contd.)

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

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

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

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

Policy on remuneration of directors

The remuneration of Directors is governed by the Compensation Policy of the Bank in terms of RBI circular no. DOR.Appt. BC.No.23/29.67.001/2019-20 dated November 04, 2019, which covers the aspects of remuneration payable

to Board of Directors, Whole Time Directors/ Chief Executive Officers/ Material Risk Takers/ Key Managerial Personnels/ Control Function Staff and all other employees. This Policy is in tune with the guidelines issued by the Reserve Bank of India, provisions of the Companies Act, 2013 and the SEBI LODR amended from time to time. Your Bank has adopted a board approved compensation policy on the basis of the aforesaid regulatory guidelines and the Policy is available on the Bank's website at <https://www.kvb.co.in/docs/investor-compensation-policy.pdf>

DECLARATION BY INDEPENDENT DIRECTORS

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

FAMILIARISATION PROGRAMMES OF INDEPENDENT DIRECTORS

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

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

CORPORATE GOVERNANCE

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

Directors' Report (Contd.)

DIRECTORS' RESPONSIBILITY STATEMENT

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

- a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) The Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Bank at the end of the financial year and of the profit and loss of the Bank for that period;
- c) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Bank and for preventing and detecting fraud and other irregularities;
- d) The Directors had prepared the annual accounts on a going concern basis;
- e) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively; and
- f) The Directors had laid down internal financial controls to be followed by the Bank and that such internal financial controls are adequate and were operating effectively.

AWARDS AND ACCOLADES

Your Bank received the following awards during financial year 2024-25, majority of the same for implementation of innovative technologies:

S. No	NAME OF THE AWARD	AWARDED BY	CATEGORIES AWARD
1	Business Today -Best Small Indian Bank	Business Today	Best Small Indian Bank-2024
2	Brandon Hall Group- HCM Excellence Awards	Brandon Hall Group	Best Competencies and Skill Development-Gold Best Learning Program Supporting a Change Transformation Business Strategy-Gold Best Unique or Innovative Talent Management Program-Gold Best Results of a Learning Program-Gold Best Learning Measurement-Silver Best Corporate Culture Transformation-Silver Best Team Development Program-Bronze Best Unique or Innovative Learning and Development Program-Bronze
3	5 th Annual BFSI Technology Excellence Award 2024	Quantic India	Best Technology Implementation in Risk Management
4	19 th Annual Summit & Awards – Banking & Financial Sector Lending Companies - 2024	ASSOCHAM	Best Overall Performance-Winner Best Digital Performance Innovations-Winner Best Customer Experience-Winner Best ESG Initiatives-Winner Best Risk & Cyber Security Initiatives-Runner
5	IBA 20 th Annual Technology Conference, Expo & Citations 2024	IBA	Best Technology Bank of the Year-Winner Best Financial Inclusion-Special Mention
6	IBEX India 2025 BFSI Technology Awards	IBEX	Excellence in ESG and Sustainability Initiatives-Winner Best IT Risk & Cybersecurity Initiatives-Winner Most Innovative Use of Technology-Special Mention
7	CIMSME-MSME Banking Excellence Awards-2024	Chamber of Indian Micro Small & Medium Enterprises (CIMSME)	Jury Special award for supporting MSME's-Runner Up CSR Initiative and Business responsibility award (Private Sector banking)

Directors' Report (Contd.)

ACKNOWLEDGEMENT

The Board of Directors take this opportunity to express their gratitude to the Government of India, Reserve Bank of India, Securities Exchange Board of India (SEBI), Ministry of Corporate Affairs (MCA), National Stock Exchange of India Limited, BSE Limited, Rating Agencies, Joint Statutory Central Auditors, Secretarial Auditors, various State Governments & Union Territories and other regulatory authorities in India, for their valuable guidance and consistent support.

The Board also expresses its sincere thanks to the Bank's valued shareholders, debenture holders, esteemed customers,

all other stakeholders and well-wishers for their continued faith, confidence, and patronage on us and look forward for their continuous support.

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

For and on behalf of the Board of Directors

Dr Meena Hemchandra

(DIN: 05337181)

Non-Executive Independent (Part-time) Chairperson

B Ramesh Babu

(DIN: 06900325)

Managing Director & CEO

Place: Karur

Date: July 24, 2025

Annexure I

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2025

To
The Members,
THE KARUR VYSYA BANK LIMITED
No.20, Erode Road, Vadivel Nagar,
L.N.S., Karur - 639002.

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

Based on our verification of the Bank's books, papers, minute books, forms and returns filed and other records maintained by the Bank and also the information provided by the Bank, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Bank has, during the audit period covering the financial year ended on March 31, 2025 complied with the statutory provisions listed hereunder and also that the Bank has proper board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Bank for the financial year ended March 31, 2025 according to the provisions of:

- (i) The Companies Act, 2013 ("the Act") and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment. The Bank does not have any Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- b) The Securities And Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (Not applicable to the Bank during the Review Period).
- 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 (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 (Not applicable as the Bank is not registered as a Registrar to an issue and as a Share transfer agent);
- g) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
- h) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 as amended from time to time; (Not applicable to the Bank during the Review Period)
- i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 as amended from time to time; (Not applicable to the Bank during the Review Period).
- (vi) The Following other applicable laws:
 - a) The Banking Regulation Act, 1949 and Rules, Notifications and Circulars issued by Reserve Bank of India from time to time;
 - b) The Reserve Bank of India Act, 1934 to the extent applicable and Master Circulars, Notifications and Guidelines and other directions pertaining to commercial banking issued by Reserve Bank of India (RBI) from time to time;
 - c) The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;

SECRETARIAL AUDIT REPORT (Contd.)

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2025

- d) Securities and Exchange Board of India (Bankers to the Issue) Regulations, 1994 as amended from time to time;

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

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India relating to Meetings of the Board of Directors (SS-1) and General Meetings (SS-2).
- (ii) The Listing Agreements entered into by the Bank with National Stock Exchange of India Ltd.

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

We further report that

- (i) The Board of Directors of the Bank is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Women Director. During the period under review:
 - a) Shri R Vidhya Shankar was appointed as an additional director (Independent) with effect from April 22, 2024 and thereafter vide postal ballot resolution passed on July 16, 2024 he was appointed as Non-Executive Independent Director for a period of 3 years with effect from April 22, 2024.
 - b) Consequent to RBI Approval Shri J Natarajan was appointed as an additional director in the category of Whole-Time Director designated as Executive Director for a period of one year from the date of taking charge, May 22, 2024 and thereafter his appointment was approved by the shareholders vide postal ballot resolution passed on July 16, 2024.
 - c) Shri K S Ravichandran, Non-Executive Independent Director completed his tenure at the close of office May 25, 2024.
 - d) Shri R Ramkumar, Non-Executive Non-Independent Director retired by rotation at the annual general meeting held on August 14, 2024 and was re-appointed.

- e) Smt Srimathy Sridhar was appointed as an additional director (Independent) with effect from September 26, 2024 and thereafter vide postal ballot resolution passed on December 10, 2024 she was appointed as Non- Executive Independent Director for a period of 3 years with effect from September 26, 2024.

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

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

- (ii) Adequate notice is given to all Directors to schedule the Board Meetings; notice, agenda and detailed notes on agenda were sent at least seven days in advance and shorter consent was obtained wherever required and a system exists for seeking and obtaining further information and clarifications on the agenda items before and at the meeting for meaningful participation at the meeting. Decisions of the Board/Committee meetings are in consensus and results are recorded in minutes with suggestions/directions, if any, made in respect of any agenda item.
- (iii) Based on the compliance system prevailing in the Bank, and after carrying out test checks of the relevant records and documents maintained by the Bank, we, further report that, there are adequate systems and processes commensurate with the size and operations of the Bank to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
- (iv) We further report that the Bank has responded to communication received from various statutory / regulatory authorities including initiating actions for corrective measures, wherever found/deemed necessary.

SECRETARIAL AUDIT REPORT (Contd.)

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2025

We further report that during the audit period:

- (i) The Bank had allotted 6,80,540 equity shares under KVB ESOS 2011 and KVB ESOS 2018 on various dates which includes 58,216 equity shares to Shri B Ramesh Babu, MD & CEO and 58,055 equity shares to Shri J Natarajan, Executive Director (for the position held as President & COO).
- (ii) 67,121 equity shares which were kept in abeyance were released.
- (iii) In terms of the RBI approval vide letter DOR.GOV. No.S1698/08.41.001/2024-25 dated June 19, 2024, the Nomination and Remuneration Committee of the Bank in its Meeting held on July 08, 2024 has granted 47,097 options at an exercise price of ₹202.77 under KVB ESOS 2018 Scheme to Shri B Ramesh Babu, MD & CEO of the Bank, as a part of non-cash component of variable pay for the financial year 2023-2024.
- (iv) The Nomination and Remuneration committee in its meeting held on July 08, 2024 had granted 16,598 options at an exercise price of ₹202.77 /- under KVB ESOS 2018 Scheme to Shri J Natarajan, Executive Director, as part of non-cash component of variable pay for the financial year 2023-2024 (for the position held as President & COO).
- (v) The Bank has received renewal of authorisation from RBI for Import of gold/silver for the financial year 2025-2026.
- (vi) During the audit period, in one instance RBI vide order CO.ENFD.DECB.No.S698/02-02-006/2024-2025 dated February 07, 2025 had levied a penalty of ₹8,30,000/- for contravention of Reserve Bank directions contained in Paragraphs 1 and 6 of Annex to the Circular No. DBR.BP.BC.No.12/21.04.048/2018-19 dated December 05, 2018 on 'Guidelines on Loan System for Delivery of Bank Credit'. Intimation in this regard was submitted to Stock exchanges on February 07, 2025 and penalty was paid by the Bank on February 14, 2025.

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

Sri Vidhya Kumar, Partner
FCS. No. 11114, C.P. NO. 20181
FRN: L2018TN004700
Peer Review Certificate No. 2822/2022
UDIN: F011114G000855397

Place: Chennai
Date: July 24, 2025

SECRETARIAL AUDIT REPORT (Contd.)

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2025

To
The Members,
THE KARUR VYSYA BANK LIMITED
No.20, Erode Road, Vadivel Nagar,
L.N.S., Karur - 639002.

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

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

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

Sri Vidhya Kumar, Partner
FCS. No. 11114, C.P. NO. 20181
FRN: L2018TN004700
Peer Review Certificate No. 2822/2022
UDIN: F011114G000855397

Place: Chennai
Date: July 24, 2025

Annexure II

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

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

SI No	Requirements	Disclosure	
I	the ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year 2024-25;	Dr Meena Hemchandra Non-Executive Independent (Part-time) Chairperson	2.54x
		Shri B Ramesh Babu MD & CEO	39.51x
		Shri R Ramkumar Non-Executive Non-Independent Director	1.88x
		Shri K G Mohan Non-Executive Independent Director	1.88x
		Dr Harshavardhan R Non-Executive Independent Director	1.88x
		Shri Murali Ramaswami Non-Executive Independent Director	1.88x
		CA Dr Chinasamy Ganesan Non-Executive Independent Director	1.88x
		Shri R Vidhya Shankar ¹ Non-Executive Independent Director	1.78x
		Smt. Srimathy Sridhar ² Non-Executive Independent Director	0.97x
		Shri B Sankar ³ Executive Director	0.55x
		Dr K S Ravichandran ⁴ Non-Executive Independent Director	0.28x
		Shri J Natarajan ⁵ Executive Director	20.10x
		¹ Appointed on April 22, 2024	
		² Appointed on September 26, 2024	
		³ Appointed on February 20, 2025 and taken charge on March 12, 2025	
		⁴ Demitted office on May 25, 2024, consequent to completion of tenure.	
		⁵ Demitted office on May 21, 2025, consequent to completion of tenure.	

Annexure II

SI No	Requirements	Disclosure								
	Note:									
	a) 'x' denotes the median remuneration of employees for the financial year 2024-25, which includes salary, BPS arrears, taxable reimbursements, and the Bank's contributions towards pension, provident fund, NPS, taxable perquisites, and ESOP vesting.									
	b) Pursuant to approval of the RBI and shareholders of the Bank, Non-Executive Independent (Part-time) Chairperson is entitled to receive the fixed remuneration of ₹27 Lakh for the FY 2024-25.									
	c) During the Financial Year 2025-26, upon approval of the Financial Results for the FY 2024-25, the fixed remuneration to Non-Executive Directors [excluding Non-Executive (Part-Time) Chairperson] for the FY 2024-25 has been paid. The fixed remuneration paid is in proportion to the tenure of the Directors on the Board during the year.									
	d) The ratio of remuneration for Non-Executive Directors including Non-Executive (Part-Time) Chairperson is calculated after considering the payment of fixed remuneration for the FY 2024-25. The payment of sitting fees for attending Board/Committee(s) was not considered for this calculation.									
II	The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year 2024-25;	<table><tr><td>Shri B Ramesh Babu, MD & CEO</td><td>37.34%*</td></tr><tr><td>Shri J Natarajan Executive Director</td><td>58.66%[§]</td></tr><tr><td>Shri R Ramshankar GM & CFO</td><td>54.75%^</td></tr><tr><td>Shri Srinivasa Rao Maddirala, Company Secretary</td><td>20.42%^</td></tr></table>	Shri B Ramesh Babu, MD & CEO	37.34%*	Shri J Natarajan Executive Director	58.66% [§]	Shri R Ramshankar GM & CFO	54.75%^	Shri Srinivasa Rao Maddirala, Company Secretary	20.42%^
Shri B Ramesh Babu, MD & CEO	37.34%*									
Shri J Natarajan Executive Director	58.66% [§]									
Shri R Ramshankar GM & CFO	54.75%^									
Shri Srinivasa Rao Maddirala, Company Secretary	20.42%^									

* The overall increase in the remuneration of the MD & CEO for FY 2024-25 is due to an increase in base salary, payment of variable pay, and ESOP vesting.

^ The increase in compensation for the Chief Financial Officer and the Company Secretary is due to the annual increment and the inclusion of perquisites arising from ESOP vesting.

§ During the period under review, Shri J Natarajan was elevated from the position of President and appointed as Executive Director of the Bank w.e.f May 22, 2024. Therefore, the remuneration drawn as President has been taken as base figure for this calculation. He has demitted Office at the close of Office hours on May 21, 2025, consequent to completion of his one year tenure.

Executive Director

Shri B Sankar has been appointed as Executive Director of the Bank for a period of three years with effect from March 12, 2025. Percentage increase/decrease in remuneration is not reported as he was holding directorship only for a part of the financial year 2024-25.

Percentage increase in remuneration of each director (excluding Whole-time Director):

Non-executive Directors

Sitting fees of ₹75,000/- and ₹50,000/- per meeting are paid to Non-Executive Directors for attending the Board and Board Level Committees respectively. Further details on the same is provided in the Corporate Governance Report.

In line with Circulars issued by RBI from time to time, during the period under review, fixed remuneration payable to the Non-Executive Directors (except the Non-Executive (Part-time) Chairperson) has been revised from ₹10 Lakh per annum to each director, to the tune of 0.2% of the profit available for distribution subject to maximum of ₹20 Lakh per annum, to each with effect from the Financial Year 2024-25 marking and increase of 100%, for a period of three(3) years, in addition to the sitting fees payable to them. Shareholders' approval has been obtained through the Postal ballot on July 16, 2024. Fixed remuneration to Non-Executive Directors [excluding Non-Executive (Part-time) Chairperson] for the FY 2024-25 has been paid in proportion to the tenure of the Directors on the Board with a maximum cap of ₹20 Lakh.

Annexure II

SI No	Requirements	Disclosure
Non-Executive (Part-time) Chairperson		
	The remuneration for Dr Meena Hemachandra has been revised from ₹18 Lakh per annum to ₹27 Lakh per annum (with existing perquisites) for her tenure as chairperson, with effect from April 1, 2024) reflecting an increase of 50%. Shareholders' approval has been obtained through the Postal ballot on July 16, 2024.	
III	The percentage increase in the median remuneration of employees in the financial year; 6.80%	
IV	The number of permanent employees on the rolls of company; 9,765	
V	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	1. The Average percentage increase in the remuneration paid to Non-Manual Personnel is 15.26%. There has been an increase in non-manual remuneration due to the BPS settlement / Joint note for IBA employees, Annual increase for other employees and inclusion of perquisites arising from ESOP vesting. 2. The Average percentage increase in the remuneration paid to Managerial Person is 45.57%. Increase in remuneration is due to appointment of Executive Directors, an increase in base remuneration, variable pay and inclusion of perquisites arising from ESOP vesting of the Managerial Persons. Note: Mr. Dolphy Jose, Former Chief General Manager has been excluded from the above calculations, as he has served only for 3 Months in the Financial year 2024-25. Further, there are no exceptional circumstances.
VI	Affirmation that the remuneration is as per the remuneration policy of the company.	The Bank has approved Compensation Policy, which is in line with the RBI Guidelines. We Affirm that the remuneration paid to employees is as per the Compensation Policy of the Bank.
VII.	Details pursuant to Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:	
	Six employees employed throughout the year were in receipt of remuneration ₹ 1.02 Crore per annum or more, and there are no employees employed for the part of financial year 2024-25 who are in receipt of remuneration of ₹8.50 Lakh per month or more.	
	Statement containing particulars of top ten employees pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this Report. Further, the Report and the Accounts are being sent to the Members excluding the aforesaid statement. In terms of Section 136 of the Act, the said statement will be open for inspection upon request by the Members. Any Member interested in obtaining a copy of the same may write to the Company Secretary at kvb_sig@kvbmail.com.	
	None of the employees hold (himself or along with his spouse and dependent children) more than two percent of the Equity Shares of the Bank.	
	General Note: Remuneration paid to employees includes salary paid, taxable reimbursements, Bank Contribution towards pension, PF, and NPS and other taxable perquisites (Includes ESOP) for Financial Year 2024-25.	

Annexure III

ANNEXURE FOR ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. Brief outline on CSR Policy of the Company

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

2. Composition of CSR Committee

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

* Member of the committee from 20.08.2024

Member of the committee from 19.06.2024

® Member of the committee till 25.05.2024 and no meeting has been held during his tenure

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

Composition of CSR Committee - <https://www.kvb.co.in/CSR/>

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

CSR Projects approved by the Board - <https://www.kvb.co.in/CSR/csr-annual-action-plan/>

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

During the period under review, Bank had one project falling under the said purview of impact assessment.

i) Promoting a Green Tirumala and Enhancing Healthcare Access in Tirupati

The Bank extended its support to the Tirumala Tirupati Devasthanams (TTD) in enabling sustainable mobility by providing battery/electric-operated vehicles worth ₹70 Lakh. These vehicles were deployed at TTD, Tirumala and the Sri Venkateswara Institute of Medical Sciences (SVIMS), Tirupati. This initiative is expected to significantly reduce the carbon footprint in and around the area.

Annexure-III

Sri Venkateswara Institute of Medical Sciences (SVIMS), which caters to thousands of in-patients and out-patients daily, is witnessing a steady increase in patient volume. To support the growing demand, the Bank also installed three RO-purified drinking water plants and nine water dispenser units at SVIMS, at a cost of ₹30 Lakh.

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

ii) Supporting Treatment for Chronic Conditions through Ganga Spine Injury Foundation

The Bank has made a meaningful contribution toward improving healthcare for individuals from economically weaker sections, particularly those suffering from chronic spine and limb deformities. Through its support to the Ganga Spine Injury Foundation, Coimbatore, the Bank has enabled access to quality treatment and rehabilitation.

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

5	(a)	Average net profit of the company as per section 135 (5):	₹14,86,71,45,983.53
	(b)	Two percent of average net profit of the company as per section 135(5) :	₹29,73,42,919.67
	(c)	Surplus arising out of the CSR Projects or programmes or activities of the previous financial year	NIL
	(d)	Amount required to be set off for the financial year, if any :	₹29,60,850.01
	(e)	Total CSR obligation for the financial year [(b)+(c)-(d)]	₹29,43,82,069.66

6	(a)	Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project).	₹29,06,41,956.00
	(b)	Amount spent on administrative overheads	₹47,53,760.13
	(c)	Amount spent on impact assessment, if applicable	₹4,72,000.00
	(d)	Total amount spent for the financial year [(a)+(b)+(c)]	₹29,58,67,716.13

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

Total Amount Spent for the Financial Year. (in ₹)	Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135.		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135.		
	Amount.	Date of transfer.	Name of the Fund	Amount	Date of transfer
4,15,07,548.88	25,43,60,167.25*	29.03.2025	NA	NA	NA

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

Annexure-III

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

S.No	Particulars	Amount (in ₹)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135 *	29,43,82,069.66
(ii)	Total amount spent for the Financial Year	29,58,67,716.13
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	14,85,646.47
(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)]	14,85,646.47

*After setting off the exceeded budget ₹29,60,850.01 of financial year 2023-24

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

Sl. No.	Preceding Financial Year.	Amount transferred to unspent CSR account under section 135 (6) (in ₹)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in ₹)	Amount spent in the financial year (in ₹)	Amount transferred to any fund specified under schedule VII as per section 135 (6), if any		Amount Remaining to be spent in succeeding financial years (in ₹)	Deficiency, if any
					Amount (in ₹)	Date of Transfer		
1	2023-2024	10,33,01,594.12	10,33,01,594.12	6,55,69,966.62	0.00	-	3,77,31,627.50	NIL
2	2022-2023	6,97,70,762.60	3,14,87,750.60	2,36,87,751.00	0.00	-	77,99,999.60	NIL
3	2021-2022	3,02,37,215.00	30,96,494.00	30,96,494.00	0.00	-	0.00	NIL

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: No

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

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

B Ramesh Babu

Managing Director & CEO
Chairman of the CSR Committee

Business Responsibility and Sustainability Reporting

Business Responsibility and Sustainability Reporting by listed entities SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122 dated July 12, 2023

SECTION A : GENERAL DISCLOSURES

I. Details of the listed entity

S. No	Required Information	
1	Corporate Identity Number (CIN) of the Listed Entity	L65110TN1916PLC001295
2	Name of the Listed Entity	THE KARUR VYSYA BANK LIMITED
3	Year of incorporation	1916
4	Registered office address	No.20, Erode Road, Vadivel Nagar, L.N.S., Karur - 639002, Tamilnadu
5	Corporate address	No.20, Erode Road, Vadivel Nagar, L.N.S., Karur - 639002, Tamilnadu
6	E-mail	kvb_sig@kvbmail.com
7	Telephone	04324-269441
8	Website	www.kvb.co.in
9	Financial year for which reporting is being done	2024-25
10	Name of the Stock Exchange(s) where shares are listed	National Stock Exchange
11	Paid-up Capital	₹ 161,02,49,318.00
12	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Shri. Chandrasekaran M S, Head of Business Responsibility and Sustainability Reporting, Chief General Manager & Chief Operating Officer, Telephone No: +914324-269000, Email Id: coo@kvbmail.com
13	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together)	On a standalone basis
14	Name of Assurance Provider	Not Applicable
15	Type of Assurance obtained	Not Applicable

II. Products / Services

16 Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Banking and Financial Services	The Bank provides a wide range of Banking and Financial Services including Retail banking, Commercial banking, Corporate banking and treasury operations.	100

17 Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product / Service	NIC Code	% of total Turnover contributed
1	Banking Services	64191	100

III. Operations

18 Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	Not applicable	888	888
International	Not Applicable	Nil	Nil

Business Responsibility and Sustainability Reporting (Contd.)

19 Market Served by the entity:

a	Number of locations	
	Locations	Number
	National (No. of States)	22 states (19 states & 3 Union Territories)
	International (No. of Countries)	Nil
b.	What is the contribution of exports as a percentage of the total turnover of the entity?	Nil
c.	A brief on type of customers	Our services are designed to meet the needs of a wide array of customer categories, all of which are authorised by the Reserve Bank of India (RBI). Our clientele includes: - Resident Indians: Individuals residing in India, seeking various financial and investment services. - Non-Resident Indians: Indian citizens living abroad who require assistance in managing their finances and investments in India. - Sole Proprietors: Entrepreneurs running their businesses independently, seeking tailored financial solutions to help them thrive. - Partnership Firms: Business entities formed by two or more individuals, requiring collaborative financial management and planning. - Companies: Registered companies looking for comprehensive financial services to support their operations and investment strategies. - Trusts: Legal entities established to manage assets for the benefit of designated beneficiaries, often requiring careful financial oversight and planning. - Clubs and Societies: Organisations formed for social, recreational, or professional purposes, requiring financial services tailored to their unique needs. Additionally, we cater to clients actively engaged in Demat Trading, allowing them to hold their securities in an electronic format, as well as those enrolled in investment schemes such as the National Pension System (NPS) and the Atal Pension Yojana (APY). We also recognise the unique financial needs of our Senior Citizens, providing them with specialised services to ensure their economic security and ease of management.

IV. Employees

20 Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No.(B)	% (B/A)	No. C	% (C/A)
Employees						
1	Permanent (D)	9,765	6,998	71.66%	2767	28.34%
2	Other than Permanent (E)	101	84	83.17%	17	16.83%
3	Total employees (D+E)	9,866	7,082	71.78%	2784	28.22%
Workers						
4	Permanent (F)	NA	NA	NA	NA	NA
5	Other than Permanent (G)	NA	NA	NA	NA	NA
6	Total workers (F+G)	NA	NA	NA	NA	NA

Note:

"PERMANENT EMPLOYEES" includes Employees in Officers Cadre, Clerical Cadre and Subordinate Staff Cadre as on 31.03.2025.

Business Responsibility and Sustainability Reporting (Contd.)

b. Differently abled Employees and workers:

S. No.	Particulars	Total (A)	Male		Female	
			No.(B)	% (B/A)	No. C	% (C/A)
Differently Abled Employees						
1	Permanent (D)	12	9	75%	3	25%
2	Other than Permanent (E)	-	-	-	-	-
3	Total differently abled employees (D+E)	12	9	75%	3	25%
Differently Abled Workers						
4	Permanent (F)	-	-	-	-	-
5	Other than Permanent (G)	-	-	-	-	-
6	Total differently abled workers (F+G)	-	-	-	-	-

21 Participation/Inclusion/Representation of women:

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	11	2	18.18%
Key Management Personnel	7	0	0%

Note : The Managing Director & CEO and the two Executive Directors are included under both the Board of Directors and Key Managerial Personnel (KMP).

22 Turnover rate for permanent employees and workers (Disclose trends for the past 3 years)

	FY 2024-25 (Turnover rate in current FY)			FY 2023-24 (Turnover rate in previous FY)			FY 2022-23 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	14.96%	10.74%	13.77%	11.76%	7.63%	10.58%	5.75%	6.40%	5.94%
Permanent Workers	Not Applicable								

Note : The Bank has increased the employees strength by 350% during last 3 years for Sales and Customer facing Roles.

V. Holding, Subsidiary and Associate Companies (including joint ventures)

23 (a) Name of holding / subsidiary / associate companies / joint ventures

S. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
Not Applicable				

VI. CSR Details

24	(i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No)	YES
	(ii) Turnover (in ₹)	1,15,07,59,24,468.19
	(iii) Net worth (in ₹)	1,16,44,87,52,853.32

VII. Transparency and Disclosure Compliances

25 Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Business Responsibility and Sustainability Reporting (Contd.)

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2024-25 (Current Financial Year)			FY 2023-24 (Previous Financial Year)		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes	-	-	-	-	-	-
Investors (other than shareholders)	Investors' grievances are redressed either directly by the Investor Relations cell of the bank or through the Bank's	0	0	Nil	4	0	Resolved
Shareholders	Registrar and Transfer Agent, M/s MUFG Intime Time India Private Limited, Coimbatore. Complaints received on the SCORES/ODR Portal (a centralised web-based complaint redressal system of SEBI) are attended to within the timelines.	4	0	Resolved	3	0	Resolved
Employees and workers	Internal Grievance Redressal Committee redresses human rights grievances/ complaints	32	4	Nil	12	1	Nil
Customers	Yes. https://www.kvb.co.in/regulatory-disclosures/fair-practices-banking-codes-overview/banking-codes-policies/	5,833	229	Nil	5,092	166	Nil
Value Chain Partners	No	-	-	-	-	-	-
Other (Complaints received from Individuals whose customer ID's are not disclosed / traceable (Example: BNPL customers, FASTAG customers, NON KVB Customers) were grouped under others category)	Yes.	544	8	NA	465	10	-

26 Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Brand Reputation	Risk	Risk - A strong brand reputation is crucial for establishing customer trust and sustaining long-term stakeholder relationships. Reputational damage resulting from service failures, misconduct, or adverse publicity can lead to customer attrition and financial losses.	KVB ensures transparent communication, prompt customer redressal, and stakeholder engagement. The Bank also undertakes proactive media and community engagement to uphold its brand equity.	Negative - Brand deterioration can lead to customer loss, reduced investor confidence, and higher operational costs to regain trust.

Business Responsibility and Sustainability Reporting (Contd.)

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
2	Financial Performance	Opportunity	Opportunity - By leveraging its core strengths in corporate and green financing, as well as risk-managed capital deployment, the Bank continues to generate stable financial returns while expanding into emerging sectors aligned with sustainability and inclusive growth.		Positive - Karur Vysya Bank continues to identify financial opportunities through digital transformation, retail lending growth, and expanding its presence in semi-urban and rural markets. Strategic focus on MSME financing and tech-enabled banking has improved cost efficiency and diversified income streams. These initiatives have strengthened the Bank's profitability, financial resilience, and long-term stakeholder value.
3	Cyber Security and Data Privacy	Risk & Opportunity	Risk - The absence of data security systems could pose a threat to customer-centric, sensitive data. In the banking industry, customer data privacy is of the utmost importance. The Bank operates and handles a deluge of confidential client information and customer data for daily business transactions; hence, data breaches can significantly disrupt business continuity operations. Unauthorised users, outside parties spying on the network, and inside users divulging information put the integrity and privacy of data at risk. Opportunity- Well-structured and efficient data and cybersecurity systems safeguard the privacy of customers, prevent fraud, and underpin and enrich digital technology services. Cyber-security protection ensures the continued confidentiality and security of business investments while maintaining the availability, consistency and immutability of customer account data.	To reduce cybersecurity threats, effective data management systems that detect and monitor suspicious transactions must be installed. The Bank has established Information Security and Cyber Security policies that address data privacy. The customer's data must be safeguarded during processing, transmission, and storage. The Bank guarantees that the data is adequately protected throughout each of these steps.	Positive: Strong systems protect data and improve digital transaction services, which in turn safeguard customer interests and boost revenue growth. Negative: Failing to prioritise data security concerns would negatively affect business productivity and lead to data loss.

Business Responsibility and Sustainability Reporting (Contd.)

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
4	Regulatory Compliance	Risk	Risk - The risk of failing to comply puts the organisation at risk of legal repercussions and financial setbacks due to not following industry laws and regulations. Not following the rules would directly impact the bank's income and valuation and might result in a diminished reputation and missed business prospects. Companies that prioritise compliance generally experience enhanced performance and greater process efficiency. Compliance offers reassurance and gives investors a more comprehensive view of the organisation.	Regular and strict monitoring of the bank's compliance is essential. KVB has implemented a compliance policy to ensure that it adheres to all relevant laws and regulations. The bank has established a code of conduct and ethics, along with policies on anti-money laundering, whistle-blowing, vigilance, and fraud risk management, to protect the interests of investors and other stakeholders.	Negative: Failing to comply would result in damage to reputation, which would, in turn, impact business operations. Banks that adhere to regulatory laws are better equipped to manage risks and foster a greater sense of fairness and loyalty among their employees.
5	Ethical behavior	Risk	Risk - Breach of ethical standards could significantly harm the organisation's reputation and integrity. The risk of reduced productivity and slower business revenue growth may rise due to the organisation's damaged image. Investors may react unfavourably to the firm's unethical actions, which could impact their willingness to invest further. This situation could indirectly lead to decreased employee performance, higher turnover rates, and difficulties in recruiting new staff.	Effective policies and mechanisms must be in place to foster a culture of integrity and conduct, as well as address the evolving risks and challenges. KVB has a code of ethics policy to ensure and maintain ethical practices at the workplace.	Negative - Unethical behaviour could directly impact the bank's reputation. It could also lead to loss of morale and employee productivity, thereby affecting the top-line growth of the organisation.
6	Fraud Risk Management	Risk	Risk - Financial frauds can lead to direct monetary losses, regulatory penalties, and reputational damage. In a highly regulated sector such as banking, adequate fraud risk controls are crucial for maintaining customer trust and operational integrity.	The Bank implements robust fraud detection and prevention systems, staff training, and regular audits. It has a Board-approved Fraud Risk Management Policy in place to proactively address vulnerabilities.	Negative - Fraud-related losses can impact profitability and result in penalties.
7	Transparency & Fair Disclosures	Risk & Opportunity	Risk - Failing to provide timely, accurate, and comprehensive disclosures may significantly diminish the confidence that stakeholders have in the organisation. Opportunity - By engaging in transparent reporting practices, the organisation can enhance its credibility, foster greater trust among investors, and ensure better alignment with regulatory standards.	KVB ensures timely disclosures through dedicated compliance and investor relations teams. The Bank adheres to SEBI LODR norms and maintains open communication with all stakeholders.	Positive - Transparent disclosures attract investors, improve capital access, and reduce reputational risks. Negative - Lack of disclosures can lead to regulatory action or investor exits.

Business Responsibility and Sustainability Reporting (Contd.)

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
8	Customer Experience & Satisfaction	Opportunity	Opportunity - By focusing on enhancing customer satisfaction, businesses can foster deep brand loyalty, which is essential for retaining customers over time and promoting sustainable growth. This is especially critical in today's competitive financial markets, where enhancing the customer experience can differentiate a brand from its rivals. When customers feel valued and satisfied, they are more likely to remain loyal, recommend the brand to others, and contribute to its long-term success.		Positive - Enhanced customer satisfaction contributes to cross-selling opportunities, reduced churn, and revenue growth.
9	Digitization	Opportunity	Opportunity - Digitisation improves service efficiency, reduces costs, enables better customer experiences, and positions the bank to compete with digital-first players.		Positive - Digitisation reduces operational costs, improves service quality, and enhances the scalability of the Bank's operations.
10	Financial Inclusion	Opportunity	Opportunity - Encouraging financial inclusion in underserved areas not only unlocks new economic markets but also aligns with the broader national objectives aimed at enhancing social equity. This initiative helps cultivate enduring relationships between financial institutions and their customers, fostering loyalty and trust over time. Moreover, it contributes positively to society by empowering individuals and communities with the financial tools and resources necessary for growth and stability.		Positive - Financial inclusion strengthens the Bank's social license to operate, expands the customer base, and aligns with government priorities for sustainable development.
11	Corporate Governance	Risk & Opportunity	Risk - Weak governance can lead to mismanagement, regulatory scrutiny, and stakeholder dissatisfaction. Opportunity - Strong governance practices improve decision-making, risk management, and investor confidence.	KVB ensures Board diversity, periodic reviews of governance practices, and adherence to regulatory requirements. It maintains a comprehensive Code of Conduct and a Whistleblower mechanism.	Positive - Strong governance boosts investor confidence, reduces compliance risk, and enhances long-term valuation. Negative - Governance failures can lead to fines and management churn.

Business Responsibility and Sustainability Reporting (Contd.)

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
12	Training & Development	Opportunity	Opportunity - Investing in employee development is crucial for cultivating a highly skilled and engaged workforce. This commitment not only enhances individual competencies but also fosters a culture of continuous learning and innovation within the organisation. A well-developed workforce can adapt to changing market demands, ensuring compliance with industry standards and regulations. Additionally, this focus on professional growth strengthens overall business agility, enabling the company to respond swiftly to new challenges and opportunities in a dynamic environment.		Positive - Upskilled employees lead to greater innovation, better customer service, and higher compliance effectiveness.

SECTION B : MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions		P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes										
1	a. Whether your entity's policy/ policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
	b. Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
	c. Web Link of the Policies, if available	https://www.kvb.co.in/regulatory-disclosures/fair-practices-banking-codes-overview/banking-codes-policies/								
2	Whether the entity has translated the policy into procedures. (Yes / No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Do the enlisted policies extend to your value chain partners? (Yes/No)	No	No	No	No	No	No	No	No	No

Business Responsibility and Sustainability Reporting (Contd.)

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
4 Name of the national and international codes/certifications/ labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	GRI Standard,	GRI Standard,	GRI Standard	-	GRI Standard,	GRI Standard, IGBC Green Building Certification: Platinum Certification	GRI Standard	GRI Standard, CSR disclosures under Section 135 of the Companies Act, 2013, read with Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended	GRI Standard, ISO 27001, ISO 27701 PCI DSS
5 Specific commitments, goals and targets set by the entity with defined timelines, if any.	The Bank has formulated a comprehensive ESG Policy to guide our commitment to responsible banking and sustainable development. As part of our internal operations, we are actively enhancing our renewable energy footprint—our wind mill installation contributes to clean power generation, complemented by solar systems installed at our owned premises in Hyderabad, with two more underway at Namakkal and Trichy. Our Central Office Main Building in Karur has been awarded the IGBC Platinum Certification, recognising our efforts in promoting green infrastructure and energy efficiency. The Bank is committed to a diverse, inclusive, and safe workplace, supported by continuous training and upskilling initiatives. To uphold ethical and responsible lending practices, we have adopted an Exclusion List under our ESG Policy. This ensures that financing is extended only to sectors and activities that align with our values and regulatory expectations.								
6 Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	The bank is actively undertaking initiatives related to renewable energy adoption and green building practices. Please refer to the Environment Section on Page No.: 40 & 41 of the Integrated Annual Report FY 2024-25, which forms part of this document, to know about the initiatives undertaken.								

Governance, leadership and oversight

7 Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)	At Karur Vysya Bank (KVB), we consider sustainability a core element of our long-term vision. Our century-long legacy is built on sound financial practices, the confidence of our customers, the commitment of our team, and the positive impact we create in the communities we serve. In FY 2024-25, we have further reinforced our commitment to responsible business practices by aligning ourselves with the SEBI BRSR framework and the National Guidelines on Responsible Business Conduct (NGRBC), while making meaningful progress in our environmental and social impact sectors. From an environmental perspective, we have made significant progress in minimising our operational impact. Our wind energy project in Theni, complemented by rooftop solar installation at our owned premises in Hyderabad, with two more underway at Namakkal and Trichy, highlight our commitment to renewable energy. As a result, 4,195 GJ of our energy consumption has come from renewable sources. Additionally, we have reduced Scope 2 emissions intensity by implementing energy-efficient systems throughout our offices, achieving a total emission intensity of just 1.88 tCO₂e per Crore of revenue. We are also advancing in the management of e-waste and battery waste, safely disposing of over 174 metric tonnes in FY 2024-25.								

Business Responsibility and Sustainability Reporting (Contd.)

On the social side, our approach has been focused on inclusivity and personnel welfare. We have ensured that all our employees are covered by health insurance, accident coverage, and maternity/paternity benefits. Through our key grievance redressal platform “KVB Samadhan,” we have enhanced transparency and the timely addressing of employee issues. During the financial year, we conducted 302 Financial Literacy Campaigns, benefiting 4,000 plus individuals and promoting financial awareness. In addition, we extended credit to 5,36,268 accounts under the Weaker Sections category and to 5,16,311 accounts belonging to Small and Marginal Farmers, reinforcing our commitment to inclusive growth and economic empowerment. In alignment with our corporate social responsibility (CSR) focus, we have contributed to healthcare infrastructure in government hospitals, facilitated sustainable water access through solar pumping initiatives, supported educational programs in tribal regions, and provided livelihood training for women and youth in the geriatric and hospitality sectors.

We also took significant steps regarding governance and ethics, reinforcing a robust culture of accountability. The Bank promotes a diverse, inclusive, and safe workplace. We regularly conduct employee training, and upskilling programs, while ensuring equal opportunity and well-being across all levels. With 91.8% of our employees trained in human rights and 95.5% included in performance evaluations, we are investing in both our values and capabilities. Additionally, we continue to undertake Corporate Social Responsibility (CSR) initiatives that reflect our commitment to creating long-term value for society

We remain committed to promoting inclusive growth and delivering long-term value to all stakeholders. As we move forward, we will continue to enhance our environmental and social initiatives, and stay aligned with evolving expectations. For us at KVB, sustainability is a continuous journey of responsibility, resilience, and renewal.

8	Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Shri Chandrasekaran M S, Head of Business Responsibility and Sustainability Reporting, Chief General Manager and Chief Operating Officer
9	Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	Yes. ESG implementation is monitored by the board level CSR & ESG Committee.

10 Details of Review of NGRBCs by the Company:

Subject of Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action																		Annually
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances																		Annually

11	Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency	P1	P2	P3	P4	P5	P6	P7	P8	P9
		Yes.								
		The policies have been reviewed by M/s. CareEdge Advisory and they have mapped the existing policies and procedures against the requirements of BRSR and accordingly suggested the improvements to bridge it with the BRSR requirements.								

Business Responsibility and Sustainability Reporting (Contd.)

12 If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
a. The entity does not consider the Principles material to its business (Yes/No)									
b. The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
c. The entity does not have the financial or/ human and technical resources available for the task (Yes/No)					Not applicable				
d. It is planned to be done in the next financial year (Yes/No)									
e. Any other reason (please specify)									

Policies mapped to the Principles	Policies
P1	Compliance Policy, KYC/AML Policy, Fraud Risk Management Policy, Corporate Governance Policy, Related Party Transaction Policy, Code of Ethics Policy
P2	Vendor Code of Conduct, Environmental Social & Governance (ESG) Policy
P3	HRD Policy, Mandatory Leave Policy, Environmental Social & Governance (ESG) Policy, Diversity, Equity and Inclusion (DEI) Policy, Human Rights Policy, Code of Ethics Policy
P4	MSME Credit & Rehabilitation Policy, Communication Policy, Environmental Social & Governance (ESG) Policy
P5	HRD Policy, Mandatory Leave Policy, Diversity, Equity and Inclusion (DEI) Policy, Human Rights Policy, Compensation Policy, Anti - Harassment Policy, Environmental Social & Governance (ESG) Policy
P6	Business Continuity and Disaster Recovery Policy, Environmental Social & Governance (ESG) Policy
P7	Communication Policy
P8	Grievance Redressal Policy, Corporate Social Responsibility Policy
P9	Business Continuity and Disaster Recovery Policy, Customer Rights Policy, Customer Relation Policy / Customer Protection Policy/ Customer Liability Policy, Cyber Security Policy, Information Technology Policy, Compensation Policy – Customer, Protected Disclosure Scheme (PDS) – Whistle Blower

Business Responsibility and Sustainability Reporting (Contd.)

SECTION C : PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorised as “Essential” and “Leadership”. While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally, and ethically responsible.

PRINCIPLE 1 : Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Essential Indicators

1 Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	% age of persons in respective category covered by the awareness programmes
Board of Directors	10	KVB's Board and senior leadership actively participated in specialised training programmes on cyber security, ESG integration, corporate governance, and climate risk. Key engagements included the Global Conference on Digital Public Infrastructure, ESG workshops for Directors and Non-Executive Chairpersons, and sessions on operational risk and sustainability in banking. These initiatives reflect KVB's commitment to responsible governance and future-ready leadership.	90.91 [#]
Key Managerial Personnel	21	During the year, Bank's Key Managerial Personnel (KMPs) actively engaged in a wide spectrum of professional development programmes to strengthen competencies in governance, regulatory compliance, ESG integration, and emerging technologies. Notable participations included the 52 nd National Convention of Company Secretaries, ICSI Middle East Conference, and the Global Conference on Digital Public Infrastructure. KMPs also attended dedicated sessions on SEBI LODR amendments, cyber security awareness, climate risk, AI applications (via Coursera), and the IIBF Banking Conclave on Climate Transition. These initiatives reflect KVB's emphasis on future-ready leadership, regulatory alignment, and embedding sustainability into strategic decision-making.	85.71
Employees	1679	Please refer to the Page No.: 44 of our latest Annual Report for trainings on employees	99.59
Workers	NA	NA	NA

*Part Time Employees are excluded from training.

[#]One Executive Director joined on March 12, 2025, No training and awareness program was conducted during the remaining 19 days, resulting in reduction of coverage to 90.91%

2 Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In ₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	1	RBI	₹ 2,60,975/-	Penalties related to Branches/Currency chests inspection remarks, Discrepancies in Soiled Note Remittance from CC, and Cash out in ATMs.	No
	1	RBI	₹ 8,30,000/-	Penalty (RBI)	

Business Responsibility and Sustainability Reporting (Contd.)

Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In ₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
				RBI vide its letter ref No. CO.ENFD.DECB.No.S698/02-02-006/ 2024-2025 dated 07.02.2025 had issued a speaking order dated 04.02.2025, imposing a monetary penalty of ₹ 8.30 Lakh (Rupees Eight Lakh thirty thousand only) on account of the Bank's failure to ensure that the outstanding "loan component" (working capital loan) was at least 60 percent of the sanctioned fund based working capital limit in respect of six borrowers as per the extant RBI guidelines on "Loan System for Delivery of Bank Credit. The bank had paid the penalty on 14.02.2025 and confirmed to RBI.	No
Settlement	-	-	-	-	-
Compounding fee	-	-	-	-	-

Non- Monetary				
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	NA	NA	NA	NA
Punishment	NA	NA	NA	NA

3 Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
	Not Applicable

4 Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

The bank does not have a separate policy specifically for anti-corruption or anti-bribery. However, there is a whistleblower mechanism in place that allows individuals to report any instances of corruption or bribery within the organisation.

Additionally, during vigilance awareness training programs, topics related to combating corruption and bribery are communicated to all staff members.

<https://www.kvb.co.in/docs/whistle-blower-policy.pdf>

5 Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Directors	Nil	Nil
KMPs	Nil	Nil
Employees	Nil	Nil
Workers	Nil	Nil

Business Responsibility and Sustainability Reporting (Contd.)

6 Details of complaints with regard to conflict of interest:

	FY 2024-25 (Current Financial Year)		FY 2023-24 (Previous Financial Year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	NA	Nil	NA
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	Nil	NA	Nil	NA

7 Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

Not Applicable

8 Number of days of accounts payables ((Accounts payable *365) / Cost of goods/services procured) in the following format:

	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Number of days of accounts payable	34	38

9 Open-ness of business

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	NA	NA
	b. Number of trading houses where purchases are made from	NA	NA
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	NA	NA
Concentration of Sales	a. Sales to dealers/ distributors as % of total sales	NA	NA
	b. Number of dealers / distributors to whom sales are made	NA	NA
	c. Sales to top 10 dealers/distributors as % of total sales to dealers / distributors	NA	NA
Shares of RPTs in	a. Purchases (Purchases with related parties/ total purchases)	0.02	0.03
	b. Sales (Sales to related parties/ total sales)	Nil	Nil
	c. Loans & advances (Loans & advances given to related parties / total loans and advances)	Nil	Nil
	d. Investments (Investments in related parties / total investments made)	Nil	Nil

Note: During the period under review transaction with related parties, are not material and are in repetitive nature, carried out at arm's length basis, in the ordinary course of business. Omnibus approval is obtained from Audit Committee in compliance with requirements of the Companies Act, 2013, the SEBI (LODR) Regulations 2015, and RBI Circulars as applicable, reviewed on quarterly basis.

During the reporting period, Bank has made certain purchases from the related parties in the ordinary course of business the same is being reflected under the head "purchases".

Business Responsibility and Sustainability Reporting (Contd.)

Also Bank has waived certain service charges for the related parties in the ordinary course of banking business in line with other customers. As BRSR prescribed Related Party Transaction (RPT) format does not provide a separate head for concessions or waivers of service charges, this item is not reflected in the said table.

As per SEBI Master Circular SEBI/HO/CFD/PoD2/CIR/P/0155 dated November 11, 2024, Listed banking companies are not required to provide the disclosures with respect to related party transactions involving loans, inter-corporate deposits, advances, or investments made or given. Being a banking company, the loans and advances given to related parties fall under the preview of ordinary course of Business of the Bank. Hence, the details of the same is not provided.

Leadership Indicators

1 Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

Total number of awareness programmes held	Topics / principles covered under the training	% age of value chain partners covered (by value of business done with such partners) under the awareness programmes
NA	NA	NA

2 Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same

Yes. The bank has a policy on the Code of Conduct & Ethics for Directors and Senior Management. The policy is available on the bank's website.

<https://www.kvb.co.in/docs/code-of-conduct-and-ethics-for-directors-and-senior-management.pdf>

PRINCIPLE 2 Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

1 Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively

	Current Financial Year	Previous Financial Year	Details of improvements in environmental and social impacts
R & D	0	0	-
Capex	8.30%	7.94%	The rise in capital expenditure (CAPEX) from 2024 to 2025 has led to several positive advancements. Investment in ATMs, cash deposit machines, online banking, mobile banking, and kiosks helps cut down paper use. Environmentally, these upgrades lessen paper waste and energy consumption, promoting sustainability. Socially, they reduce financial barriers, boost customer satisfaction, and foster increased economic participation. We have also installed rooftop solar in owned premises, enhancing energy efficiency and reducing the bank's carbon footprint.

2	a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)	No. The Bank integrates environmental, social, and economic considerations into its procurement decisions and processes to promote sustainability, responsible sourcing, and positive social and environmental impacts.
	b. If yes, what percentage of inputs were sourced sustainably?	

Business Responsibility and Sustainability Reporting (Contd.)

3 Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for:

(a)	Plastics (including packaging)	Not Applicable
(b)	E-waste	Not Applicable
(c)	Hazardous waste	Not Applicable
(d)	other waste.	Nil

4 Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

No. Extended Producer Responsibility (EPR) does not apply.

Leadership Indicators

1 Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

NIC Code	Name of Product / Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide the web-link.
Not Applicable					

2 If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Name of Product / Service	Description of the risk / concern	Action Taken
Not Applicable		

3 Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate input material	Recycled or re-used input material to total material	
	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Not Applicable		

4 Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

	FY 2024-25 (Current Financial Year)			FY 2023-24 (Previous Financial Year)		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled (MT)	Safely Disposed
Plastics (including packaging)			Not Applicable			
E-waste			Not Applicable			
Hazardous waste			Not Applicable			
other waste.			Not Applicable			

5 Reclaimed products and their packaging materials (as percentage of products sold) for each product category

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
Not Applicable	

Business Responsibility and Sustainability Reporting (Contd.)

PRINCIPLE 3 Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

1 a Details of measures for the well-being of employees:

Category	% of employees covered by										
	Total (A)	Health Insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent employees											
Male	6,998	6,998	100%	6,998	100%	0	0	6,998	100%	-	-
Female	2,767	2,767	100%	2,767	100%	2,767	100%	0	0	-	-
Total	9,765	9,765	100%	9,765	100%	2,767	28%	6,998	72%	-	-
Other than Permanent employees											
Male	84	82	98%	82	98%	-	-	-	-	-	-
Female	17	17	100%	17	100%	-	-	-	-	-	-
Total	101	99	98%	99	98%	-	-	-	-	-	-

b Details of measures for the well-being of workers:

Category	% of workers covered by										
	Total (A)	Health Insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent workers*											
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Total	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Other than Permanent workers											
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Total	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

c Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format

	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Cost incurred on well-being measures as a % of total revenue of the company	0.74%	0.63%

2 Details of retirement benefits, for Current Financial Year and Previous Financial Year.

Benefits	FY 2024-25 (Current Financial Year)			FY 2023-24 (Previous Financial Year)		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	20.78%	NA	Y	23.16%	NA	Y
Gratuity	99.86%	NA	Y	99.86%	NA	Y
ESI	NA	NA		NA	NA	NA
Others-NPS	79.09%	NA	Y	76.70%	NA	Y

Business Responsibility and Sustainability Reporting (Contd.)

3 Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard

The bank understand the importance of accessibility for all individuals, which is why the majority of our branches are located in commercial premises that are either on the ground floor or equipped with elevators and the necessary infrastructure to support those with disabilities. At our central office, we have ensured that our facilities are welcoming and accommodating, featuring wheelchair-accessible areas, a designated sick room, parking facility and accessible restrooms. We are committed to creating an inclusive environment for everyone.

4 Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

No

5 Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100%	100%	NA	NA
Female	100%	100%	NA	NA
Total	100%	100%	NA	NA

6 Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

Yes/No (If Yes, then give details of the mechanism in brief)	
Permanent Workers	Not Applicable
Other than Permanent Workers	
Permanent Employees	Yes.
Other than Permanent Employees	KVB SAMADHAN" is a staff Grievance Redressal Mechanism introduced for redressing the grievances of employees relating to work conditions, Pay and benefits, leave allotment, workload, managerial decisions, staff benefits, sexual discrimination at the workplace, etc., and the same can be filed by an aggrieved employee in the KVB SAMADHAN portal. Immediately after the employee submits the grievance, a complaint number will be generated by the system and acknowledged by HRD. The Staff Grievance Redressal Officer at the Central Office will ensure resolution of the matter within 10 days.
That Apart, HRD portal has the provision to register their grievance.	

7 Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY 2024-25 (Current Financial Year)			FY 2023-24 (Previous Financial Year)		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D / C)
Total Permanent Employees	9,765	5,557	56.91%	8,889	5,700	64.12%
Male	6,998	3,886	55.53%	6,366	3,983	62.57%
Female	2,767	1,671	60.39%	2,523	1,717	68.05%
Total Permanent Workers	NA	NA	NA	NA	NA	NA
Male	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA

Business Responsibility and Sustainability Reporting (Contd.)

8 Details of training given to employees and workers:

Category	FY 2024-25 (Current Financial Year)					FY 2023-24 (Previous Financial Year)				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		Number (B)	% (B/A)	Number (C)	% (C/A)		Number (E)	% (E/D)	Number (F)	% (F/D)
Employees										
Male	7,082	2,353	33.23%	7,024	99.18%	6,535	2,889	44.21%	6,479	99.14%
Female	2,784	1,167	41.92%	2,700	96.98%	2,550	947	37.14%	2,443	95.80%
Total	9,866*	3,520	35.68%	9,724*	98.56%	9,085	3,836	42.22%	8,922	98.21%
Workers										
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Total	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

*Total Employee Headcount includes housekeeping staff, who are not within the scope of the skill upgradation program.

9 Details of performance and career development reviews of employees and worker:

Category	FY 2024-25 (Current Financial Year)			FY 2023-24 (Previous Financial Year)		
	Total (A)	No.(B)	% (B/A)	Total (C)	No.(D)	% (D/C)
Employees						
Male	7,082	6,774	95.65%	6,535	6,016	92.06%
Female	2,784	2,645	95.01%	2,550	2,390	93.73%
Total	9,866	9,419	95.47%	9,085	8,406	92.53%
Workers						
Male	NA	NA	NA	1245NA	NA	NA
Female	NA	NA	NA	NA	NA	NA
Total	NA	NA	NA	NA	NA	NA

10 Health and safety management system:

a.	Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?	The Bank is dedicated to ensuring a secure and sanitary workplace for all personnel in its branches and back offices. The bank guarantees the following conditions to promote the well-being of its staff:
b.	What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?	1. Upholding cleanliness and hygiene to cultivate a healthy work environment. 2. Providing sufficient ventilation, along with ideal temperature and humidity management. 3. Establishing a space that is free from dust, harmful gases, fumes, and other contaminants. 4. Implementing appropriate humidification standards by artificially controlling the air's humidity, in addition to effective ventilation and cooling. 5. Supplying safe and accessible drinking water facilities that comply with safety regulations. 6. Adhering to standards that prevent overcrowding, ensuring sufficient space for both employees and customers.
c.	Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)	These actions demonstrate the bank's commitment to creating a work environment that emphasises the health and comfort of its employees and clients.
d.	Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)	Yes

Business Responsibility and Sustainability Reporting (Contd.)

11 Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY 2024-25	FY 2023-24
		(Current Financial Year)	(Previous Financial Year)
Lost Time Injury Frequency Rate (LTIFR) (per one Million-person hours worked)	Employees	Nil	Nil
	Workers	Nil	Nil
Total recordable work-related injuries	Employees	Nil	Nil
	Workers	Nil	Nil
No. of fatalities	Employees	Nil	Nil
	Workers	Nil	Nil
High consequence work-related injury or ill-health (excluding fatalities)	Employees	Nil	Nil
	Workers	Nil	Nil

12 Describe the measures taken by the entity to ensure a safe and healthy work place.

The Bank remains steadfast in its dedication to creating a work environment that is secure, clean, and supportive of well-being. It adheres to all applicable health and safety regulations, significantly minimising the chances of accidents, injuries, and health hazards. By promoting continuous involvement and training, employees are encouraged to improve health and safety protocols, including fire drills and rescue operations, as well as to identify and resolve related concerns. KVB offers comprehensive health insurance coverage and benefits to all employees, regardless of their role. Consequently, the frequency of employee complaints regarding working conditions is extremely low.

13 Number of Complaints on the following made by employees and workers:

	FY 2024-25 (Current Financial Year)			FY 2023-24 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
Working Conditions	Nil	Nil	Nil	Nil	Nil	-
Health & Safety	Nil	Nil	Nil	Nil	Nil	-

14 Assessments for the year:

% of your plants and offices that were assessed (by entity or statutory authorities or third parties)	
Health and safety practices	No assessment has been done.
Working Conditions	

15 Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

NA

Leadership Indicators

1 Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).

Yes, in the unfortunate event of an employee's demise, the Bank extends financial compensation to the family and, subject to specified eligibility criteria, offers employment opportunities to a dependent family member as a part of its support framework.

Business Responsibility and Sustainability Reporting (Contd.)

2 Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

The bank has an internal system in place to ensure that these standards are met. When a vendor is engaged, a detailed contract is signed, which includes provisions that require compliance with all relevant legal requirements concerning the project. If any violations are found later, the contract may be terminated, and the vendor will be subjected to actions as outlined in the agreement.

3 Provide the number of employees / workers having suffered high consequence work related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Employees	0	0	0	0
Workers	0	0	0	0

4 Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

The bank is committed to recruiting highly qualified individuals based on merit and consistently invests in upskilling its workforce to stay abreast of the evolving business landscape. This approach ensures that the team remains competitive and capable of meeting the industry's dynamic challenges.

The Bank also ensures to provide transition assistance to the superannuated employees.

5 Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	The bank has not undertaken any such assessments
Working Conditions	

6 Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

Not Applicable

PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

1 Describe the processes for identifying key stakeholder groups of the entity

Karur Vysya Bank (KVB) adopts a comprehensive and inclusive approach to stakeholder engagement, recognising that its operations significantly influence a wide range of individuals and entities. The Bank identifies its key stakeholder groups through continuous interaction, and alignment with its strategic objectives. The primary stakeholder groups identified include:

- **Employees:** Regarded as the cornerstone of the Bank's success, their dedication and performance are critical to achieving organisational goals.
- **Customers:** Central to all business activities, their satisfaction, trust, and feedback guide the Bank's service delivery and innovation.
- **Investors/Shareholders:** As providers of capital, they play a pivotal role in the Bank's growth and sustainability, sharing in both opportunities and risks.
- **Regulatory Bodies:** These entities ensure compliance with legal and ethical standards, and the Bank maintains proactive engagement to uphold transparency and accountability.

Business Responsibility and Sustainability Reporting (Contd.)

- Communities: The Bank acknowledges its broader societal responsibilities and engages with communities through various CSR initiatives to promote inclusive development.
- Vendors: Strategic partners in service delivery, with whom the Bank fosters collaborative and ethical relationships.

KVB ensures open, transparent, and continuous communication with all stakeholder groups. This engagement is rooted in mutual trust and is essential for long-term value creation, risk management, and the fulfilment of the Bank's corporate responsibilities.

2 List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group

	Stakeholder Group	Whether identified as Vulnerable & Marginalised Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/Quarterly / others – please specify)	Purpose and scope of engagement, including key topics and concerns raised during such engagement
1	Employees	No	- On the floor and virtual connect - Regular manager interaction - Various talent engagement initiatives by HR, such as training, team activities, wellness initiatives	Ongoing basis	The Bank follows an open-door policy on engagement with its employees. Most of these engagements cover areas, such as - Training and development - Addressing any work-related concerns - Managing work-life balance
2	Customers	Yes, if they qualify under the age and income criteria	Multiple channels through physical and digital means	Ongoing basis	The Bank maintains a constant relationship with its customers throughout the entire life cycle of its loan products. The bank also uses various channels to keep its customers updated on its new services and products rolled out by The Bank
3	Investors/ Shareholders	No	Email, newspaper advertisement, website, investor meetings & conferences, intimation to stock exchanges, annual/ quarterly financials	Quarterly/Annually & Need basis	To keep investors/shareholders updated about KVB's business activities
4	Regulatory bodies	No	Email, one-on-one meetings, video-conference	Need Basis	To ensure The Bank complies with all regulations imposed by regulatory bodies. Engage with them on policy consultation and participate in larger economic objectives by participating in various Government initiatives and programs, such as PMAY and SGB
5	Communities	The Bank considers women, communities living in rural areas, farmer communities and low-income group individuals as vulnerable & marginalised stakeholders	Meetings, engagement through NGOs	Ongoing basis	Reach out to socially and economically disadvantaged people and assist them in meeting their basic needs, such as education, sanitation, hygiene and livelihood.
6	Vendors	No	Multiple channels through physical and digital means	Ongoing basis	Fair and accountable supply chain practices, Supplier financial health, reputation, and service quality, Access to knowledge on sustainable supply chain practices

Business Responsibility and Sustainability Reporting (Contd.)

Leadership Indicators

1 Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

The Bank adopts a structured and consistent approach to stakeholder engagement and feedback collection, ensuring that insights from stakeholders are meaningfully considered in strategic decisions. Inputs gathered, such as through annual customer satisfaction surveys, are used to assess service quality and guide improvements. These insights are also regularly reviewed by the Board of Directors to support informed decision-making and the development of new or enhanced products and services.

2 Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

The bank is committed to fostering inclusion, promoting economic development, and ensuring long-term growth for all its stakeholders. To achieve this, we continually strive to enhance our relationships with both external and internal stakeholders, ensuring that we maintain responsible business practices. Engaging with these stakeholders is crucial for aligning our strategies and growth plans with their expectations and the evolving behaviours of our customers. We believe that maintaining consistent communication with stakeholders keeps us informed about their changing needs and presents opportunities for value creation in a rapidly shifting macroeconomic landscape. Additionally, this engagement helps us identify potential risks in our operations and understand their impacts.

3 Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalised stakeholder groups.

The Bank is committed to the Government's initiative to make financial services more accessible and affordable. Through the Bank's financial inclusion initiatives, we support communities—particularly in rural and semi-urban areas—by expanding access to banking services and promoting financial literacy.

In the fiscal year 2024-25, the bank organised 302 Financial Literacy campaigns, which resulted in 4000 plus beneficiaries. We extended credit to 5,36,268 accounts under the Weaker Sections category and to 5,16,311 accounts belonging to Small and Marginal Farmers.

As a responsible corporate citizen, the Bank contributes to the social and economic development of the community through its Corporate Social Responsibility (CSR) initiatives. With defined core focus areas for implementing its projects, the bank actively supports initiatives in the areas of sanitation, healthcare, education, and the environment. The Bank is now actively taking forward projects to conserve nature. The Bank is providing support for the restoration of water bodies and increasing green cover through tree plantation and multi-use community forests in multiple locations. With the increasing importance of promoting livelihoods, the bank supports skill development courses in the areas of hospitality and geriatric care, particularly for women and youth, focusing on economically deprived sections and working towards a better future for them. The bank has supported sustainable energy solutions at villages through solar water pumping at village panchayats. Additionally, access to clean drinking water is a matter that is engaging the attention of the Bank. In the area of education, the focus is on reaching out to children in rural and tribal areas and providing necessary infrastructure support, including classrooms, furniture, and toilets, to government schools to enhance the quality of education for students. The bank consistently extends support to government hospitals by providing the necessary medical equipment to strengthen and address emerging medical needs. The Bank looks forward to establishing integrated, sustainable villages and developing a model that involves the local community, so that the infrastructure provided by the Bank under CSR will be maintained by the locals and thus made sustainable.

Business Responsibility and Sustainability Reporting (Contd.)

PRINCIPLE 5 Businesses should respect and promote human rights

Essential Indicators

1 Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2024-25(Current Financial Year)			FY 2023-24(Previous Financial Year)		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
Employees						
Permanent	9,765	8,887	91.01%	8,889	15	0.17%
Other than Permanent	101	83	82.18%	196	0	0.00%
Total Employees	9,866	8,970	90.92%	9,085	15	0.17%
Workers						
Permanent	NA	NA	NA	2174	NIL	NIL
Other than Permanent	NA	NA	NA	NA	NA	NA
Total Workers	NA	NA	NA	NA	NA	NA

2 Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2024-25(Current Financial Year)				FY 2023-24(Previous Financial Year)			
	Total (A)	Equal to Minimum Wage		More than Minimum Wage	Total (D)	Equal to Minimum Wage		More than Minimum Wage
		No. (B)	% (B/A)			No. (E)	% (E/D)	
Employees								
Permanent	At KVB, 58% of the total employees are compensated under the IBA (Indian Banks' Association) pay structure, while the remaining 42% are on a CTC (Cost to Company) pay structure. It's noteworthy that both compensation schemes significantly exceed the minimum wage levels established by the respective state governments, in accordance with the Shops and Establishments Act and the regulations governing scheduled employment within those states. This approach not only ensures compliance with legal standards but also reflects our commitment to providing fair and competitive wages to all our employees.							
Male								
Female								
Other than permanent								
Male								
Female								
Workers								
Permanent								
Male								
Female								
Other than permanent								
Male								
Female								

Not Applicable

3 Details of remuneration/salary/wages, in the following format:

a. Median remuneration / wages:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)*	6	20,00,000.00	2	22,92,465.50
Key Managerial Personnel#	7	88,12,438.65	-	-
Employees other than BoD and KMP	8,145	9,47,188.52	3,083	11,53,449.01
Workers	NA	NA	NA	NA

Note : *Fixed Remuneration paid to Non-Executive Directors for the FY 2024-25 is considered for Median Remuneration. Sitting fees paid to Non-Executive Directors for attending Board/Committee meetings is not considered for this calculation

#Managing Director & CEO, 2 Executive Directors, Chief Financial Officer, Company Secretary and 2 Chief General Managers are included in the definition of Key Managerial Personnel (KMP)

Business Responsibility and Sustainability Reporting (Contd.)

b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

	FY 2024-25(Current Financial Year)	FY 2023-24(Previous Financial Year)
Gross wages paid to females as % of total wages	25%	25.13%

4 Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

All the grievances / issue relating to Human Rights are redressed by Staff Grievance Redressal Officer. The issue related to sexual harassment are dealt by Internal Complaints Committee (ICC).

5 Describe the internal mechanisms in place to redress grievances related to human rights issues.

Yes, the bank has Grievance redressal mechanism – KVB SAMADHAN. On submission of grievance, a complaint number will be generated by the system and acknowledged by Human Resources Department. The concerned Staff Grievance Redressal Officer at Central Office ensures to resolve the matter within 10 days.

6 Number of Complaints on the following made by employees and workers:

	FY 2024-25(Current Financial Year)			FY 2023-24(Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	1	Nil	ICC investigation completed. Disciplinary proceedings initiated.	Nil	Nil	NA
Discrimination at workplace	Nil	Nil	NA	Nil	Nil	NA
Child Labour	Nil	Nil	NA	Nil	Nil	NA
Forced Labour/ Involuntary Labour	Nil	Nil	NA	Nil	Nil	NA
Wages	Nil	Nil	NA	Nil	Nil	NA
Other Human rights related issues	Nil	Nil	NA	Nil	Nil	NA

7 Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	1	Nil
Complaints on POSH as a % of female employees / workers	0.04	Nil
Complaints on POSH upheld	1	Nil

8 Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases

The bank has Internal Complaints Committee (ICC) to address the issues related to the discrimination and harassment cases, we keep the compliant with high confidentiality.

9 Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes

Business Responsibility and Sustainability Reporting (Contd.)

10 Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	NIL
Forced/involuntary labour	NIL
Sexual harassment	NIL
Discrimination at workplace	NIL
Wages	NIL
Others – please specify	NA

11 Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above. NA

Leadership Indicators

1 Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.

Aggrieved employee may raise a complaint with regard to Human rights in KVB Samadhan portal. On submission of grievance, a complaint number will be generated by the system and acknowledged by HRD. The concerned Staff Grievance Redressal Officer at Central Office ensures to resolve the matter within 10 days.

All grievances related to sexual harassment at workplace will be covered under Sexual Harassment Policy.

2 Details of the scope and coverage of any Human rights due-diligence conducted.

The Bank has several policies such as Human Rights Policy, Code of Ethics, Anti-Harassment Policy, Diversity-Equity- Inclusive Policy, Vendor Code of Conduct etc to uphold the values and principles of Human Rights. The Bank strives to adhere the relevant policies and regulations pertaining to human rights. The policy and its elements are universally applicable across the Bank, for all the employees, customers, and stakeholders.

The Bank envisages to create a working environment based on trust and transparency, where everyone can contribute at work without fear of discrimination or inequality. This also reflects the Banks ethos of customer focus, ethics, transparency, teamwork, and ownership.

The Bank has also an inbuilt mechanism for raising complaint regarding Human rights and its mitigating processes.

3 Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

The bank follows RBI guidelines about the provision of ramps in the branches and braille keypads at ATMs.

4 Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	Nil
Discrimination at workplace	
Child Labour	
Forced Labour/Involuntary Labour	
Wages	
Others – please specify	

5 Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

NA

Business Responsibility and Sustainability Reporting (Contd.)

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

1 Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY 2024-25 (Current Financial Year) (GJ)	FY 2023-24 (Previous Financial Year) (GJ)
From renewable sources		
Total electricity consumption (A)	4,194.95	4,972.64
Total fuel consumption (B)	-	0
Energy consumption through other sources (C)	-	0
Total energy consumed from renewable sources (A+B+C)	4,194.95	4,972.64
From non-renewable sources		
Total electricity consumption (D) (GJ)	1,04,481.15	1,03,537
Total fuel consumption (E) (GJ)	7,340.40	6,940.85
Energy consumption through other sources (F)	-	0
Total energy consumed from non-renewable sources (D+E+F)	1,11,821.55	1,10,478
Total energy consumed (A+B+C+D+E+F)	1,16,016.51	1,15,450.49
Energy intensity per rupee of turnover (Total energy consumed/ revenue from operations)	10.08	11.70
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP)	-	-
Energy intensity in terms of physical output (Full Time Employees)	11.88	12.99
Energy intensity (optional)	-	-
Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency		No Independent Assessment has been done

2 Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

Not Applicable

3 Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water	-	-
(ii) Groundwater	-	-
(iii) Third party water (tanker)	-	-
(iv) Seawater / desalinated water	-	-
(v) Water from municipal corporation	-	-
(vi) Water Bottles / Aquaguard (Ltr X number of bottle) (KL)	4,807.31	4,466.15
(Vii) Others*	1,17,652.05	1,08,747.45
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	1,22,459.36	1,13,213.60
Total volume of water consumption (in kilolitres)	24,491.87	22,642.72

Business Responsibility and Sustainability Reporting (Contd.)

Parameter	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Water intensity per rupee of turnover (Total water consumption / Revenue from operations)	2.13	2.30
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP)	-	-
Water intensity in terms of physical output(Full Time Employees)	2.48	2.49
Water intensity (optional)	-	-

*Note: The assessment of water consumption was conducted in accordance with the methodology outlined in a document provided by the Central Ground Water Authority (CGWA). This document indicates that the average office employee consumes approximately 45 litres of water each day. Furthermore, a comprehensive report from the Central Pollution Control Board (CPCB), dated December 24, 2009, reveals that approximately 80% of the water sourced is ultimately returned to the sewage system. Consequently, only 20% of the total water withdrawn is utilised for actual consumption purposes.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

No Independent Assessment has been done

4 Provide the following details related to water discharged:

Parameter	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water	NA	NA
No treatment		
With treatment – please specify level of treatment		
(ii) To Groundwater	NA	NA
No treatment		
With treatment – please specify level of treatment		
(iii) To Seawater	NA	NA
No treatment		
With treatment – please specify level of treatment		
(iv) Sent to third-parties	NA	NA
No treatment		
With treatment – please specify level of treatment		
(v) Others		
No treatment*	97,967.48	90,570.88
With treatment – please specify level of treatment	NA	NA
Total water discharged (in kilolitres)	97,967.48	90,570.88

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

No Independent Assessment has been done

5 Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

No. Owing to the nature of business, the Bank has not implemented a mechanism for Zero Liquid Discharge

Business Responsibility and Sustainability Reporting (Contd.)

6 Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
NOx			
Sox			
Particulate matter (PM)			
Persistent organic pollutants (POP)		Not Applicable	
Volatile organic compounds (VOC)			
Hazardous air pollutants (HAP)			
Others – please specify			

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

No Independent Assessment has been done

7 Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	543.92	514.32
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	21,099.39	20,419.87
Total Scope 1 and Scope 2 emissions per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)	tCO ₂ e/₹ Crore	1.88	2.12
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)	-	-	-
Total Scope 1 and Scope 2 emission intensity in terms of physical output (Full Time Employees)	tCO ₂ e/FTE	2.22	2.36
Total Scope 1 and Scope 2 emission intensity (optional)	-	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No Independent Assessment has been done

8 Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

The Bank operates an 850 kW Wind Turbine Generator located in Govindanagaram, Theni District, Tamil Nadu. The power generated by this wind turbine is utilised for the Bank's Registered and Central Office in Karur, as well as for the Divisional Office in Chennai.

Additionally, the Bank has installed a 38 kWp grid-connected rooftop solar power system at the Hyderabad Divisional Office. In FY 2024-25, we are also introducing rooftop solar installations at the following locations: the Namakkal Branch will feature a solar power system with a capacity of 15 kWp, while the Trichy Divisional Office will benefit from a larger installation with a capacity of 38 kWp. For more details, please refer to our FY 2024-25 Integrated Report, Pg No. 40 & 41.

Business Responsibility and Sustainability Reporting (Contd.)

9 Provide details related to waste management by the entity, in the following format:

Parameter	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Total Waste generated (in metric tonnes)		
Plastic waste (A)	-	-
E-waste (B)	62.97	115.67
Bio-medical waste (C)	-	-
Construction and demolition waste (D)	-	-
Battery waste (E)	111.84	-
Radioactive waste (F)	-	-
Other Hazardous waste (Oil-soaked cotton waste, DG filters, paint cans, chemical cans, paint residue, oil sludge, DG chimney soot, coolant oil and used oil) . Please specify, if any. (G)	-	-
Other Non-hazardous waste generated (H) – Solid Waste		
Total (A+B + C + D + E + F + G + H)	174.81	115.67
Waste intensity per rupee of turnover	0.02	0.01
(Total waste generated / Revenue from operations)		
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)	-	-
(Total waste generated / Revenue from operations adjusted for PPP)		
Waste intensity in terms of physical output (Full Time Employees)	0.02	0.01
Waste intensity (optional) – the relevant metric may be selected by the entity	-	-
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled		-
(ii) Re-used		-
(iii) Other recovery operations		-
Total		-
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration		-
(ii) Landfilling		-
(iii) Other disposal operations (through recyclers)		174.81
Total		174.81

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

No Independent Assessment has been done

10 Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes

The Bank follows a rigorous policy for managing e-waste generated from the upgrading or replacement of IT equipment, including computers, modems, printers, and UPS systems. All obsolete IT hardware is sold to vendors certified in e-waste management by the Government of India. Furthermore, the bank employs a buy-back model, collaborating with reputable original equipment manufacturers (OEMs) to collect and recycle the replaced items, ensuring environmentally responsible disposal methods. This strategy underscores the bank's commitment to sustainable environmental practices and the responsible use of resources.

11 If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

S. No	Location of operations/offices	Type of operations	Whether the conditions of environmental approval/clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any
Not Applicable, as the Bank does not have offices in/around ecologically sensitive areas			

Business Responsibility and Sustainability Reporting (Contd.)

12 Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Not Applicable. The bank had no projects falling under the purview of impact assessment in the reporting financial year.					

13 Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

S. No	Specify the law / regulation / guidelines which was not complied with	Provide details of the noncompliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
Yes. The Bank ensures full compliance with all relevant environmental laws, regulations, and guidelines in India. This includes adherence to The Battery Waste Management Rules 2022, Plastic Waste Management Rules 2016, and the E- Waste (Management) Rules. KVB has reported no instances of non-compliance with these laws during the reporting year, demonstrating the bank's commitment to environmental stewardship and regulatory adherence.				

Leadership Indicators

1 Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

For each facility / plant located in areas of water stress, provide the following information:

(i) Name of the area

(ii) Nature of operations

(iii) Water withdrawal, consumption and discharge in the following format:

Parameter	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water	Not Applicable	Not Applicable
(ii) Groundwater	Not Applicable	Not Applicable
(iii) Third party water	Not Applicable	Not Applicable
(iv) Seawater / desalinated water	Not Applicable	Not Applicable
(v) Others	Not Applicable	Not Applicable
Total volume of water withdrawal (in kilolitres)	Not Applicable	Not Applicable
Total volume of water consumption (in kilolitres)	Not Applicable	Not Applicable
Water intensity per rupee of turnover (Water consumed / turnover)	Not Applicable	Not Applicable
Water intensity (optional) – the relevant metric may be selected by the entity	Not Applicable	Not Applicable
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water	Not Applicable	Not Applicable
-No treatment	Not Applicable	Not Applicable
-With treatment – please specify level of treatment	Not Applicable	Not Applicable
(ii) Into Groundwater	Not Applicable	Not Applicable
-No treatment	Not Applicable	Not Applicable
-With treatment – please specify level of treatment	Not Applicable	Not Applicable
(iii) Into Seawater	Not Applicable	Not Applicable
-No treatment	Not Applicable	Not Applicable
-With treatment – please specify level of treatment	Not Applicable	Not Applicable

Business Responsibility and Sustainability Reporting (Contd.)

(iv) Sent to third-parties	Not Applicable	Not Applicable
-No treatment	Not Applicable	Not Applicable
-With treatment – please specify level of treatment	Not Applicable	Not Applicable
(v) Others	Not Applicable	Not Applicable
---No treatment	Not Applicable	Not Applicable
---With treatment – please specify level of treatment	Not Applicable	Not Applicable
Total water discharged (in kilolitres)	Not Applicable	Not Applicable
Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency		No Independent Assessment has been done

2 Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Total Scope 3 emissions* (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	-	-
Total Scope 3 emissions per rupee of turnover	tCO ₂ e/₹ Crore	-	-
Total Scope 3 emission intensity (optional)	-	-	-
Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency		No Independent Assessment has been done	

3 With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

Not Applicable

4 If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Please refer to the Environment Section on Page No.: 40 & 41 of the Integrated Annual Report FY 2024-25, which forms part of this document.

5 Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

The disaster recovery and business continuity plan has been officially approved by the Board. Key systems and applications have been identified, and we conduct quarterly disaster recovery tests and drills. The challenges and observations that arise during these drill activities are documented and utilised to enhance our systems and procedures.

6 Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard - Not Applicable

7 Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

Not Applicable

8 How many Green Credits have been generated or procured:

a. By the listed entity	NIL
b. By the top ten (in terms of value of purchases and sales, respectively) value chain partners	NIL

Business Responsibility and Sustainability Reporting (Contd.)

PRINCIPLE 7 Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1 a. Number of affiliations with trade and industry chambers/ associations.

We have ten such associations at present

b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

S. No	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State / National)
1	Indian Banks Association (IBA)	National
2	Fixed Income Money Market and Derivatives Association (FIMMDA)	National
3	Foreign Exchange Dealers Association of India (FEDAI)	National
4	The Associated Chambers of Commerce & Industries (ASSOCHAM)	National
5	Confederation of Indian Industry (CII)	National
6	Federation of Indian Chambers of Commerce and Industry (FICCI)	National
7	Southern India Banks' Staff Training College	National
8	National Institute of Bank Management	National
9	Indian Institute of Banking and Finance	National
10	International Chamber of Commerce (ICC)	National

2 Provide details of corrective action taken or underway on any issues related to anticompetitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of authority	Brief of the case	Corrective action taken
	Not Applicable	

Leadership Indicators

1 Details of public policy positions advocated by the entity:

S. No	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly / Others – please specify)	Web Link, if available
	The Bank conveys a variety of recommendations regarding the overall economy and the financial sector specifically through trade organisations and associations.				

Business Responsibility and Sustainability Reporting (Contd.)

PRINCIPLE 8 Businesses should promote inclusive growth and equitable development

Essential Indicators

- 1 Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Not Applicable. The bank had no projects falling under the purview of Social Impact Assessment in the reporting financial year.					

- 2 Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

S. No	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In ₹)
Not Applicable						

- 3 Describe the mechanisms to receive and redress grievances of the community.

The Bank has put in place a structured grievance redressal mechanism to address concerns from various stakeholder groups, including communities. Concerns or feedback can be submitted through the Bank's website, designated feedback forms, or by contacting branch officials. The Bank is committed to ensuring that all grievances are addressed.

- 4 Percentage of input material (inputs to total inputs by value) sourced from suppliers:

Parameter	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Directly sourced from MSMEs/ small producers	-	-
Directly sourced within India	100	100

- 5 Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost

Location	FY 2024-25 (Current Financial Year) %	FY 2023-24 (Previous Financial Year) %
Rural	7.23%	6.88%
Semi-urban	33.47%	34.07%
Urban	20.38%	21.29%
Metropolitan	38.92%	37.76%

Leadership Indicators

- 1 Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Details of negative social impact identified	Corrective action taken
Not Applicable	

Business Responsibility and Sustainability Reporting (Contd.)

2 Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

S. No.	State	Aspirational District	Amount spent (In ₹)
1	Tamil Nadu	Virudhunagar	1,42,61,840.00
2	Tamil Nadu	Ramanathapuram	53,26,650.00
Total			1,95,88,490.00

- 3 (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalised /vulnerable groups? (Yes/No) - No.
- (b) From which marginalised /vulnerable groups do you procure? Not Applicable
- (c) What percentage of total procurement (by value) does it constitute? Not Applicable

4 Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

S. No	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/No)	Benefit shared (Yes / No)	Basis of calculating benefit share
Not Applicable				

5 Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Name of authority	Brief of the Case	Corrective action taken
Not Applicable		

6 Details of beneficiaries of CSR Projects:

S. No.	CSR Project	Number of persons benefited from CSR Projects	% of beneficiaries from vulnerable and marginalised groups
1	Karur Texcity CASI monthly medical camp Activity	5,954	100%
2	Maintenance of Walk N Jog, Karur	25,000	NA
3	KVB Scholarship Program	86	NA
4	Early Childhood Care and Education for children of migrant labourers	45	100%
5	Fostering Abilities through Special Education and Therapy for Cerebral Palsy	65	100%
6	Support to Asha Kiran Dialysis Centre – Free Dialysis Unit	32	70%
7	Support for the treatment of Spine & Limb deformities	4	70%
8	Changing Lives through Reconstructive Surgery	9	70%
9	Treatment of Cancer Patients	4	70%
10	Reconstructive Surgery for Burn Survivors	24	100%
11	Renovation of 5 Primary Healthcare Centres in the flood-affected areas and dire need in rural areas	1,06,300	70%
12	Promoting Sanitation Facilities in the Government Schools	1,142	45%
13	Provision of Medical Equipment to the Government Primary Health Centre, Singalandapuram, Namakkal (Acme Bio Care)	1,286	35%
14	Establishing Urban Mini-Forest in NGGO Colony, Karur	1,900	NA
15	Provision of Ophthalmic Equipment to Vision Centres of Sankara Eye Hospital, Pammal, Chennai	3,250	50%
16	Support for Speech & Language Therapy, Vocational Tools, and equipment for training students with Special needs	250	100%

Business Responsibility and Sustainability Reporting (Contd.)

S. No.	CSR Project	Number of persons benefited from CSR Projects	% of beneficiaries from vulnerable and marginalised groups
17	Provision of Ophthalmic Operating Microscope to Government hospital, Madurantakam, Chengalpattu Dist	2,250	55%
18	Provision of rooftop-based Solar water heating system to three student hostels at Mother Teresa Women's University, Kodaikanal, Dindigul Dist	150	100%
19	Support for Weightlifting Sports Person	1	100%
20	Promoting Quality Education through Provision of School Bus to G.H. Foundation, Rajaji Nagar, Bangalore	347	0%
21	Promoting Good Health and Well-being of the Elderly through Ambulance support for Old Age Home	22	100%
22	Provision of a Battery-operated vehicle to MD University, Rohtak, Haryana	3,500	50%
23	Provision of Medical equipment to the Government Medical College Hospital, Karur	3,500	70%
24	Providing midday meals to Govt school children for the complete Academic year	5,500	75%
Total Number of Beneficiaries		1,60,621	

PRINCIPLE 9 Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

1 Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

The bank has a Grievance redressal policy; the consumer complaints are addressed as per the policy. The policy is hosted in the website of the bank - <https://www.kvb.co.in/regulatory-disclosures/fair-practices-banking-codes-overview/banking-codes-policies/>

2 Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

	As a percentage of total turnover
Environmental and social parameters relevant to the product	Not Applicable
Safe and responsible usage	
Recycling and/or safe disposal	

3 Number of consumer complaints in respect of the following:

	FY 2024-25 (Current Financial Year)			FY 2023-24 (Previous Financial Year)		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	NIL	NIL	NA	NIL	NIL	NA
Advertising	NIL	NIL	NA	NIL	NIL	NA
Cyber-security	NIL	NIL	NA	NIL	NIL	NA
Delivery of Products	NIL	NIL	NA	NIL	NIL	NA
Quality of Products	NIL	NIL	NA	NIL	NIL	NA
Restrictive Trade Practices	NIL	NIL	NA	NIL	NIL	NA
Unfair Trade Practices	0	0	NIL	1	0	NA
Other (Customer Complaints and Complaints received from Individuals whose customer IDs are not disclosed / traceable (Example: BNPL customers, FASTAG customers, NON KVB Customers) were grouped under the other category).	6,377	237	NA	5,556	176	NA

Business Responsibility and Sustainability Reporting (Contd.)

4 Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls		
Forced recalls		Not Applicable

5 Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

The bank has established a comprehensive information security and cybersecurity policy, which has been approved by the Board of Directors. This policy is managed by the dedicated Information Security Group, which oversees its implementation and ensures adherence to best practices. The policy is intended for internal use and is readily accessible to all employees through the internal employee portal, where they can review its guidelines and protocols to understand how to safeguard sensitive information effectively.

<https://www.kvb.co.in/regulatory-disclosures/fair-practices-banking-codes-overview/banking-codes-policies/>

6 Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services

Not Applicable

7 Provide the following information relating to data breaches:

- Number of instances of data breaches: Nil
- Percentage of data breaches involving personally identifiable information of customers: Nil
- Impact, if any, of the data breaches: Nil

Leadership Indicators

1 Channels / Platforms where information on products and services of the entity can be accessed (provide web link, if available).

Links available on the website provided below

https://www.kvb.co.in/personal/?utm_source=karurvysyabank

https://www.kvb.co.in/business/?utm_source=personal

https://www.kvb.co.in/nri/?utm_source=business

https://www.kvb.co.in/agriculture/?utm_source=nri

2 Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

Links available in website provided below

https://www.kvb.co.in/utility-links/secure-banking-tips/?utm_source=karurvysyabank

https://www.kvb.co.in/cyber-security-awareness/?utm_source=securebankingtips

3 Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services

All branches and offices display service disruption notifications to keep consumers informed. Additionally, in the case of any planned service interruptions, prior intimation is proactively communicated to consumers through SMS and email, ensuring transparency and minimising inconvenience. This practice reflects our commitment to maintaining high standards of customer service and effective stakeholder communication.

4 Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

The Bank emphasises the importance of transparency and clear communication about the bank's products, acknowledging how crucial these values are in our customer-focused industry. In accordance with the regulations set by the Reserve Bank of India, we offer comprehensive and transparent details about our products on our website and in our branches. This includes thorough explanations of product features, service charges, and any applicable additional fees. We ensure that interest rates for various deposit and loan schemes are updated promptly on our website whenever changes occur. The bank guarantees that customers are fully informed about their eligibility, interest rates, and service charges concerning consumer credit products. Furthermore, customers receive SMS notifications regarding any fees or charges that have been applied to their accounts. To assess customer satisfaction, the bank has also conducted surveys aimed at continually improving our service quality.

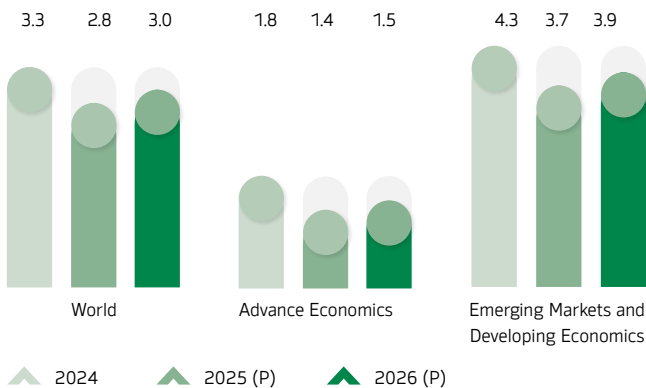
Management Discussion & Analysis

Global Economy Overview

The global economy remained stable in 2024, growing at 3.3%. As a result of coordinated monetary tightening from major central banks in the world, inflation started returning to the target zone. In fact, as a result of disinflation and concerns regarding growth, major central banks in the developed countries pivoted rates and further cut them to provide impetus to flagging growth. However, growth and the last-mile inflation remained divergent across geographies. The US economy expanded at a better-than-expected 2.8%, while China lagged with a 5.4% growth.

The year 2024 was also the year of elections. The US saw a change in the leadership and subsequent trade wars dragged the world into uncertainty in early 2025. The tariff-related disruptions, along with the geopolitical uncertainties such as the wars in Europe and the Middle East, remain major risks to inflation and the world growth outlook.

World Economic Growth (%)



Source: International Monetary Fund (IMF) April 2025 Report
P: Projected

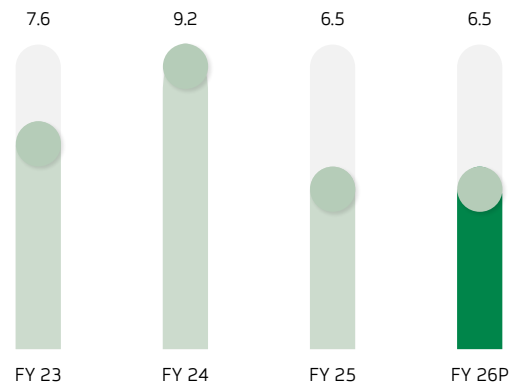
Outlook

The IMF projects the global growth at 2.8% for 2025 and 3% for 2026 due to the tariff-related trade disruption following change in US presidential leadership. This is still below the historical average of 3.7% (2000-2019). Global headline inflation is expected to decline to 4.3% in 2025 and to 3.6% in 2026. However, different Central Banks may adopt different paths of monetary easing depending upon growth and the last bit of sticky disinflation trajectories.

Indian Economy Overview

India continues steady march towards becoming the third-largest economy in 2030. It remains the fastest-growing large economy in the world for the 5th consecutive year, though the growth is expected to decelerate to 6.5% in FY 2024-25 on a large base of 9.2% in the previous year. The slowing growth rate is following a slowdown in investment and weak manufacturing growth. However, service activity has been steady, while growth in the agricultural sector has recovered. Private consumption growth has remained resilient, primarily driven by improved rural incomes accompanied by a recovery of agricultural output. In contrast, higher inflation and slower credit growth have curbed consumption in urban areas.

India's GDP Growth (%)



Source: NSO estimates dated May 30, 2025

RBI MPC (Monetary Policy Committee) report dated June 06, 2025

Outlook

The RBI expects the Indian economy to grow at 6.5% in FY 2025-26. The reduction of income tax in the budget will encourage consumption as well as investment and buoyant agricultural production will aid strong rural growth.

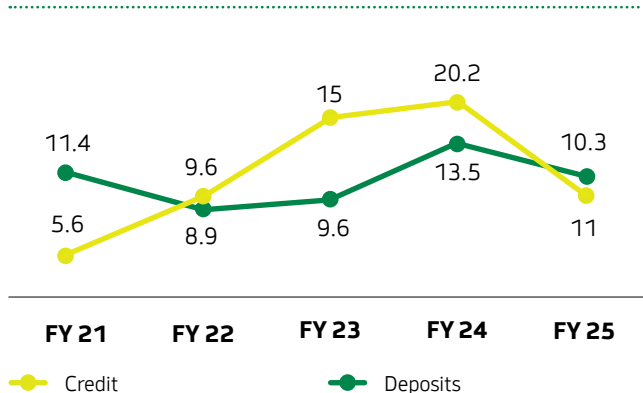
INDUSTRY OVERVIEW

Indian Banking Industry

Bank Credit slowed down to 11% year-on-year (YoY) for FY 2024-25 from 20.2% in the previous year. The slowing growth is attributed to the high cost of credit and tightening of regulatory norms by the RBI and subsequent impact on NBFCs and retail lending, while the industrial sector witnessed muted growth during the year.

Bank deposit went up 10.3%, in line with the credit growth during the year.

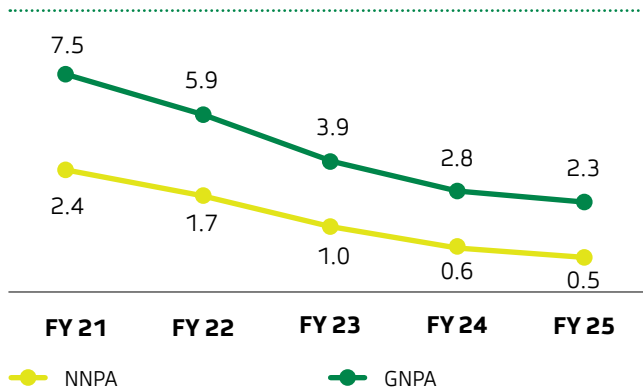
Bank Credit Growth & Deposit Growth Trend (in Y-o-Y %)



Source: M/s CareEdge

Asset quality in the sector remains strong with the GNPA ratio of the scheduled commercial banks at multi-decade low of 2.3% as of March 2025 while the Net Non-Performing Assets (NNPAs) decreased to 0.5%, marking an all-time low. This decline was attributed to lower slippages, effective recoveries throughout the year and consistent write-offs.

Banking System: Enhanced Asset Quality and Stronger Balance Sheets



Source: RBI

Government Initiatives

The Union Budget for FY 2025-26 has continued emphasis on accelerating growth, ensuring inclusive development, encouraging private sector investments, boosting consumer confidence and enhancing the spending power of India's rising middle class. The efforts have been concentrated on increasing investments in physical and social infrastructure to stimulate overall growth. Following are the key announcements made in the Budget for FY 2025-26:

- The expansion of the Credit Guarantee Fund for MSMEs (CGTMSE) and startups will lead to increased demand for bank lending. The credit cover for micro and small enterprises has been doubled from ₹ 5 Crore to ₹ 10 Crore, which could lead to demand for over ₹ 1.5 Lakh Crore in credit over the next five years. For startups, the cap has been raised from ₹ 10 Crore to ₹ 20 Crore, with reduced guarantee fees for loans in 27 focus sectors.
- The Kisan Credit Card (KCC) loan limit has been raised from ₹ 3 Lakh to ₹ 5 Lakh, which is expected to drive agricultural loan growth. As of March 2024, KCC loans stood at ₹ 9.81 Lakh Crore across 7.75 Crore accounts.
- The Central Government's infrastructure capex for FY 2025-26 is budgeted at ₹ 11.2 Lakh Crore. This figure reaches around ₹ 19 Lakh Crore, considering the capex by the public sector enterprises and also the grants which the central government gives to the states for capital expenditure. Over the last five years, capital expenditure has witnessed a strong compound annual growth rate (CAGR) of 27% with a notable focus on sectors like housing, roads, railways, defence and solar. An increase in capital outlay would support credit growth in the banking sector.
- The income-tax rebate for individuals earning up to ₹ 12 Lakh annually will likely drive consumption and support credit and deposit growth in the process.

Regulatory Landscape

The RBI began cutting rates from February 2025, for the first time in five years, as inflation stayed within the RBI's comfort zone. The MPC reduced the REPO rate by 25 bps in February 2025, followed by another 25 bps cut in April 2025, and then implemented a decisive 50 bps cut in June 2025, bringing the REPO rate to 5.5% while maintaining a neutral stance. The CRR has been proposed for a cut to 3% in four equal tranches spread till November, 2025. These actions will boost investor confidence, encouraging borrowing and stimulating economic activity.

On January 27, 2025, the RBI announced measures to inject liquidity into the banking system, including OMO purchases, variable rate repo auctions and US\$/INR Buy/Sell SWAP auctions.

The easing monetary conditions are expected to provide impetus to borrowing and subsequent economic growth.

- During the fiscal year, the RBI came out with various circulars and directives. These include amendments to KYC guidelines, directives for supervised entities to review Gold Loan Policies, and updated guidelines for credit institutions and credit information companies. Additionally, the RBI has issued a draft circular on forms of business and prudential regulation for investments, targeting banks, NBFCs, and financial holding companies to eliminate potential regulatory arbitrage. It also issued Internal Risk Assessment guidance for money laundering/terrorist financing risks.
- The RBI is broadening its responsible lending conduct norms to include loans to micro and small enterprises (MSEs). This move aims to ensure that lending practices are fair and transparent, thereby protecting the interests of small borrowers.
- To reduce the risk of incorrect credits and related fraud, the RBI has issued new directives for Unified Payments Interface (UPI), Real-Time Gross Settlement (RTGS), and National Electronic Funds Transfer (NEFT) payments. These measures are expected to enhance the security and reliability of digital payment systems.
- In a proactive step to address climate-related financial risks, the RBI has proposed the creation of the Reserve Bank – Climate Risk Information System (RB-CRIS). This system will provide high-quality, standardised climate data to help financial institutions manage climate risks effectively.
- Deposits of ₹ 3 Crore and more are considered as bulk deposits for SCBs and small finance banks.
- Differential weightage for Priority Sector Loans (PSL) in districts: Banks will receive a higher weightage (125%) for incremental PSL in districts with lower per capita PSL (less than ₹ 9,000) to incentivise lending in these areas (effective from FY 2024-25). Conversely, they will receive a lower weightage (90%) for incremental PSL in districts with higher per capita PSL (more than ₹ 42,000) to discourage excessive concentration in already well-served areas.

Growth Propellers

Demand, efficiency and governance have been three key growth propellers for the Indian banking system. With the expanding income and aspirations of the Indian middle class, there is a growing potential for increased savings and demand for credit among the people and this is expected to create a sizeable market for banks and financial institutions. Robust demand for financial services, coupled with ongoing innovation in banking services, will drive adoption and usage.

By prioritising mobile-centric customer experiences, banks can streamline banking processes. Services such as Anywhere Banking, WhatsApp Banking, AI chatbots, and user-friendly mobile applications enable banks to extend their financial services while improving customer satisfaction. Open banking provides another unique collaborative opportunity to Indian banks where they can securely share the customer financial data with consent and monetise their APIs to deliver personalised services.

Over the past several decades, the banking sector has been at the forefront of technological adaptation. Now in the world of Artificial Intelligence, banks are fast adopting automation to enhance human decision-making and operational efficiency. The use cases for Machine Learning and Artificial Intelligence in India include credit underwriting, recommendation systems, liquidity management, fraud detection and prevention, regulatory capital planning, risk assessment and management and chatbots among others. Banks have also adopted robust governance framework and a code of conduct to manage AI related risks.

Industry Outlook

Various rating agencies expect a credit growth of 10% - 13% in FY 2025-26 with GDP growth tapering, tight liquidity conditions, muted deposit growth and high loan to deposit ratio as a key risk to credit growth.

COMPANY OVERVIEW

Company Background

Karur Vysya Bank (hereafter referred to as 'KVB' or 'your Bank') has built a strong reputation as a trusted banking institution over more than a century. Established in 1916 by Shri M. A. Venkatarama Chettiar and Shri Athi Krishna Chettiar, KVB has successfully met the financial needs of merchants and agriculturists. Over the years, your Bank has transformed into a leading financial institution, excelling in Commercial Banking, Retail Banking, Agriculture, Corporate/Wholesale Banking and Treasury. Bank has consistently pioneered use of technology to enhance customer service while retaining a personal touch with customers.

As of March 31, 2025, KVB's network includes 888 branches and 2,252 ATMs/BNRMs across India, serving over ten million customers. Our wide range of customised products and services continues to meet diverse customer needs.



Mitigations for Weaknesses and Threats

Regional Concentration & Low Visibility Beyond South and West Markets: The Bank is consistently enhancing its digital presence, expanding non-branch distribution channels, and focussing on partnerships for lending to acquire customers in unpenetrated markets. Additionally, the Bank is considering increasing its presence in other potential markets and leveraging its niche market presence for maximum advantage. Initiatives to improve digital penetration and co-lending through NBFCs/ Fintechs are helping the Bank to expand its footprint in regions where its network is not well-established.

Limited presence in NRI segments/Wealth management Services: The Bank is envisioning an enhanced NRI Business outreach strategy aimed at acquiring New NRI Business with customised offerings while focussing on select geographies. Dedicated resources will be deployed for NRI Business development. The Bank foresees momentum for this business picking up from the current numbers. Further, the Bank plans

to launch wealth management for HNI customers in select geographies. As a strategic move, the Bank has partnered with a leading wealth management service provider to build up its Wealth management business.

Rising Competition from Bigger Banks in the Hinterland:

The Bank continues to focus on commercial banking business, including MSME, considering satisfactory performance of the portfolio and higher yield and collateral coverage. The Bank is using its wide presence to handhold MSMEs by offering digital lending process enabling early disbursal of the loans. Your Bank is also utilising its diversified marketing channels including branch and feet on street channels for improving the MSME business.

The Bank is adopting an omni-channel approach to enhance client experiences and attract new customers. It is enhancing its digital capabilities and continuously improving customer experience across all channels, focussing on ease of banking.

Challenges in Improving Operational Efficiency Due to Contraction in NIMs:

The Bank is focussing on improving CASA deposits through a dedicated acquisition team targeting corporate salary segments, TASC segments, and government business segments. Credit verticals will also focus on high-yielding assets without compromising asset quality. The Bank's continued efforts to shed low-yielding corporate advances on one side and focus on better-yielding granular secured advances in the RAM (Retail, Agriculture and MSME) sector and prudent treasury operations have enabled retaining the NIMs above 4% levels despite 42 BPS increase in the cost of deposits during the year.

Exposure to Negative Economic, Political, and Social Developments in the Southern Region:

The Bank continuously monitors and assesses potential risks arising from socio-economic-political developments in the Southern Region and proactively works out appropriate mitigation measures.

Tamil Nadu, Karnataka, Andhra Pradesh, Kerala, and Telangana collectively contribute 30% of India's GDP. Tamil Nadu is the largest contributor, adding ₹ 24 Trillion to the nation's economic growth. Karnataka follows with ₹ 22 Trillion, Telangana with ₹ 13 Trillion, Andhra Pradesh with ₹ 13 Trillion, and Kerala with ₹ 10 Trillion. Tamil Nadu has consistently outperformed the national average in terms of economic growth. The state's economy is diverse, with significant contributions from manufacturing, services, and agriculture sectors. It has a strong automobile industry and also excels in textiles, leather, and electronics manufacturing. Your Bank has a large presence in the State and expects its growth in tune with the growth of the State.

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

- Perimeter security controls such as network firewalls, web application firewalls, network intrusion prevention, network segregation, and network behaviour analysis and anomaly detection systems.
- Privileged access management control.
- Host-based intrusion prevention systems to automatically detect and prevent known vulnerabilities.

Bank achieved its highest-ever net profit of ₹ 1,942 Crore

- 24x7 security monitoring to identify unusual security events in the bank's IT environment and timely incident response actions.
- Periodic management and Board oversight to review control effectiveness and strengthen controls.

Financial Overview

During FY 2024-25, your Bank recorded a Net Profit of ₹ 1,942 Crore, marking the highest post-tax income ever achieved in bank's history. This milestone is a testament to our sustainable growth strategy, responsible Banking practices and Prudent risk Management. Bank's total business reached ₹ 1,86,569 Crore, marking a significant increase of 14% from the previous financial year.

(in ₹ Crore)

Particulars	FY 2023-24	FY 2024-25	% Change
Total Business	1,63,536	1,86,569	14
Net Interest Income (1)	3,818	4,260*	12
Other Income (2)	1,649@	1,829	11
Other Income (excluding one off item for the FY 2023-24)	1,492	1,829	23
Total Income (1+2)#	5,468	6,089	11
Net Income from Advances and Others	3,854	4,351	13
Net Income from Treasury Operations	1,614	1,738	8
Operating Expenses	2,639	2,877	9
Operating Profit	2,829	3,212	14
Provisions	729	621	(15)
Profit Before Tax	2,100	2,591	23
Tax	495	649	31
Net Profit	1,605	1,942	21

* Credit card income of ₹ 9.93 Crore (Previous Year ₹ 9.22 Crore) has been reclassified under Interest income from Non-interest income during the FY 2024-25, Accordingly previous year figures have been restated.

@ As per RBI Master Direction-(Transfer of Loan Exposures) Directions, 2021 SR investments more than 8 years have to be classified as Loss assets - Non-Performing Investments (NPI). As per RBI Direction on Financial Statements - presentation and disclosure (30.08.2021) depreciation on investments have to be classified under other income. During the Previous year (i.e., FY 2023-24), we have reversed ₹ 157 Crore of such SR investments provision resulting in increase in other income and treated the same amount as provision for NPI under provisions. However, there is no effect on net profit.

#Total Income is the sum of Net Interest Income and Other Income.

Bank's Total Deposits grew by 15% during FY 2024-25 over the previous year to reach ₹ 1,02,078 Crore, driven largely by increase in Term Deposits by 20% to ₹ 74,246 Crore. The Demand and Savings Deposits grew by 1% and 4% respectively and the total CASA moved to ₹ 27,832 Crore from the previous year level of ₹ 27,085 Crore.

Your Bank's total advances witnessed 14% year-on-year growth, with most of the credit verticals equally contributing to this expansion. We will continue to concentrate specifically on expanding our retail segment and small-ticket commercial advances. This initiative involves establishing specialised units dedicated to these segments.

Total Advances during FY 2024-25

(in ₹ Crore)

Vertical	FY 2023-24	FY 2024-25	% Change
Commercial	25,449	30,730	21
Retail (Personal Banking)	17,662	20,896	18
Corporate	13,949	12,047	(14)
Agriculture	17,363	20,818	20
Total Advances	74,423	84,491	14

Capital Management

Your Bank maintains a robust capital position, with an overall capital adequacy standing at 18.17%, significantly exceeding the minimum requirement of 11.50% as mandated by the RBI. As of the end of FY 2024-25, the ratio of Risk Weighted Assets (RWA) to Total Assets reached 56%.

Medium and Long-term Strategy of the Bank

While discussing your Bank's strategy not only for the current financial year but also the next five years, Bank is clear that it needs:

- 1** To put the customer at the centre of any decision.
- 2** To offer a wide basket of solutions across different segments.
- 3** To accelerate digitalisation initiatives.
- 4** To grow our presence in the underpenetrated markets given the advantage of having 56% of our branches in semi-urban and rural areas.
- 5** To diversify product base further with better yields and improved risk management.

Financial and operating ratios

Your Bank registered decent growth in Net Interest Income and Other Income, contributing to the growth in Total Income. We witnessed significant improvements in our key metrics, including Return on Assets, increasing to 1.72% from 1.63% in FY 2024-25, Return on Equity rising to 16.28% from 15.98% in FY 2024-25 and Basic EPS to ₹ 24.13 from ₹ 19.99.

(in ₹ Crore)

	FY 2023-24	FY 2024-25	% Change
Book Value (₹)	122.42	145.57	19
Cost of Deposits (%)	5.19	5.61	8
Yield on Advances (%)	9.95	10.15	2
Yield on Funds (%)	8.68	8.93	3
Cost of Funds (%)	5.23	5.61	7
Net Interest Margin (%)	4.19	4.09	(2)
Cost to Income (%)	48.26	47.25	(2)

Details of change in Return on Net worth as compared to the immediately previous financial year and reasons thereof

The Return on Net worth / Return on Equity grew from 15.98% as on March 31, 2024, to 16.28% as on March 31, 2025, owing to growth in Net Profit.

Reason for significant changes (i.e. change of 25% or more as compared to the immediate previous financial year) in key financial ratios

There were no significant changes in the key financial ratios for the FY 2024-25 compared to FY 2023-24.

The Bank will pursue its strategy through the following methods:



PEOPLE

- Nurturing in-house talent.
- Induct fresh talent, where required, to complement in-house capacity.
- Continuous capacity building of human resources in specialised areas such as Credit, Treasury, Forex, Risk Management, Collections and Recovery.
- Digital enablers to sales force at the field level.
- Talent acquisition through lateral hires wherever required.
- Talent management through appropriate retention measures.



PROCESSES

- Digital adoption of processes to ensure that entire customer journey is through technology for delivering seamless personalised customer-centric experience with minimum lead time.
- Improved decision-making and operational excellence by leveraging data, business intelligence and advanced analytics.
- Study the changes in consumption patterns of customers, with customisation of financial products to suit the requirement of every profession/segment dominant in our command area.
- Adoption of technologies including Robotic Process Automation and Artificial Intelligence.



PRACTICES

- Strong governance and oversight.
- Developing a good compliance culture.
- Zero tolerance for non-adherence to process and compliance.
- Comprehensive risk management practices.
- Concentrating on niche areas for growth.
- Focussing more on the southern states - Tamilnadu, Telangana and Andhra Pradesh for improvement in market share.



PLANNING

- Optimise use of financial resources.
- Improved efficiency of capital deployment.
- Ensuring adequate funding at competitive rates.



PARTNERSHIPS

- Co-lending partnerships with NBFCs.
- Fintech partnerships for sourcing to provide customers with delightful experience across multiple channels.
- Meeting entire financial requirements of customers by having all the required tie-ups and ensure one-stop solution for all our customers.

The Bank's strategy is to deliver consistent financial performance, by providing superior services to the targeted group.

The Bank will:

- Offer clients financial solutions/products/services, with continuous focus on southern and western markets and target retail and commercial business customers.

- Provide efficient and competitive services leveraging digital channels with a focus on improving the market share of the Bank and follow policies to attract young customers and to sustain the granular growth by optimising the balance sheet, improving CASA to 30% levels, and maintain ROA above 1.60% levels.

BUSINESS VERTICALS OVERVIEW



COMMERCIAL BANKING GROUP (CBG)

Overview

Commercial Banking Group (CBG) has done digital transformation by implementing end-to-end digitised, paperless loan sanction processes through its Loan Origination System (LOS), enhancing MSME customer experience with faster turnaround time and integrated digital services via API interfaces with GST, Aadhar, Udyam, and CIBIL. The Group has introduced a Lead Management System (LMS) in November 2024 to streamline customer lead tracking and to boost MSME advances, while also partnering with the Reserve Bank Innovation Hub for the Unified Lending Interface (ULI) to facilitate seamless credit delivery.

The commercial business segment grew from ₹ 25,449 Crore in March 2024 to ₹ 30,730 Crore in March 2025 registering 21% Y-o-Y growth, and accounted for about 36% of Bank's advances.

Outlook

Your Bank is undertaking targeted business expansion with the identification of 24 branches in high-potential geographic areas based on CIBIL bureau data.

The Bank is also undertaking a strategic workforce expansion to achieve the estimated MSME business growth to meet the aggressive growth objectives while maintaining high standards of service quality and portfolio health.

Key Highlights

- In December 2024, Bank is enrolled as a Participating Lending Institution (PLI) for SIDBI's MSE-GIFT and MSE-SPICE schemes.
- Your Bank executed an agreement with a NBFC for Co-lending tie-up for MSME-LAP.
- Your Bank was conferred with the MSME Banking Excellence Award 2024 by the Chamber of Indian Micro Small and Medium Enterprises (CIMSME). The awards include the Jury Special Award for Supporting MSMEs (Runner-up) & CSR Initiative & Business Responsibility – Private Sector (Winner).
- Benchmarking the product offerings against peer competitors to ensure market competitiveness. It is creating product innovation and enhancement, including making new loans by introducing sector-specific products targeting high-growth industries like Pharma, Healthcare, Food & Agro, among others and refining existing products to increase market penetration.



CONSUMER BANKING DEPARTMENT (CBD)

Overview

Your Bank caters all the Banking Requirements of individuals through Consumer Banking Department (CBD). To accelerate growth in its Retail Business, your Bank has formed two verticals under CBD viz., Retail Assets and Liabilities. In order to expand the horizons beyond the command area of the Bank, the Retail Assets vertical is functioning through both Branch Channel and Open Market Channel (OMC).

Retail Assets

Your Bank's Retail Portfolio grew by 18% over the Year, with a net increase of about ₹ 3,234 Crore. This brought the Retail Advances Portfolio to ₹ 20,896 Crore, making up about 25% of Bank's total Advances.

Performance of key products in Retail Assets during FY 2024-25:

Product	Portfolio Size (₹ Crore)	Growth over FY 2023-24 (%)
Home Loan	8,457	12
Mortgage Loan (LAP)	5,499	34
Jewel Loans	3,455	61

Key Highlights

- Retail Assets has enlarged the distribution footprint by spreading the distribution network of Direct Selling Agents (DSAs) and Direct Sales Teams (DSTs).
- OMC sources Business from 34 Centres as on 31.03.2025.
- Product offerings have been benchmarked with industry/peers to make them more competitive and relevant.
- Floated Pre-approved Loans for ETB borrowers with good repayment track.
- To concentrate more on HNI customers, 20 branches were converted as HNI Specialised branches with a special focus on Mortgages (Home Loan & LAP) business.

Outlook

KVB is set to launch a comprehensive solution for Loan against Mutual Funds, with end-to-end digital process. It aims to be the first in the industry to introduce co-branded credit cards in the current fiscal year, targeting High Net Worth Individuals (HNI) and affluent customers. The focus will remain on high-yielding products such as Gold Loans and Loan Against Property (LAP), while expanding the product portfolio by venturing into Affordable Housing and Micro LAP to sustain overall portfolio yields. Additionally, the Bank plans to engage diverse customer segments by offering tailored products to boost the acquisition of New-to-Bank (NTB) customers.

- Increasing the product range under Affordable houses, Properties under Gram Panchayat, B-Khata, Low LTV, Liquid Income Program, etc., based on the potential and merits.
- Co-lending arrangements & New partnerships to improve the revenues.
- Integration of Small and Medium Business Acquisition and Relationship Team (SMART) into Retail Assets.

Retail Liabilities

Overview

Liability Business of the Bank constitutes 55% of the total business of the Bank. It has formed exclusive sales teams to focus on New to Bank (NTB) client acquisitions with a focus on each segments viz., Mass Banking Channel, Business Banking Channel, Corporate Salary Channel, Priority Channel, Government Banking, Institutional Banking and Relationship management channel to nurture the relationship and grow the liabilities franchise of the bank. The vertical also fosters new alliances in fintech and payment industry in developing solutions to launch new products and refine existing ones to be ahead of competitive offerings and meet customer expectation.

Deposit Portfolio

	(in ₹ Crore)		
	FY 2023-24	FY 2024-25	% Change
Demand Deposit	8,283	8,353	1
Savings Deposit	18,802	19,479	4
CASA	27,085	27,832	3
Term Deposit	62,028	74,246	20
Total Deposit	89,113	1,02,078	15

DEPOSIT MIX

(%)



- Term Deposits-73
- Savings Deposits-19
- Demand Deposits-8

TERM DEPOSIT - AMOUNT-WISE*

(%)



- <₹15 Lakh - 49
- ₹15 Lakh to <₹1 Crore - 19
- ₹1 Crore to <₹5 Crore - 10
- ≥₹5 Crore - 22

* Term Deposits by Banks, FCNR Deposits and Certificate of Deposits (CD's) not included.

Key Highlights

- Total Liability Book grew 15% and reached ₹ 1,02,078 Crore.
- Total Term Deposits grew by ₹ 12,218 Crore to ₹ 74,246 Crore, up 20% during FY 2024-25.
- **CASA:** A total of 6,30,296 new CASA accounts were opened during FY 2024-25. In terms of month end balance, the Bank reached a Demand deposit level of ₹ 8,353 Crore and SB deposit level of ₹ 19,479 Crore as at March 2025, taking the CASA base of your Bank to ₹ 27,832 Crore. Incremental growth in CASA was by 3%. The CASA to Gross Deposit ratio as on March 31, 2025, stood at 27%.
- Your Bank has adopted a multi-pronged strategy to improve CASA balance, focussing on both existing and new customers. For new customers, the Bank is leveraging partnerships with fintech players and payment service providers to onboard merchants via API banking and multi-mode payment solutions, targeting HNIs, chartered accountants, and NRIs with customised CASA and wealth management offerings. For existing customers, your Bank is enhancing relationship management with dedicated channels, utilising predictive

analytics and analytics dashboard to retain customers. It is offering bundled merchant acquiring solutions like QR codes and POS systems alongside forex reserves to boost transaction volumes and non-interest income aligning with the goal of scaling liability book.

- **Launching of 'Lite' Branches:** Lite Branches are liability-focussed branch franchises designed to grow the liabilities portfolio with a lean structure, minimising costs and maximising profitability efficiency. 38 Lite Branches were opened during FY 2024-25.

The challenging market scenario of growing Liabilities business was dealt with new-age digital offerings & cutting-edge technologies, like partnership with Fintech companies for merchant acquisition business and inroads into these accounts will fuel the CASA business in the coming years.

Your Bank has also partnered with Wealth Management & Equity Investment platform companies in the current fiscal to fulfil the customer needs for high-yielding risk proportionate investment avenues to consolidate our offering in the Wealth Management domain, to increase the wallet share from the High-Net-worth Individuals (HNI) complemented with a dedicated Relationship Management channel.

UPI & Sound Box

Your Bank has contributed in building digital payment infrastructure by issuing Bharat QR, UPI QR stands & sound boxes and has deployed solutions in over 45,000 merchant counters. Your Bank added a soundbox offering in the evolving UPI domain to enable merchants to receive payments with informed voice-out services to grow their business.

PoS

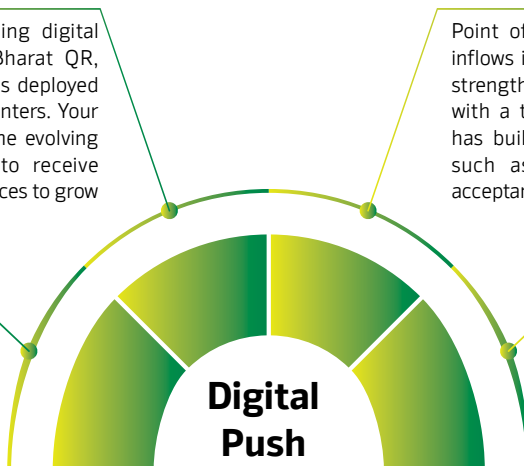
Point of Sale is the key channel in building inflows in current accounts and your Bank has strengthened the Point-of-Sale (PoS) business with a technologically advanced solution and has built merchants' business with offerings such as an expansive range of payment acceptance mechanism.

FASTag

5.65+ Lakh FASTags have been issued since inception of the technology. Income earned during FY 2024-25 stood at ₹ 5.72 Crore. Besides, a sum of ₹ 30+ Crore is available with your Bank through FASTag float balances & security deposits. KVB FASTag recharge is enabled across the fintech platforms using various modes of payment for customer experience, and can recharge the FASTag on the go in a wink by linking with digital platforms such as GPay.

Debit Cards

On the cards front, Bank has issued 11+ Lakh debit cards during FY 2024-25. During the period, 638.34 Lakh transactions amounting to ₹ 29,000+ Crore were processed through the debit cards of the Bank. Your Bank now has a complete suite of Debit cards offered by the payment network providers such as Rupay, VISA, Mastercard, tailored to meet the aspirations of evolving customer lifestyle-related needs.



Demat Services:

Your Bank has registered with National Securities Depository Limited as a Depository Participant (DP) and is offering demat services to the participants in the securities market. The Bank has also tied up with M/s IDBI Capital Markets & Securities Ltd., M/s Religare Securities Ltd., M/s SMC Global Securities Ltd., and M/s Geojit Financial Services Limited for providing trading facilities.

Para-banking:

Your Bank has multiple partners in each of the lines of insurance business as permitted in the open architecture model by the regulator, with 4 partners in Life, 3 partners each in General & Health insurance business. Your Bank is building a comprehensive wealth management service in line with new-age banking players offering Portfolio Management Service (PMS), Alternate Investment avenues such as Equities, Debt, Equity Basket and ETF offered by our channel partners of such offerings.

Government-Sponsored & Pension Schemes

Bank offer various government-sponsored schemes (from Pension schemes to Insurance schemes) to cater to the needs of a wide range of people for social security.

Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY)

The PMJJBY is a one-year life insurance scheme, renewable from year to year, offering coverage for death due to any reason and is available to people in the age group of 18 to 50 years (life cover up to age 55) having a savings bank account who give their consent to join and enable auto-debit. Bank has enrolled 1,05,130 customers under this scheme.

Pradhan Mantri Suraksha Bima Yojana (PMSBY)

PMSBY aims at covering the population not covered under any other insurance plans. This scheme is available at a highly affordable premium of just ₹ 20/- per year for people in the age group 18 to 70 years with a savings bank account who give their consent to join and enable auto-debit. Bank has enrolled 3,27,632 customers under this scheme.

Atal Pension Yojana (APY)

The scheme is primarily focussed on benefiting the unorganised sector workers. Under this scheme, a guaranteed pension of ₹ 1,000/- to ₹ 5,000/- will be given to the subscriber at the age of 60 years. The pension amount depends on the contribution made by the subscriber. Bank has enrolled 5,403 customers under this scheme during the year.

National Pension System (NPS)

National Pension System (NPS) is a pension-cum-investment scheme regulated by the Pension Fund Regulatory and Development Authority (PFRDA). The scheme is effective plan for the retirement through safe and regulated market-based returns. KVB is providing online NPS a/c opening through K-fintech (CRA) & Protean (CRA) and covered 2,448 customers as on March 31, 2025.

National Pension System (NPS) Vatsalya

NPS Vatsalya is a contributory pension scheme under the National Pension System (NPS) designed for Indian minor citizens (up to 18 years old). It allows parents or guardians to open and contribute to a pension account on behalf of their children, essentially creating a head start for retirement savings and financial planning. The scheme is managed by the Pension Fund Regulatory and Development Authority (PFRDA). Bank has covered 144 customers as on March 31, 2025.

Outlook

CBD-Liabilities aims to drive growth by enhancing digital banking and expanding its customer base. To boost CASA growth, we will introduce product portability to upsell products with latest features, and develop cost-efficient products for low-cost deposits. Omnichannel onboarding via DIY journeys, assisted channels, bank websites, fintech platforms, and digital marketplaces will target NTB customers, while a dedicated NRI channel will enhance INR and FCNR deposits through tailored digital solutions. Partnerships with payment stakeholders like RuPay, VISA, and Mastercard will deliver PoS, QR, and payment gateway solutions to support CASA growth. KVB will leverage a CRM tool and offer investment options like REITs, InvITs, and overseas equities to engage affluent segments. The Business Correspondent model will strengthen non-branch channels, delivering government schemes and digital products to promote financial inclusion.



AGRICULTURAL BANKING GROUP (ABG)

Overview

Agriculture, along with its allied sectors, remains a crucial part of the Indian economy, providing employment to nearly three-fourths of the population and contributing significantly to the nation's GDP. India has a long-standing agricultural tradition that has evolved over thousands of years to meet the growing needs of its people. The country is also a major global player in the export of agricultural products. Your Bank offers a range of agricultural

financial products, including Kisan Credit Cards (KCC), KVB Agri Infrastructure fund (KAIF), Warehouse receipt loans, loans for Renewable energy purposes, Microfinance (SHG/JLG) loans and Agriculture Gold Loans to meet both pre- and post-harvest needs of farming community, infrastructure development and related activities.

Key Highlights

- **Portfolio Growth:** Achieved 20% growth in ABG loan portfolio on Y-o-Y, reaching ₹ 20,818 Crore in FY 2024-25, representing 25% of total advances.
- **Financial Solutions:** Providing tailored financing to Individual farmers, Prop. Concerns, Limited Companies, Self-Help Groups (SHGs), Joint liability Groups (JLGs), Farmer Producer Organization (FPOs) engaged in agriculture, allied, agri infrastructure and agri ancillary services.
- **PSL Compliance:** Met all Priority Sector Lending (PSL) targets and sub-targets by leveraging robust distribution, underwriting, and product innovation capabilities.
- **Dedicated Sales Channel:** Introduced dedicated sales channel with structured hierarchy i.e., Zonal & Regional Sales Managers, Cluster Sales Managers, Area Sales Managers, Business Development Managers / Executives to source Agri Gold loans and enhance customer relationships.
- **Jan Dhan Accounts:** Your Bank has opened 26,117 Jan Dhan accounts during the year, of which 7,079 accounts have opened through Business Correspondent (BCs).
- **Digital Transformation:** Fully digitised Agri Gold loan processes, automated margin call triggers/notices, and introduced new Agri Gold loan products.
- **Monitoring Automation:** Implemented automated generation of reports for effective tracking of Loan-To-Value (LTV), Special Mention Accounts (SMA), and Non-Performing Assets (NPA).
- **Geographic Expansion:** Focussed on high-potential rural and semi-urban areas, emphasising small-ticket loans and microfinance for low-income households, supported by a digital Loan Origination System (LOS) for faster loan processing.
- **Micro credit (SHGs Bank linkage):** Your Bank is providing credit facilities to Self-Help Groups (SHG)/Joint Liability Groups (JLGs) to meet the credit needs of the poor. As on March 31, 2025, the bank has 98,970 JLG loans with outstanding of Rs. 331.84 Crore. However, considering the stress in the microfinance segment, Bank has proactively slowed down the disbursement in affected geographies. Further, Bank has implemented MFIN Guardrails 2.0 which is expected to improve the portfolio quality in future.

Outlook

Bank has undergone strategic transformation in recent years, revamping the loan book to focus on high-quality assets while enhancing technological efficiency. Your Bank has diversified the agricultural lending portfolio by extending loans to corporate farmers microfinance loans through fintech companies, warehouse receipt loans, loans to food and agro processing industries, etc. - all aimed at strengthening our agricultural sector support while expanding our customer base.

Your Bank is implementing several enhancements to the agricultural banking services, including migration of Agri KCC and Microfinance loans to a streamlined LOS platform to ensure faster loan processing, providing specialized training for our Agri-officer and Relationship managers to ensure better marketing of loan products, offer effective customer service & enhance client relationship, implemented gold purity calibration, fraud registry validation systems, etc. Additionally, the banks is committed to introduce e-stamping for agriculture loans, enhancing recovery mechanisms for agriculture advances. These initiatives demonstrate our commitment towards leveraging technology for improved service delivery while supporting sustainable agriculture development.



CORPORATE AND INSTITUTIONAL GROUP (CIG)

Overview

CIG vertical is functioning with 9 Corporate Business Units (CBU) viz., Ahmedabad, Bengaluru, Chennai, Coimbatore, Delhi, Hyderabad, Madurai, Mumbai and Vijayawada. CBUs are headed by DGM/AGM/CM, duly supported by Relationship Managers & Credit Analysts.

CIG portfolio accounts for 14% of Bank's total advances. The degrowth of 14% in the CIG book during FY 2024-25 was due to conscious reduction in the NBFC segment (degrown by ₹ 899 Crore), and also few low-yielding accounts and Precious Metal Division (PMD) business. We have concentrated on improving Bank's yields and ROA rather than growing top line

during the last fiscal. Bank's Non-Fund Business (NFB) has grown by 28% (₹ 597 Crore) comparing to the growth of 12% (₹ 227 Crore) in the FY 2023-24. CIG asset quality has improved by keeping SMA levels intact and very minimal slippages.

Your Bank has taken a strategic decision to exit from Precious Metal Business due to low performance, high cost of operation and other contributing factors. The Bank is taking the steps to scale down the Precious Metal Business in meticulous manner considering the sentiments of the stakeholders of this business line, thereby maintaining trust and stability through the withdrawal.

Key Highlights

- Corporate portfolio stood at ₹ 12,047 Crore, including ₹ 41 Crore of PMD vertical.
- Average ticket size of the Portfolio is ₹ 36.94 Crore (excluding technical write-off).
- Improvement in Yield by exiting low-yield advances.
- Minimal SMA Levels.

Outlook

The Corporate segment will remain around 15% of the overall advances portfolio of the Bank and will continue to focus on yield & ROA rather than the topline, in the coming year. The Bank is looking to focus on the CRE segment and ticket sizes up to ₹ 75 Crore in FY 2025-26. We will continue to build NFB by focussing on infrastructure projects (such as Jal Jeevan Mission, Bharatmala Pariyojana. etc.) in line with the Bank's risk appetite. We are also exploring opportunities in the Capital market segment for NFB considering the Bank's AA rating. The Bank will continue to maintain vigil on the asset quality of the Corporate Portfolio.

Within the Corporate segment, your Bank will focus on high-growth sectors such as Textiles (cotton), Real Estate, Gems & Jewellery, Renewable Energy, and Iron & Steel in the coming years to drive portfolio expansion. The revival of the Textile industry presents opportunities to deepen relationships with Existing-To-Bank (ETB) clients and attract New-To-Bank (NTB) clients. KVB has also tweaked its Commercial Real Estate product parameters to align with market trends, enhancing competitiveness. The Bank will increase export exposure in Textiles, Agri Commodities, and Chemicals to capitalise on global demand. While maintaining a granular portfolio to ensure risk diversification, your Bank will marginally grow in Non-Banking Financial Companies (NBFCs) and Financial Services (FS) sectors, wherever the risk is reasonable with good pricing, to optimise resource allocation and support sustainable growth.



TRANSACTION BANKING GROUP (TBG)

Overview

TBG specialises in Cash Management Services (CMS), offering collections, receivables and payment products for corporates of all sizes. Our electronic, receivables platform supports virtual accounts and bulk payments, streamlining financial operations. TBG's comprehensive Supply Chain Finance (SCF) programmes address working capital needs within the supply chain, benefiting businesses across various industries. Bank has engaged with leading FinTech companies for expanding our reach and providing innovative financial services. Additionally, TBG is active on all three RBI-licensed Trade Receivables Discounting System (TReDS) platforms, reinforcing our commitment to excellence.

Key Highlights

- As of March 31, 2025, the TBG Supply Chain Finance (SCF) portfolio stood at ₹ 609.65 Crore, while the average assets under the factoring portfolio reached ₹ 187.01 Crore, reflecting a 31% growth compared to March 2024.
- Introduced Payment API solutions under the CMS business segment.
- Collaborating with OEMs and referral partners to enable automated MIS/data flow for SCF.
- Existence of Statement API with additional details from the transactions for customer accounts.

Outlook

The Supply Chain Finance (SCF) market is poised for robust growth, with a projected CAGR of 17% – 20%, driven by increased MSME participation and enhanced fintech-bank collaborations. Digital platforms are expected to boost SCF efficiency, while anticipated RBI guidelines may further streamline operations and improve transparency. The entry of more NBFCs and FinTechs into the SCF space is pushing banks to innovate and digitise rapidly.

Similarly, the Cash Management Services (CMS) market is forecasted to grow at a 15–18% CAGR, fuelled by digital transformation and automation. Banks are competing with NBFCs and FinTechs, necessitating innovation in pricing, service quality, and technology adoption to attract high-value corporate clients. To expand the CMS customer base, we are focussing on acquiring CIG clients for mandate-based direct debits and collaborating with Retail Liabilities team to offer payment API services tailored to institutions and businesses. Customised APIs are being developed to meet individual client needs for collection and payment operations, while partnerships with FinTechs aim to adopt industry-leading practices and support CMS version upgrades.



TREASURY

Overview

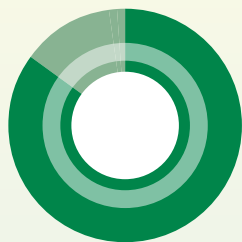
Treasury Department operates with a comprehensive scope across diverse financial instruments, including government securities, debt instruments, commercial papers, certificates of deposit, equities, mutual funds, derivatives, and foreign exchange markets. This function has continuously evolved to align business strategies with organisational objectives, optimising performance while implementing robust risk management protocols.

The Bank's investment portfolio remains meticulously aligned with our established investment policy framework, which prioritises three core principles: maintaining optimal liquidity, ensuring full regulatory compliance, and driving sustainable profitability.

In the falling yield scenario during the financial year, the department maintained a higher duration and capitalised on profit booking opportunities thereby generating higher interest income and profits compared to the previous year.

Key Highlights

INVESTMENT COMPOSITION



- SLR - 92%
- Non-SLR* - 8%

* Includes Security Receipts, Debentures/CD/MF/CP and Shares.

- The investment portfolio of the Bank as at March 31, 2025, was ₹ 24,206.14 Crore, as against ₹ 22,840.44 Crore as on March 31, 2024, registering a Y-o-Y increase of 5.98%.
- To manage volatility, the Modified Duration of the overall portfolio, including Held to Maturity (HTM) was maintained at a lower level of 3.43 years.
- Bank's liquidity position was maintained at comfortable levels throughout FY 2024-25.

Outlook

Your Bank's duration strategy shifted from lower yield investments to higher yield and moderately higher duration investments during the period. The declining interest rate cycle created opportunities for profit booking. Considering this trend, Bank continued to book profits at opportune times, thereby enhancing income from treasury.

The RBI's new master directions on the classification, valuation, and operation of investment portfolios now allow banks to invest in non-SLR securities under the HTM category. This change enables Bank to invest in high-quality non-SLR securities and earn higher interest income without being exposed to mark-to-market fluctuations.

The vertical continues to maintain strong relationships with existing clients while actively exploring the opportunities to offer customised services and products to valuable clients. Additionally, there is a unified effort to onboard new customers to enhance the Bank's brand visibility and market presence.



COLLECTIONS & ASSET QUALITY

Overview

Your Bank prioritises financial stability and profitability by implementing stringent measures to safeguard asset quality, reduce slippages, and enhance recovery. These include proactive monitoring, swift restructuring for stressed borrowers, streamlining recovery agency empanelment and simplified legal frameworks. Additionally, a systematised recovery process using third-party solutions tracks accounts from stress onset to resolution, enabling early default detection, triggering prompt actions and improved recovery rates, ultimately minimising slippages. Bank has maintained strong asset quality by implementing a comprehensive post disbursal monitoring system, executing timely corrective measures, and deploying enhanced recovery actions. This targeted approach has empowered us to proficiently manage risk and maintain a resilient asset portfolio.

Bank's consistent efforts to minimise slippages, supported by establishment of dedicated collection teams, effective monitoring and data-driven analysis, have strengthened our capability to maintain a healthy asset portfolio. Your bank has achieved notable improvement in asset quality metrics, with decline in both Gross Non-Performing Assets (GNPAs) and Net Non-Performing Assets (NNPAs). As on March 31, 2025, the SMA 30+ accounted for 0.30% of the Advance portfolio.

We leverage specialised Asset Recovery Branches (ARB) and branch/divisional channels to expedite asset recovery, supported by two dedicated units – one for legal redressal and another for asset sales. NPAs are identified and assessed as per regulatory guidelines, borrower health, market conditions and collateral value to craft tailored recovery strategies, including restructuring and legal action. Eight ARBs manage high-value NPAs across India, aided by recovery agency for follow-ups. Innovative technologies and streamlined processes enhanced our efficiency enabling swift NPA resolution and maximised loan recovery.

	(in %)				
	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
GNPA	7.94	6.03	2.27	1.4	0.76
NNPA	3.45	2.30	0.74	0.40	0.20
PCR	72.70	80.27	92.14	94.85	96.81
Credit Cost	1.47	1.26	1.45	0.65	0.71

Outlook

KVB is dedicated to accelerating NPA recovery through enhanced legal and recovery frameworks and new IT initiatives to boost transparency and efficiency. Your Bank will leverage data analytics and predictive modelling for accurate recovery predictions,

strengthen external agency partnerships, and streamline collections with automated digital channels. Personalised customer communication, collaboration with credit teams for proactive account management and ongoing training for the recovery team on negotiation and empathy will drive optimal recovery outcomes.



MARKETING AND BRANDING

Marketing and branding are key pillars of Bank's business growth strategy. The Bank focusses on amplifying brand visibility and aim to strengthen trust and deepen loyalty among our customers. The communication strategy is designed to cater to both traditional customers and the younger, digital-first generation.

While your Bank stays rooted in its legacy and values, it is also evolving to stay relevant and engaging across all age groups. The Bank uses a mix of print, TV, and digital platforms to promote our products and services. Flagship offerings like the DLite Mobile App and digital loan processes are featured prominently to highlight ease of use, speed, and convenience.

Apart from product promotion, the Bank also shares important customer information, such as how to register nominee details, improve financial literacy, and rolls out extensive cybersecurity awareness campaigns to educate customers against cyber threats. These efforts reflect your Bank's commitment to being a responsible and customer-focussed bank. Through consistent and thoughtful communication, the Bank continue to build a strong, trusted brand that stays relevant in a rapidly changing marketing landscape.

To learn more about our marketing and branding activities, please read page 22.



OPERATIONS VERTICAL

Operations Department (OD) of the Bank oversees critical operational activities across General Banking, Digital Banking, Customer Service and the Estate Cell, ensuring Operational efficiency, and Operational Control on back offices, Branches and enhanced customer service experience through the alternate delivery channels.

Your Bank enhanced ATM security through 24x7 centralised e-surveillance, featuring real-time monitoring, two-way communication, and Quick Response Teams (QRTs) that respond within 20 minutes to incidents like theft or vandalism. Bank has implemented Cassette swap in 98% of the ATMs as on March 31, 2025. The department shortlisted ATM managed service providers based on experience in cash management

and maintenance, with monthly performance reviews ensuring maximum uptime. Cash management strategies optimised branch liquidity by utilising secured cash vans and vaulting facilities, while eight currency chests across Tamil Nadu, Andhra Pradesh, Telangana and Karnataka which ensures effective management of Cash Reserve Ratio (CRR) and adhering to the RBI's Clean Note Policy.

The department introduced Virtual Debit Cards which is presently issued to account opened through KVB Mobile application and Digital Document Execution (DDE) for Safe Deposit Locker agreements is in the final implementation stage.

Business continuity plans mitigated risks from unforeseen events, with Divisional and Central Offices ensuring rapid operational resumption. Looking forward, OD aims to digitize back-office operations, adopt AI-driven automation for process re-engineering and maintain cost efficiency while enhancing service delivery across all operational touchpoints.

Customer Service: To know how your Bank serves customers effectively, please read page 50.



INFORMATION TECHNOLOGY

KVB has restructured its IT department into three pillars to enhance governance and professionalism. These are

- **IT Management:** Aligns IT strategy with business goals, overseeing programme governance, budgets, approvals, procurement, policies, vendor management, compliance, and audits.
- **IT Application:** Manages software implementation, upgrades, compliance, and audits to ensure seamless application performance.
- **Technology:** Oversees the Data Centre (DC) and Disaster Recovery Site (DRS), both equipped with state-of-the-art infrastructure in different seismic zones. The DC ensures application uptime and user availability, while the DRS focusses on backups and business continuity. A Nearline Data Centre (NDC) ensures zero data loss, supported by periodic disaster recovery drills and a robust Disaster Recovery and Business Continuity policy.

Key Highlights

- New business applications :
 - ◆ Mutual fund investments: Customers can invest easily in leading AMC's fund through Internet and Mobile Banking platform.
 - ◆ GST via UPI: Enabled quick, hassle-free GST payment via UPI.
 - ◆ Government business: Implemented the Central Pension Processing Cell (CPPC) module for efficient pension disbursements for Central Government sectors like Defence, Railways and Postal.
- Application enhancements:
 - ◆ Upgraded internet and mobile banking platform with user-friendly interfaces and enhanced security.
 - ◆ Enhanced transaction banking for improved collections, receivables, payments, and supply chain finance.
 - ◆ Upgraded treasury solutions.
- Digital initiatives :
 - ◆ DLite App: Launched with features like Pay to Contacts, statement downloads, loan certificates, social security scheme integration, and email verification.
 - ◆ Internet Banking: Introduced unified dashboards, simplified fund transfers, multi-lingual support, and password-protected e-receipts.
 - ◆ UPI enhancements: Implemented UPI Pay to Contact and UPI Lite for faster, low-value transactions.
 - ◆ Digital Re-KYC: Enabled remote KYC updates and e-KYC-based profile management.
 - ◆ Oracle Trade Finance: Automated export/import Letters of Credit, reducing turnaround times.
 - ◆ Enterprise Fraud Risk Management (EFRM): AI-enhanced platform for fraud detection and prevention.
- Security Enhancements :
 - ◆ DLite App: Added tampered app detection, anti-malware capabilities and fraud prevention controls like alerts for social engineering and OTP sharing.
 - ◆ Data protection: Implemented encryption, data masking, tokenisation, privileged access management, multi-factor authentication and data leak prevention tools.
 - ◆ Compliance: Regular security assessments, penetration testing, and compliance with ISO 27001 and PCI DSS standards. Initiated compliance preparations for DPDP guidelines and recertification for ISO 27001:2022.
- Operational efficiency :
 - ◆ Loan Origination System (LOS): Enhanced with Business Rule Engine (BRE) for automated loan sanctions, reducing turnaround times and delinquency rates.
 - ◆ Automation: Automated GST/income tax notice tracking, cheque return validation, and customer profile updates via e-KYC.
 - ◆ Enterprise Litigation Management System (ELMS): Improved legal case tracking and recovery.

Outlook

Your Bank is committed to advancing its digital transformation to align with business goals and customer needs. Key priorities include:

- Proactive Fraud Prevention: Leveraging AI and ML in EFRM to enhance fraud detection and achieve significant cost savings.
- DLite App Evolution: Plans for DLite Corporate (with bill payments, FASTag, and trade finance) and DLite Retail (virtual debit cards, cardless cash withdrawal, CSAT capturing).
- Cloud Migration: Transitioning Internet and Mobile Banking to the cloud for improved reliability, scalability, and availability.
- Digital Process Expansion: Implementing Insta FD, DIY journeys for current accounts and retail assets, and SOP digitalisation.
- Technology Adoption: The Digital Excellence team will continue evaluating emerging technologies (e.g., blockchain, AI, ML, IoT) through cost-benefit analysis and stakeholder collaboration to ensure alignment with the Bank's digital strategy.
- Cybersecurity and Compliance: Strengthening data protection with advanced tools, regular audits, and adherence to evolving regulations like Digital Personal Data Protection Act.

By prioritising low-resource, high-impact projects and fostering strategic partnerships with fintechs and technology providers, KVB aims to enhance operational efficiency, customer experience, and market competitiveness while mitigating cybersecurity risks. Read more about our technological prowess on page 28.



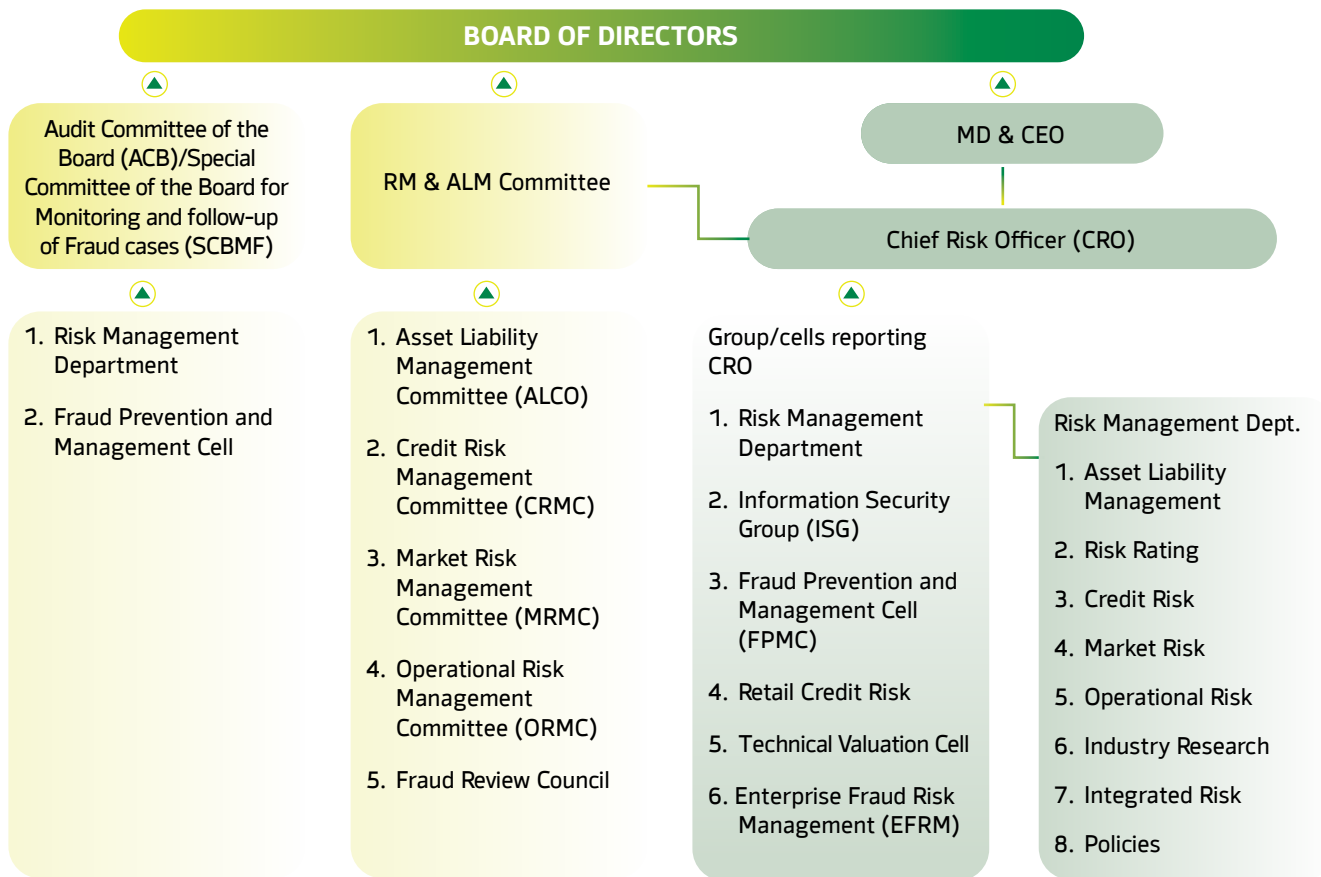
CALL CENTRE

KVB's call centre serves 24x7 one-stop contact point, seamlessly managing a wide range of customer interactions including calls, emails, chats through advanced tool like IVRS (Interactive Voice Response System). The Inbound Contact Centre ensures exceptional service by addressing queries, also by verifying transactions via the Cross Fraud portal, handling mobile number changes and gathering feedback on Doorstep Banking Services, all while maintaining strict TATs (Turn Around Times). The Outbound Contact Centre enhances customer engagement through welcome calls, tele collection (pre and post due reminders), telesales, driving product awareness, collection efficiency and revenue growth supported by well-trained agent team focussed on delivering positive customer experience.



RISK MANAGEMENT

A robust risk management system and continuous adoption of the latest initiatives ensures long-term financial security and stability. The overall responsibility of setting our Bank's risk appetite and effective risk management rests with the Board / RM & ALM Committee.



Governance

The Board focusses on:

- Approving and reviewing our Risk Management Framework and policies annually.
- Assessing the effectiveness of risk mitigation plan implemented by Risk Management Department.
- Providing strategic guidance on various initiatives undertaken / to be undertaken by Bank towards management and mitigation of various risks.
- Providing appropriate delegation to Top Management for planning and implementation of the Risk Management measures.

Risk Management & Asset Liability Management Committee, Board-Level Committee, plays a supportive role to the Board.

A highly experienced risk management team, with deep industry experience across key sectors and specialised knowledge in critical areas effectively oversees the Bank's Risk Management function.

The risk framework lays down the following components for effective risk management:

- An independent risk organisation and governance structure with a clear common framework of risk ownership and accountability.
- Governance standards and controls to identify, measure, monitor and manage risks.
- Policies to support and guide risk taking-activities across Bank.
- Risk Appetite Statements.
- Periodic stress testing to assess the impact of adverse business conditions on earnings, capital, and liquidity.

Risk culture of the Bank:

- A strong and consistent tone from the Board and Senior Management in respect of risk taking and risk avoidance in the Bank.
- A commitment to ethical principles – as reflected by ethical behaviour of the employees and application of ethics in business decisions.
- A clear enterprise-wide acceptance of the importance of Risk Management, including ownership and accountability of various risk areas.
- Bank has put in place a framework to assess the risk culture in the Bank and to promote a strong risk culture, a session on risk culture is included in training programme for all the employees.
- Timely flow of risk information in the organisation; Percolation of guidelines, regulations across the organisation alongside assessing its compliance.
- Encouragement for the reporting of risk events, including near misses, so that appropriate lessons could be drawn from them.
- Simplicity in processes which can be clearly understood by all the stakeholders and not engaging in any complex structural products/ business / activities; Excessive risk taking is not acceptable to the Bank, even if it results in any benefit for the bank.
- Development of adequately resourced Risk Management function and recognising the values of Risk Management skills and knowledge.
- Allowing sufficient diversity of perspectives, values, and beliefs to ensure that the status quo could be challenged without inhibition.

- The Whistle Blower policy encourages employees, customers and vendors to communicate any information to the Top Management without fear of reprisal.

Risk and Control Self-Assessment (RCSA): RCSA is a proactive tool in identifying lacuna, if any, in different products, processes, business activities, support functions as well as operational units of our Bank. The Bank conducts RCSAs (Risk and Control Self-Assessments) regularly to assess the level of inherent and residual risks and introduces appropriate controls, wherever necessary, to reduce the risk levels. Different processes of your Bank are studied for gaps (if any), controls available, adequacy of corresponding controls, leading and lag indicators among others and the required corrective steps are initiated by the concerned stakeholder departments based on the RCSA. The controls are frequently tested based on the level of the underlying risk and immediate steps are initiated for remediation/ improvement in case of an ineffective control.

Key Risk Indicators (KRI): Key Risk Indicators help in assessing the changes in operational risk profile and help in triggering reviews and corrective actions, if required. KRIs under key business and support functions are identified and compared with the threshold levels on a quarterly basis. The threshold levels are reviewed/new KRIs are identified periodically besides reviewing breaches if any, facilitating for taking corrective actions.

Early Warning Signal (EWS): A number of Early Warning Signals (EWS) are studied regularly, and the results are shared with concerned business verticals by the Credit Monitoring Team. Your Bank has installed specialised applications to fetch different EWS in an orderly manner. Based on the internal operational data, the Analytics department has devised a separate EWS tool which generates Early Warning Signals helping the Bank to monitor the loan portfolio effectively and maintain better asset quality.

Red Flagged Accounts (RFA): Borrower accounts that exhibit a number of EWS are Red flagged and studied in detail for a period of six months, and appropriate decisions are taken, either to lift the account from RFA or to declare the account as fraud basis the performance. Bank follows the regulatory guidelines scrupulously in these matters.

Root Cause Analysis: Root cause analysis is comprehensively carried out to study the transactions to understand the weaknesses in the system and suggest additional controls to prevent recurrence.

Whistle Blower Policy: Bank encourages employees, customers, and vendors to communicate any information they may come across about serious malpractices or impropriety/abuse of powers, etc., to the Top Management without fear of reprisal. The policy is popularised through various measures such as internal circulars, e-mail advisories, training sessions etc. to spot aberrations and deal with it at the earliest.

The Bank weighs all new products, processes & outsourcing activities both financial and non-financial, the embedded options or enhancements of the existing products critically, by the designated committees of Executives drawn from business, technology, operations, risk, legal, audit and compliance functions, before it is offered to the public to avoid systemic lacuna, if any.

The Bank has a dedicated Fraud Prevention and Management Cell (FPMC) for managing fraud risks reporting to Chief Risk Officer (CRO) of the Bank. FPMC submits reports to the Board and Senior Management Committees, periodically. Fraud detection, analysis, mitigation, and prevention are a continuous process, and our Bank follows a structured approach as mentioned in Fraud Risk Management Policy and Standard Operating Procedure (SOP).

Branches / Operating units are subject to several audits, periodic visits of branches/operating units by Divisional Heads, Divisional Operating Officers, and Central Office personnel for effective monitoring and continuous surveillance of all operations.

During FY 2024-25, the Bank reported 26 frauds amounting to ₹ 6,531.75 Lakh, of which, 20 are Credit related frauds amounting to ₹ 6,527.58 Lakh, 3 Operations related frauds amounting to ₹ 2.08 Lakh and 3 Staff-related frauds amounting to ₹ 2.09 Lakh.

The Bank has a Fraud Risk Management Policy and standard operating procedures:

(a) to detect, control, monitor and report frauds to top management, regulators, and other law enforcement agencies,

(b) to ensure continuous surveillance to prevent frauds, besides managing the risk of loss arising from both internal and external fraudulent events. The macro-level guidance and directions on the above aspects is provided by the Board and committees of the Board.

The Bank is continuously taking steps in raising awareness among customers and employees about safe banking practices in the digital payment era. Several initiatives have been carried out in this regard, such as:

Safety in Banking Operations Awareness: Messages are sent via SMS and emails to our customers to promote safe banking practices.

Fraud Awareness Campaign: Recent fraud incidents and safeguarding measures are communicated through emails, SMS, website banners, mobile app push alerts, and all social media platforms.

The Bank is engaged continuously in enhancing the Risk Management Standards on par with the best practices in the banking sector. The Risk Management Process in our Bank is subjected to review by an external consulting agency to evaluate the level of effectiveness and to bring fresh perspectives to the Risk Management approach adopted by our Bank.

Role of Technology in Managing Risk: CLS - LOS (Loan Origination System)

Technology plays a significant role in risk management by enhancing the efficiency, accuracy, and effectiveness of risk related processes. The benefits of leveraging technology in risk management includes enhanced / timely risk identification and assessment accuracy, Improved risk reporting and communication, Continuous monitoring, and evaluation of risk exposures.

Credit processing system has been digitised end-to-end with automated bureau report checks, verification of account statements, GST data, income statements duly supported by well-designed score cards and a process flow document. Field visits, verification of veracity of the documents are handled effectively and supported by a Fraud Control Unit (FCU). Continuous improvements / enhancements are put in place to get complete benefit of the technology. This helps in minimising the manual intervention for its authenticity or genuineness. Further Internal Rating for proposals processed through LOS is obtained using a predefined Business Rule Engine (BRE) concept and is made as a pre-sanction exercise. In addition to the LOS rating, rating is undertaken in CRISIL ICON models and portfolio monitoring by appropriate applications.

Credit Risk

Macro factors including slowdown in economies, geopolitical tensions, stress in certain industries and micro-level factors, underwriting process, recovery measures.

Mitigation Steps

- The Bank has a centralised credit risk management division, independent of our business functions, to manage credit risk supported by well-defined policies, caps on exposures to various industries, single & group borrowers, sensitive sectors, etc.
- Appropriate credit underwriting standards, risk mitigation processes, post-disbursement monitoring, strong collection and recovery mechanism via call centres and timely remedial actions ensure that credit risk is contained within acceptable levels.
- The Retail Credit Risk Team is responsible for retail credit portfolio and parameterised lending, basis product-specific gating parameters and score cards. The parameters and gating conditions are being reviewed periodically.
- The Analytics team provides comprehensive reports with analysis and inferences to the top management, for taking appropriate policy and business decisions.
- Divisional credit risk officers are placed in each divisional office to get a ground zero perspective of credit proposals.
- Internal credit risk rating of proposals is mandatory for sanction of credit facilities with hurdle rating grades for new and takeover exposures. The Bank has deployed CRISIL ICON models and other models for rating borrowers.
- The Bank has a system of monitoring the exposure periodically to ensure that those are within the Policy ceilings approved by the Board.
- Portfolio studies and industry/sector analysis are carried out to capture up-to-date information. Periodic product and portfolio reviews facilitate course corrections and product / process flow changes.

Digitisation of credit underwriting: LOS (Loan Origination System) has been designed and structured.

- To bring in better controls from a system perspective on TATs.
- Building better underwriting capability based on analytical feed and creating a digital workflow for risk mitigation.
- Better due diligence through system designs, sanity and automated bureau checks to minimise onboarding risks.

- Stipulation of gating conditions tested based on historical data of the Bank, eliminating subjectivity in the credit approval process.
- Well-designed score cards, as a part of decision-making tools apart from gating conditions.
- Periodical review of performance of digital portfolio, both retail and commercial for initiating course corrective measures.

Other measures

- Credit risk related policies are formulated and reviewed periodically as per the Bank's requirements within the ambit of regulations.
- Comprehensive delegation of powers for various authorities with inbuilt matrix both for risk and non-risk deviations; spread policy takes care of the pricing mapped to scores / rating grades based on components such as Credit risk premium, business strategy premium, tenor premium.
- The committee-level approach to credit approval process promotes qualitative discussions and collective wisdom allowing 360-degree analysis of the credit proposals.
- Clusters headed by Senior Executives are formed in select centres with business potential, for guiding the BBUs in the matters of credit dispensation, administration and monitoring.
- PQI (Portfolio Quality Index) concept for monitoring the performance of the business units and relationship officers in an effective manner has been implemented.
- Bank is using RAROC (Risk Adjusted Return on Capital), as one of the performance measures towards business and profit optimisation.
- Bank's Model Risk Management Framework enables Bank to assess, measure, monitor and mitigate Model Risk.
- Bank has a policy on Country risk management. Bank is monitoring developments in countries where it has exposure and taking required mitigants/changes in the strategies / business activities pro-actively.
- Bank has formulated ESG Policy for managing Climate Risk and caring for the Environment, Low-Carbon Transition, and Sustainable Operations.

Market Risk

Market Risk arises largely from the Bank's trading activity in interest rate instruments, equity, and forex market. Bank has a well-developed framework, comprising Board-approved policies and established practices, for management of the market risk.

Mitigation Steps

- Market Risk is managed through well-defined Board-approved Policies that cap risk in different trading desks and various securities through trading risk limits / triggers for effective and judicious management of investment funds.
- Bank has established an independent Mid office as a risk control unit reporting to Chief Risk Officer, for Treasury & PMD activities.
- Mid-Office monitors treasury operations from market and operational risk perspective and reports directly to RMD Central office.
- Policies are in place for conduct of business exposed to market risk and liquidity risk with appropriate risk limits, stop loss limits, etc., for effective management of all market related risks.
- The policies and practices also take care of monitoring and controlling liquidity risk arising out of its banking book, trading book and off-balance sheet exposures.
- To measure and control market risk, interest rate risk, equity price risk and forex risk, Bank has set various risk appetite limits. Bank is using various tools like stress testing, modified duration, PVBP, VaR, position limits, stop loss limits, NOOP limit, AGL etc. to monitor market risk. Currently, capital charge for market risk is computed under the Standardised Duration Approach.

Liquidity & Interest Rate Risk

Liquidity risk is the potential inability to fund an increase in assets, decrease in liabilities or risk in meeting obligations as they fall due, without incurring unacceptable losses.

Interest rate risk is the risk where changes in market interest rates affect the Bank's earnings through changes in its Net Interest Income (NII) and the market value of equity through changes in the economic value of its interest rate sensitive assets, liabilities, and off-balance sheet positions.

Mitigation Steps

- The Bank's Asset Liability Management policy provides a framework for management of liquidity risk and interest rate risk. Bank has established risk appetite limits and tolerance limits for both liquidity risk and interest rate risk. Further, Bank also has the necessary framework in place to manage and monitor intraday liquidity risk.
- ALM of the Bank aims to strengthen the Balance sheet by pro-actively reviewing the market dynamics, capturing the signals emanating therefrom and ensuring value creation while conforming to the regulatory requirements.
- Bank conducts studies to assess the behavioural pattern of assets and liabilities with embedded options available to customers. These results are being used in mapping and managing maturity gaps.
- Our Bank's Asset Liability Committee (ALCO) is reviewing pricing of assets and liabilities on a monthly and even at early frequencies depending on the requirements, monitoring adherence to liquidity risk and interest rate risk limits.
- While the maturity gap and stock ratio limits help to identify liquidity risk, assessment of impact on the net interest income and economic value of equity helps to assess interest rate risk. This is complemented by a stress testing framework covering both liquidity and interest rate risk.
- Liquidity Coverage Ratio (LCR), a global standard to assess organisation's ability to meet its payment obligations, is used to measure a Bank's liquidity position. LCR level ensures that the Bank has an adequate stock of unencumbered High-Quality Liquid Assets (HQLA) that can be converted into cash easily and immediately to meet its liquidity needs under a 30-day calendar liquidity stress scenario.
- NSFR promotes resilience over a longer-term time horizon by requiring banks to fund their activities with more stable sources of funding on an ongoing basis.
- Contingency Funding Plan (CFP) ensures that Bank has adequate liquid financial resources to meet liabilities as they fall due. The CFP is reviewed quarterly by the ALCO & Board as a forward-looking measure.
- Country risk and Counterparty (Bank) exposure limits are reviewed periodically.

Operational Risk

Risk arises from inadequate or failed internal processes, controls and systems, and procedures due to employee error or breach, fraud or external events or a combination of these factors.

Mitigation Steps

- Bank has developed and implemented an operational risk management framework (ORMF) that is fully integrated into the Bank's overall risk management system.
- The Operational Risk Management Framework for the Bank depends on three pillars namely (a) Prepare and Protect (b) Build Resilience (c) Learn and Adapt.
- ORMF covers the entire gamut of activities right from risk identification, measurement and assessment, monitoring and control, mitigation, reporting to senior management and the Board of Directors on the Bank's risk exposures, Business Continuity Management, and learning through feedback for improvement.
- Bank is following framework which involves the Business units as First line of defence, the Organisational Operational Risk Function (OORF) as second line of defence and Internal Audit department as third line of defence.
- The roles and responsibilities of these functions are clearly defined to implement effective ORMF.
- Bank has put in place processes, systems and procedures to actively manage & mitigate operational risks and to optimise resources not only to protect the interests of the Bank but also to ensure return commensurate with the risk profile adopted.
- Bank has a well-established internal control system, Books of instructions, internal circulars on policy matters and procedures, guidelines which include segregation of duties & responsibilities, systems, standardised operating procedures, clear lines of authority and reporting, among others.
- Bank has adopted a structured internal audit mechanism carried out at pre-defined intervals based on well-designed parameters & existing ratings; apart from regular inspection, Bank also has Concurrent Audit, Information Security Audit, Credit Audit, Revenue Audit, and Statutory audit. All the audits and inspections also help in understanding the working of the controls, breaches, and the need for improving the controls and its effectiveness.
- Bank is collecting operational risk loss data directly from the business units for effective monitoring of loss events. The operational risk loss data is consolidated, analysed and reported to the Operational Risk Management Committee on a quarterly basis.
- Risk Management Department of the Bank reviews the operational risk events along with identified Business / Operational verticals and identify new Operational Risks, understands the underlying causes and control weaknesses, and formulate appropriate responses to prevent recurrence of similar events.
- Bank is using several metrics such as Operational Risk event data, RCSA and KRIs.
- Risk and Control Self-Assessment exercise and Key Risk Indicators support in putting in place additional measures to improve the existing systems and controls.
- All new products and processes, as well as changes in existing products and processes are subjected to risk evaluation by the Bank's Product Development Committee and Process Development Committee.
- Bank has a Business Continuity and Disaster Recovery (BCP & DR) policy to manage disruptions to our operations.
- Outsourcing arrangements are examined and approved by the Bank's Outsourcing Committee after duly assessing the outsourcing risk. Risk department also independently assessing outsourcing risk.
- Product, process, and outsourcing committees have representation from the risk department for their views besides suggesting mitigations for the identified risks in those products and process.
- To ensure adequate and timely identification, measurement, monitoring, control and mitigation of reputation risk posed, a Board-approved reputation risk management policy is put in place.

Fraud Risk

Financial institutions in general and Banks in particular are vulnerable and prone to several frauds perpetrated through internal and external forces. All the Banks are taking initiatives continuously to strengthen their internal control systems and procedures to guard against the frauds.

Mitigation Steps

- Bank has put in place a fraud risk management policy and standard operating procedure clearly defining the roles and responsibilities of all the related stakeholders in the matters relating to detection / identification, classification and reporting of frauds to RBI, other regulatory bodies, Board of the Bank and Sub committees of the Board, process of investigation, apart from recovery including insurance claims, provisioning, disciplinary action against the fraudsters, closure of fraud, etc.
- Fraud Risk Management Policy has put in place a framework for prevention, early detection and timely reporting of incidents of fraud to Law enforcement agencies (LEA), RBI and also to clearly delineate Roles and Responsibilities of Board/Board committees and Senior management of the Bank. Also, this policy has covered principles of natural justice with defined timelines.
- A special Board-level Committee - Special Committee of the Board for Fraud Monitoring and Follow-up of Fraud cases (SCBMF) is overseeing the effectiveness of fraud risk management in the Bank. This committee monitors and reviews cases of frauds, including:
 - Root cause analysis, and suggest of mitigation measures for strengthening the internal controls, risk management framework and minimising the incidence of frauds.
 - Reasons are analysed by studying the transactions, understanding the weaknesses in the system and suggest additional controls to prevent recurrence. A number of Early Warning Signals (EWS) are studied, and the results are shared with concerned verticals.
- Besides internal data, public domain data is also analysed as a preventive and monitoring mechanism.
- Online transactions are monitored by Enterprise Fraud Risk Management application (EFRM) to identify any attempt of frauds and to initiate necessary preventive measures like calling the customer / sending alerts / blocking the transaction for customer approval etc.
- Some of the large loan accounts that exhibit several EWS are studied in detail for a period of six months, and appropriate decisions are taken based on the results of the study.
- Special attention has been paid to the Whistle Blower Mechanism in the Bank and the staffs are encouraged to use the same to flag any issues / irregularities, including Operational Risk Events or Frauds when comes to their knowledge.
- Gap analysis, root cause analysis is done to identify the critical factors contributing to the frauds and implement additional safeguards wherever required, to avoid recurrences of similar type of frauds. Many controls, changes in processes, systems and products have been recommended and implemented to ensure systems and procedures are meeting the requirements.

Integrated risk management framework

Mitigation Steps

- The objective of integrated risk management is to measure and manage risk and capital across a range of diverse business activities on a holistic basis in a centralised environment with the responsibility of identifying, measuring, monitoring, and mitigating the risks in various functions.
- Integration of risk is also due to the interwoven nature of risks. There is a component of credit risk in Market risk and Operational risk is existing on both credit and market risks. The impact of Pillar II risks on the Pillar I risks cannot also be discounted. Operational risk is an all-pervading factor in the banking business and is present in every activity undertaken by the Bank. Hence, management of risk requires a well conceptualised integrated risk management.

Commodity Price Risks and Foreign Exchange Risks and Hedging activities

The Bank has Market Risk Management Policy, Integrated Treasury Policy and Precious Metals Division Policy approved by the Board specifying risk control framework for undertaking any Commodity price risk and Foreign exchange risk. The Board of the Bank has defined overall Net Overnight Open Position (NOOP) Limit, Stop Loss Limits for trading activities, Aggregate Gap limit (AGL), Value at Risk (VaR) limit to manage the foreign exchange risk within its risk control framework. The Bank's policy stipulated margins for lending against commodities and has put in place a system of monitoring margins available / required with respect to on-going commodity prices.

Bank is authorised by Reserve Bank of India to import gold and silver. Bank imports gold and silver on consignment basis and sales are being covered on back-to-back basis.

Bank uses Forwards & Forex Swaps for hedging its currency and interest rate risk for its foreign currency balance sheet items, customer cover, and for proprietary trading, within overall risk limits and control framework. The management of these products and businesses is governed by Board-approved Policies of the Bank.

Climate Risk

Climate risks are broadly divided into two categories:

- 1. Transition Risks:** Risks arising from various factors such as changes in policy and regulation, advancements in technology, and shifts in consumer preferences.
- 2. Physical Risks:** This includes both chronic and acute impacts of climate change. Chronic risks involve long-term changes in temperature, precipitation patterns, agricultural productivity, and sea levels, while acute risks refer to immediate and severe events such as heatwaves, floods, cyclones, and wildfires.

As a responsible Bank, we recognise the significant impact of climate-related risks, which span credit, operational, market, and reputational domains. Bank also acknowledge the importance of environmental and social risks, particularly those linked to climate change. We are aligning our policies to meet the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). We are conducting climate-related scenario analysis and stress testing, by incorporating relevant climate factors into our stress testing exercises. We are actively developing our capabilities for climate-related stress testing and scenario analysis adhering to regulatory guidance.

Risk Exposure and Assessment

The Bank is exposed to various types of risk such as Credit, Market, Operational, Liquidity, Interest Rate, Reputational, Legal and Strategic risk. The Bank has a separate and independent Risk Management Department in place which oversees the management of all types of risks in an integrated fashion.

The objective of risk management is to have an optimum balance between risk and return. It entails the identification, measurement, and management of risks across the various businesses of the Bank. Risk is managed through a framework defined in policies approved by the Board and supported by an independent risk management function which monitors and takes corrective action so that the Bank operates within its risk appetite. The Risk Management function attempts to anticipate vulnerabilities through quantitative or qualitative examination of the embedded risks in various activities. The Bank continues to focus on refining and improving its risk management systems. In addition to ensuring compliance with regulatory requirements, the Bank has developed robust internal systems for assessing capital requirements and keeping in view the business objectives.

The Board of Directors approves the strategies and policies for Risk Management, based on recommendations of the RM & ALM Committee of the Board set up to focus upon risk management issues. The RM & ALM Committee of the Board reviews various aspects of risk arising from the businesses undertaken by the Bank. Operating level risk committees comprising senior management viz. Asset Liability Management Committee (ALCO), the Operational Risk Management Committee (ORMC), Market Risk Management Committee (MRMC) and the Credit Risk Management Committee (CRMC) oversee specific risk areas. These committees in turn provide input for review by the RM & ALM Committee of the Board.

Board Committees

Risk Management and Asset Liability Management Committee (RM & ALM)

This Committee shall put in place explicit procedures for managing enterprise-wide risk that the Bank is exposed to based on the regulatory guidelines. The Committee review and approve the development and implementation of risk assessment methodologies and tools, including assessments, reporting etc., foresee future changes and threats and prioritise action steps, monitor, and oversee the implementation of the Risk Management Framework in the Bank.

The Risk Management & Asset Liability Management Committee shall recommend the policies to Board, strategy, and methods for risk management, by evaluating the overall risks faced by the Bank in determining the acceptable level of risks. The committee inter-alia looks into the following aspects:

- Effectiveness of overall risk management framework in meeting sound corporate governance principles and identifying, managing, and monitoring the key risks of the Bank.
- Oversee and monitor the Bank's compliance with regulatory requirements.
- Setting and defining the Risk appetite of the Bank.
- Recommend suitable controls / mitigations for managing different risks.

- Oversee functions of Credit Risk Management Committee (CRMC), Market Risk Management Committee (MRMC), Asset Liability Management Committee (ALCO) and Operational Risk Management Committee (ORMC).

- Reviewing and recommending the Internal Capital Adequacy Assessment Process (ICAAP) to Board.

- Discussion with CRO for ensuring independence of risk functions.

The Committee ensures effective implementation of the risk management strategies and decides the policies and strategies for risk management in the Bank. In compliance with RBI circular guidelines, RM & ALM Committee is headed by non-executive member from the Board of the Bank.

Executive-Level Committees:

Organisational setup and responsibilities of Executive-level committees in implementing Board-approved strategies and policies are as below:

Asset Liability Management Committee (ALCO)

Committee Focus Area

All aspects of Asset Liability Management, Monitoring, Control, Interest rate review etc.

Chairman

Executive Director

Key functions/responsibilities

- Study all ALM-related Returns and statements prescribed by RBI.
- Provide a framework for management of liquidity risk and interest rate risk.
- Pricing for both deposits and advances.
- Decide on the desired mix of incremental assets and liabilities.
- Decide on the desired maturity profile of the incremental assets and liabilities and Contingency Funding plan.
- Determine the structure, responsibilities, and controls for managing liquidity risk and for overseeing the liquidity positions.
- Discuss on future direction of interest rate movements and decide on funding mix between fixed vs floating rate funds, wholesale vs retail deposits, money market vs capital market funding, domestic vs foreign currency funding, etc.
- Review the impact of NII and MvE due to Interest Rate Risk in Banking Book.
- Review and recommend the Transfer Pricing Mechanism (TPM).
- Any other matters related to market risk and liquidity risk.

Credit Risk Management Committee (CRMC)

Committee Focus Area

All aspects of Credit Risk Management, Monitoring & Control

Chairman

MD & CEO

Key functions/responsibilities

- Recommending review of Credit Policy, internal rating policy and other credit risk related policies.
- Recommending introduction of new internal rating models / scorecards and review.
- Review of exposures to various industries – exposure ceiling vis-à-vis actual.
- Review of Stress Tests conducted on CRAR under different scenarios.
- Discuss regulatory guidelines and the actions taken by the verticals.
- Peruse credit-related frauds and suggest mitigation measures.
- Study concentration in advances portfolio.
- Review the Rating migration in the internal and external ratings of borrowers.
- Any other matters related to Credit risk.

Market Risk Management Committee (MRMC)

Committee Focus Area

Aspects of Market Risk Management, Monitoring & Control

Chairman

Chief Financial Officer

Key functions/responsibilities

- Set guidelines for market risk measurement, management, and reporting.
- Ensure that market risk management processes (including people, systems, operations, limits, and controls) satisfy Bank's Policy.
- Review and recommend market risk limits, including triggers / stop-losses for traded and accrual portfolios.
- Monitor interest rate risk, equity price risk and forex risk and to take control measures.
- Take note of market risk related regulatory guidelines and to take necessary action.
- Discuss on the market related events/occurrences, movement of various benchmarks, etc.

Operational Risk Management Committee (ORMC)

Committee Focus Area

All aspects of Operational Risk Management, Monitoring & Control

Chairman

Executive Director

Key functions/responsibilities

- Implement and monitor the Operational Risk Management Framework approved by the Board.
- Develop policies, processes & procedures for managing various Operational Risk in Bank's material products, activities, processes, and systems.
- Review and recommend the development and implementation of Operational Risk methodologies.
- Review Key Risk Indicators (KRI) and Risk and Control Self-Assessment (RCSA).
- Perusal of frauds including cyber frauds, near-miss events and related matters.
- Discuss and study the impact of Loss data collected.
- Peruse the minutes of various operational risk related executive committees and providing guidance.
- Any other matters related to Operational risk.



INFORMATION SECURITY GROUP

KVB is committed to safeguarding the customer data stored within the digital platforms of your Bank. We continuously utilise various state-of-the-art tools and data protection technologies for the protection of customer data.

We use strong encryption algorithms and recent TLS versions. We have implemented techniques like data masking and tokenisation for the protection of sensitive customer information. Access to sensitive information is restricted based on the principle of least privilege. Tools like privileged access management, along with Multifactor Authentication, enhance the level of data protection. We have also implemented a Data Leak Prevention (DLP) tool that prevents leakage of sensitive information to the external world. A data classification solution helps the end user to classify the documents into relevant categories, helping to prevent further data loss.

Regular security assessments and penetration testing are carried out to address and fix all the known vulnerabilities. All systems are patched regularly to ensure protection. Regular backup and a well-tested Disaster Recovery Plan strengthen the posture of your Bank. Periodic third-party risk assessments and audits ensure the safety of customer information stored at third-party vendor locations. We are compliant with latest standards like ISO 27001 and PCI DSS, for which periodic compliance audits are being carried out to ensure compliance.

As a part of our continuous improvement strategy, we have recently implemented a Data Rights Management solution that centrally defines, associates, enforces, modifies and audits granular file usage permissions, thereby blocking access to files/data/USB to unauthorised users. We have also initiated assessment of compliance requirements for DPDP guidelines and are getting ready to comply with regulations once the law is released.



HUMAN RESOURCES

Our values-based approach to employee development creates a workforce that is deeply engaged, committed to customer excellence, and aligned with our strategic vision for sustainable growth. For further details, please refer to page 44.



INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Audit function and governance

The Inspection and Audit function is pivotal in assessing and ensuring the adequacy of internal controls, risk management practices and overall governance processes within the Bank. The team is responsible for independently evaluating the strength of operational controls, compliance with regulations, and the effectiveness of the Bank's risk management strategies. By doing so, the audit function helps identify potential weaknesses or inefficiencies in business processes and ensures that proper safeguards are in place to mitigate operational and financial risks.

Your Bank's Internal Audit function is charged with ensuring that the Bank adheres to regulatory frameworks, internal policies and procedures. Internal Audit offers proactive recommendations for enhancing operational processes, strengthening internal controls and improving governance practices across the organisation.

The audits conducted by the Bank are spread across various units, such as branches, business units and back-office operations, with a focus on key operational and risk functions. The audits also cover areas like information security, IT governance and infrastructure to ensure that all aspects of the Bank's operations are thoroughly assessed for compliance and efficiency.

The Audit Committee of the Board plays a critical role in overseeing the effectiveness of the internal audit function. This committee reviews and evaluates the audit, offers functional guidance and assesses the performance of the Inspection and Audit functions. The committee also provides strategic direction and recommendations to help improve audit processes, ensuring that the Bank operates with the highest standards of governance and risk management.

Audit policies and staffing

The Internal Audit Policy is a crucial document that sets the framework for the Bank's audit activities. It is periodically reviewed by the Audit Committee and approved by the Board to ensure that it remains aligned with regulatory guidelines and industry best practices. The policy outlines the procedures, standards and methodologies to be followed during audits to ensure consistency, reliability and thoroughness in all audit functions.

The audit team is staffed with skilled and experienced professionals, including specialists in areas such as Information Technology (IT), Cybersecurity, and other business operations/

functions. The diversity of expertise within the audit team ensures that the Bank's audit activities cover all aspects of its operations, from traditional banking functions to more complex areas like IT systems and digital security.

Types of Audits Conducted

The Bank carries out various types of audits, including:

- **Risk-Based Internal Audits (RBIA):** This type of audit focuses on identifying and assessing the risks inherent in key areas such as credit and operational risks which centres around existing controls (regulatory and critical) built in. RBIA also evaluates the effectiveness of controls and measures implemented to manage these risks and helps uncover any potential control gaps or weaknesses before they become significant.
- **Surprise audits:** These unannounced audits help detect irregularities or lurking issues that might not be detectable during planned audits, thereby ensuring continuous vigilance.
- **Revenue audits:** These audits are focussed on ensuring that the revenue streams of the Bank are properly managed, accurately collected and reported and ensuring compliance with the financial reporting standards.
- **Concurrent audits:** Concurrent Audits are strategically carried out in high-priority areas such as key Branches, Corporate Business Units, Business Banking Units, and various other back offices. These audits help ensure that the real-time operations are aligned with internal policies and regulatory guidelines. The concurrent audits are designed to minimise the risk of non-compliance or financial irregularities by constantly monitoring critical processes. The Bank utilises the services of external auditors to conduct concurrent audits. These external auditors are appointed based on the Board-approved Auditor Appointment Policy. The involvement of experienced third-party auditors adds an extra layer of objectivity and expertise, ensuring that audits are conducted with the highest level of professionalism and thoroughness.
- **Credit audit:** It focusses on evaluating large credit exposures and is conducted as part of the Bank's loan review process. Credit audits help ensure that credit risk is effectively managed and that loan sanctioning and post-sanction activities are fully completed and compliant with regulatory guidelines.
- **Jewel re-appraisals:** Your Bank regularly conducts re-appraisals of jewels pledged for Jewel Loans. This re-appraisal process is intended to reassure that the purity & type of the pledged ornament assets are as per the standards prescribed by the Bank. Additionally, the Bank conducts mystery shopping to verify standards followed for jewel assessment and evaluation.
- **Process audits:** Process Audits focus on evaluating the design and effectiveness of specific business processes within the Bank. These audits are intended to assess how well key processes are functioning, whether they are efficient, and if they adequately mitigate operational risks. During process audits, the Bank examines internal controls, operational risks, regulatory compliance, and the effectiveness of business procedures. This helps identify inefficiencies, control gaps, and areas where improvements can be made to enhance overall operational effectiveness.
- **Information Systems (IS) audits:** The Bank has a comprehensive Board-approved IS Audit Policy, which is reviewed annually to ensure that the Bank's information systems remain secure and compliant with industry standards. The IS Audits cover all critical aspects of the Bank's information technology infrastructure including; data centres, applications, technical centres, and back-office functions. The audits assess the security, performance, and integrity of the Bank's IT systems to ensure that they are resilient to cyber threats and are functioning optimally. External expertise, particularly from CERT-In empanelled firms, is engaged to conduct certain parts of the IS audit, ensuring that specialised skills and knowledge are applied to the most complex and critical areas of IT governance and cybersecurity. These audits are vital to ensure that the Bank's IT infrastructure is resilient to potential disruptions, both natural and technical. By evaluating these areas, the Bank can ensure that contingency plans are in place and that business continuity is maintained during times of crisis.
- **Vendor audits:** To understand and mitigate third-party risks involved in the activities outsourced by the Bank, the Bank is conducting the vendor audit (IT & Non-IT) on an annual basis. The audit also encompasses compliance with information security standards of the vendor/service provider.
- **Other audits:** The Bank also conducts management audits for its Central Office verticals, Divisional Offices, and regularly inspects currency chests to ensure the integrity and security of cash handling operations, in compliance with RBI guidelines.

Focus on Digitalisation and New Business Areas

With the Bank's expanding involvement in digital business models, such as Co-lending, Direct Assignments and Micro-Fin loans, the internal audit function has increased its oversight in these areas. Audits in these new areas ensure that the Bank's digital operations are aligned with industry standards, regulatory requirements, and internal policies.

The Off-site Audit Mechanism allows the Bank to conduct continuous monitoring of key operations, especially within the loan lifecycle. This mechanism ensures that critical processes are being executed efficiently and that any discrepancies or gaps are identified promptly. Through the digital tools, the Bank can track post-sanction activities and prepare units for future on-site audits, significantly reducing turnaround times and operational risks. The integration of digitalisation not only enhances operational efficiency but also improves the Bank's ability to respond quickly to emerging issues.

Risk-Based Approach and Technology Integration

The Bank's audit approach is primarily risk-based, as outlined in the Reserve Bank of India (RBI) guidelines for RBIA. This methodology ensures that the focus of the audit is on areas with higher risks or potential vulnerabilities, ensuring that the Bank's resources are efficiently allocated to mitigate the most critical risks first.

The audit function leverages technological tools, IT systems and automated monitoring mechanisms to enhance the efficiency. These tools assist in identifying branches or business units that require to be inspected, tracking the progress of audits, and ensuring compliance with internal policies. Additionally, these technologies enhance the precision and scope of audits, ensuring that risk identification and mitigation strategies are data-driven and comprehensive.

The Bank's audit, risk management, and governance functions are comprehensive and systematic, emphasising proactive risk mitigation, continuous monitoring, and adherence to regulatory and internal standards. By integrating advanced technology, leveraging external expertise, and adopting a risk-based audit methodology, the Bank is able to maintain high levels of operational effectiveness, compliance, and security. This structured and forward-looking approach to auditing ensures that the Bank can navigate risks effectively while continuously improving its processes and controls.

Key Highlights

- RBIA for all identified branches and all Business Units for FY 2024-25 was completed.
- A Comprehensive Risk Assessment model was developed and implemented, covering inputs from all the audits.
- Compliance effort for audits is simplified with the revamped audit application.
- Concurrent Audit, covering 50% of the total advances of the Bank business.
- Off-site surveillance areas strengthened by including new areas under continuous near real-time monitoring. "Continuous off-site monitoring" was implemented, covering selected areas to reduce credit risk and improve compliance culture.
- IT-related process audits and thematic audits were undertaken to ensure adherence to the Bank's policies and guidelines.

Outlook

- IAD has introduced new initiatives aimed at continuous near real-time audit and risk assessment. Vertical intends to employ data and document driven audits to enhance the performance.
- IAD will leverage technology at all levels of audit function to enhance the coverage and quality.
- Proactive and collaborative work practices amongst Compliance, Risk and Internal Audit functions of the Bank will be ensured.



COMPLIANCE

At KVB, compliance is the core of governance, seamlessly integrated with internal controls and risk management to uphold regulatory standards, internal policies, and ethical conduct. The Compliance Department, led by the Chief Compliance Officer (CCO), a senior management executive, ensures independence and direct access to the Board and Audit Committee. Reporting to the Managing Director & CEO, the CCO meets with the Audit Committee on quarterly basis in one-on-one sessions and has the authority to escalate issues directly to the Board. The Board-approved Compliance Policy establishes a robust framework, fostering transparency, accountability, and a non-negotiable culture of compliance across the organisation. The department collaborates with business units, compliance coordinators, and divisional offices, providing regular updates to the Board and management through monthly, quarterly, and annual reviews. By staying abreast of regulatory developments, participating in industry forums, and delivering continuous employee training, KVB reinforces its commitment to operational integrity and stakeholder trust.

Key Highlights

- Strengthened Governance Framework.
- Risk-Based Compliance Management.
- Robust Compliance Culture.
- Enhanced KYC Protocols.
- Well-defined Compliance Policy.

Outlook

As the regulatory landscape evolves, KVB is committed to adopting a proactive, technology-driven, and risk-based compliance framework to ensure operational resilience and regulatory excellence. The Bank will focus on:

- Technology Adoption: Completing the Compliance Risk Tool implementation and integrating with RBI's regulatory platforms to enhance monitoring and reporting efficiency.
- Regulatory Engagement: Strengthening collaboration with regulators to anticipate and adapt to emerging requirements.
- Risk-Based Approach: Prioritising high-risk areas such as AML, cybersecurity, and third-party risks within an integrated Compliance Risk Management (CRM) framework.

- Training and Awareness: Expanding staff training programmes to reinforce compliance responsibilities and foster a culture of ethical decision-making.
- Sustainable Practices: Implementing sustainable finance policies to support responsible banking.
- Regulatory Excellence: Establishing a dedicated regulatory excellence team to navigate complex regulations and ensure stakeholder confidence.

By embedding compliance into its strategic priorities, leveraging automation, and fostering a culture of integrity, KVB aims to maintain trust, mitigate risks, and drive sustainable growth in an increasingly dynamic banking environment.



DISCLOSURE OF ACCOUNTING TREATMENT

The financial statements are prepared following the going concern concept, on historical cost basis and conform to the Generally Accepted Accounting Principles (GAAP) in India which encompasses applicable statutory provisions, regulatory prescriptions and extant disclosure norms prescribed by the Reserve Bank of India (RBI) from time to time, notified Accounting Standards (AS) issued under Section 133 of the Companies Act, 2013, read together with Companies (Accounting Standards) Rules, 2021 and current practices prevailing in the banking industry in India. The accounting policies adopted in the preparation of financial statements are consistent with those followed in the previous year except for accounting of employee share-based payment which is explained under the policy for Employee Benefits.



CAUTIONARY STATEMENT

Certain statements in the 'Management Discussion and Analysis' describing our objectives, estimates and expectations may be 'forward-looking statements' within the meaning of applicable securities laws and regulations. Actual results could differ substantially from those expressed or implied. These statements are subject to risks and uncertainties, including the effect of economic and political conditions in India and outside India, volatility in interest rates and in the securities market, new regulations and government policies that may impact our businesses as well as our ability to implement the strategy. We do not undertake to update these statements. Figures for the previous year have been regrouped wherever necessary to conform to the current year's presentation. Important factors that could make a difference include economic conditions in the domestic and overseas markets, changes in laws/regulations and other incidental facts. This document also does not constitute an offer or recommendation to buy or sell any financial products offered by your Bank.

Corporate Governance Report

“Strong Corporate Governance is the cornerstone of sustainable banking. It has shaped our growth through integrity, transparency and accountability. Anchored in stakeholders trust, it continues to guide our path forward.”

The Board of Directors present the Corporate Governance Report of the Bank for FY 2024-25. This report is prepared in accordance with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (SEBI LODR) and it is classified into below categories:



Governance Philosophy



Board of Directors



Board Committees



Affirmation and Disclosure



Shareholders Information

This report explains the systems and processes followed by the Bank to ensure compliance of the Corporate Governance requirements under SEBI LODR.



GOVERNANCE PHILOSOPHY

Our Philosophy

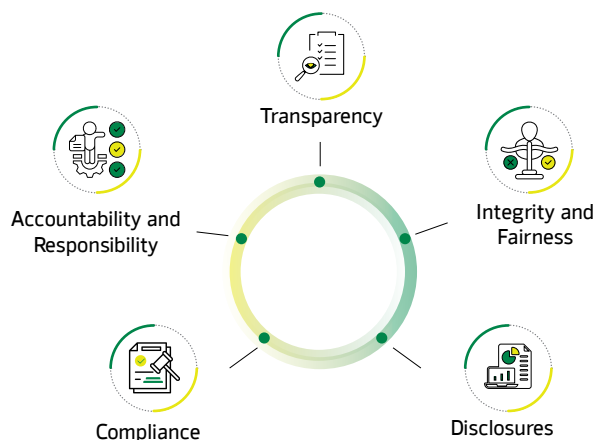
Corporate Governance refers to the system of rules, practices and processes by which an entity is operated, regulated and controlled. It establishes a framework for effective management, promotes ethical and responsible business conduct, ensures transparency, supports timely financial reports and enforces robust compliance and internal controls – safeguarding the interest of shareholders, debenture holders, depositors, customers, employees, community and other stakeholders.

Banks serve as critical enablers of economic growth by channelling funds from savers and depositors to productive sectors that drive enterprise and innovation. Given their systemic importance, a robust and clearly defined corporate governance framework is essential not only for the sound functioning and resilience of individual banks but also for maintaining confidence in the financial system and supporting the broader stability of the economy.

Accordingly, your Bank is firmly dedicated to upholding the transparency, integrity, fairness, robust disclosures, compliances, accountability and a strong sense of responsibility towards Customers, Shareholders, Employees, Government and other Stakeholders as integral to its operations, consistently aligning with the highest standards of corporate governance. Your Bank continues to evolve with the times, embracing technological advancements and regulatory reforms, while staying true to its founding values. Through a resilient governance structure, the Bank ensures effective management, responsible decision making and enduring stakeholders trust – hallmarks of **its legacy since 1916**. This commitment is embedded in our ethics, ensuring that every action taken is in best interest of all our stakeholders.

Your Board of Directors plays a pivotal role in overseeing the Bank's operations, ensuring governance through effective leadership and strategic oversight aligning with the regulatory guidelines as they evolve.

Core principles of Governance



Corporate Governance Structure



Board of Directors

Responsible for Corporate Governance, provides strategic guidance and maintains oversight on the functioning of the Bank.



Board Committees

Acts in accordance with the terms of reference that require focused attention.



Leadership Team

Ensures effective implementation of policy related decisions taken by Board/Committees and provides updates regularly.

Corporate Governance Policy

The Board of Directors of your Bank has established a comprehensive Corporate Governance policy. This policy has been formulated in adherence to the regulatory framework outlined under the Banking Regulation Act, 1949, the Companies Act, 2013 and the SEBI LODR, along with applicable circulars and other guidelines issued by the regulatory authorities from time

to time. The corporate governance policy is available at the website of the Bank at <https://www.kvb.co.in/docs/corporate-governance-policy.pdf>.



BOARD OF DIRECTORS

Board Composition

The Board of the Bank is governed and constituted in accordance with the provisions of the Companies Act, 2013 and the rules made thereunder, provisions of Section 10A(2) of the Banking Regulation Act, 1949, SEBI LODR, the Articles of Association of the Bank, the extant guidelines issued by the Regulators from time to time in accordance with the best practices in Corporate Governance.

Board has Ten Directors as on the date of report, with a balanced combination of Seven Non-Executive Independent Directors (including One Woman Non-Executive Independent (Part-time) Chairperson and One Woman Independent Director), One Non-Executive Non-Independent Director and Two Executive Directors with diverse skills relevant for the Banking Business in tune with Board Diversity policy of the Bank. Independent Directors constitute Seventy percentage of Board's total strength.

Board of the Bank is chaired by Dr Meena Hemchandra, Non-Executive (Part-time) Chairperson, who is an Independent Director.

Composition of Board

Executive Directors

Shri B Ramesh Babu	Managing Director and Chief Executive Officer
Shri B Sankar	

Non-Executive Independent Directors

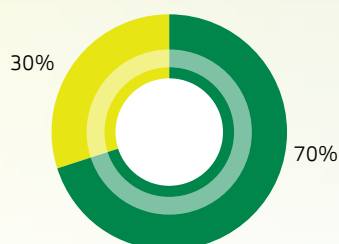
Dr Meena Hemchandra	Part-time Chairperson
Shri K G Mohan	
Dr Harshavardhan R	
Shri Murali Ramaswami	
CA Dr Chinnasamy Ganesan	
Shri R Vidhya Shankar	
Smt Srimathy Sridhar	

Non-Executive Non-Independent Director

Shri R Ramkumar

Total no. of Board Members

S. No.	Category	Count
1	Non-Executive Independent Directors	7
2	Non-Executive Non-Independent Director	1
3	Executive Directors	2



- Independent Directors
- Non-Independent Directors including Executive Directors

61

Average Age of the Board of Directors

37

Average Experience of the Board of Directors

Tenure of the Directors in the Board

<1 year –

1-5 years –

>5 years –

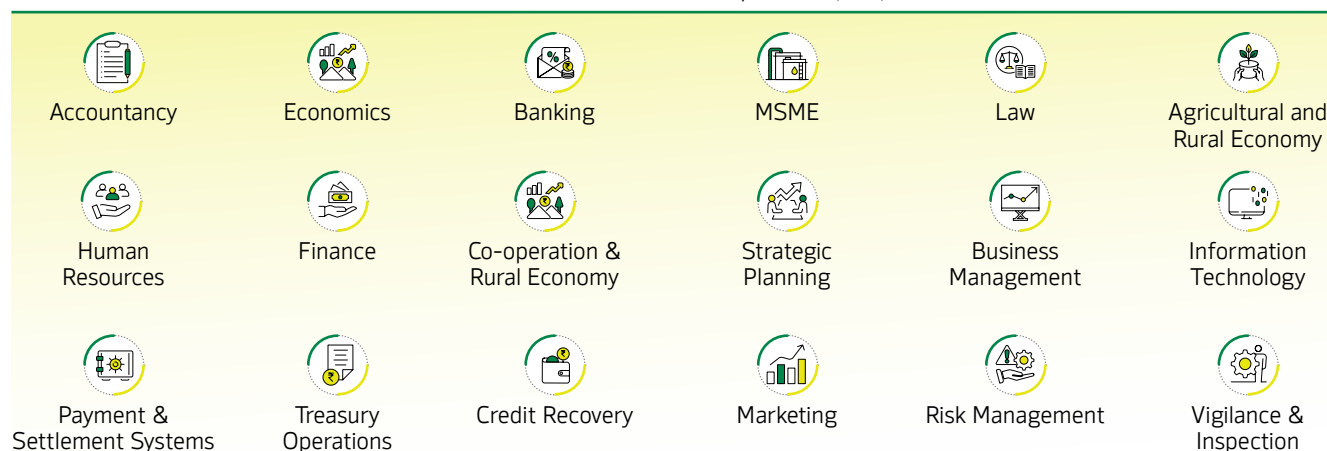
Policy on Board Diversity

Your Bank always acknowledges and values the significance of a diverse blend of knowledge, skill, experience and expertise within its Board to ensure effective governance. To this end, the Bank has established and implemented Board Diversity Policy, which addresses various elements of board composition, including skill sets and diversification, in line with the requirements of the Companies Act, 2013, SEBI LODR, the Banking Regulation Act, 1949 and other applicable regulatory and business requirements.

Diversity within the Board is promoted by considering multiple dimensions including but not limited to age, gender,

independence, skill set, educational and functional background, industry experience and so on. The Bank's Nomination and Remuneration Committee plays a pivotal role in ensuring that these aspects are appropriately factored into the selection and evaluation of the Board Members. It also takes into consideration any other aspect that may be necessary to consider from time to time as per the requirements of Banking environment.

In line with the relevant provisions of the Banking Regulation Act, 1949, SEBI LODR, the Companies Act, 2013 and relevant circulars issued by RBI from time to time, the Board of Directors shall possess the Core Skills/Practical Expertise/Special Knowledge/Competencies, viz.,



Any other field of expertise as deemed appropriate for the Bank's business from time to time

The details of core skills/expertise/competence and directorship in other companies possessed by the Board of Directors of the Bank as on the date of report:

Dr Meena Hemchandra – Non-Executive Independent (Part-time) Chairperson



Economics



Banking

Agricultural and
Rural Economy

Finance

Business
ManagementTreasury
OperationsPayment &
Settlement SystemsInformation
Technology

Cyber Security



Risk Management



Supervision



Business analytics

No. of Other Company Directorships 2

M/s. Triveni Engineering & Industries Limited – Independent Director

M/s. Unified Fintech Forum (a Section 8 Company) – Independent Director

**Committee membership(s)/
chairmanship(s)** inclusive of this Bank in
terms of Regulation 26 of SEBI LODR

1 – (as Chairperson)

B Ramesh Babu¹ – Managing Director and Chief Executive Officer



Accountancy



Banking

Human
ResourcesPayment &
Settlement SystemsStrategic
PlanningTreasury
Operations

No. of Other Company Directorships 1

Indian Institute of Banking and Finance - Director

**Committee membership(s)/
chairmanship(s)** inclusive of this Bank in
terms of Regulation 26 of SEBI LODR

1 – (as Member)

R Ramkumar – Non-Executive Non-Independent Director (Promoter Group)

Business
Management

Finance

Human
Resources

No. of Other Company Directorships 1

M/s. Harikrishna Green Power Private Limited – Director

**Committee membership(s)/
chairmanship(s)** inclusive of this Bank in
terms of Regulation 26 of SEBI LODR

2 – (as Member)

K G Mohan² – Non-Executive Independent Director

Business
Management

Cyber Security

Information
Technology

MSME

No. of Other Company Directorships Nil

**Committee membership(s)/
chairmanship(s)** inclusive of this Bank in
terms of Regulation 26 of SEBI LODR

2 – (as Member)

Dr Harshavardhan R – Non-Executive Independent Director



Strategic Planning



Risk Management



Business Management



Payment & Settlement Systems

No. of Other Company Directorships **2**

M/s. Transcorp International Limited – Independent Director

M/s. Shriram Asset Reconstruction Private Limited - Independent Director

Committee membership(s)/ chairmanship(s) inclusive of this Bank in terms of Regulation 26 of SEBI LODR

Nil

Murali Ramaswami – Non-Executive Independent Director



Banking



Credit



Finance



Accountancy



Marketing



Payment & Settlement Systems



Information Technology



Treasury Operations

No. of Other Company Directorships **1**

M/s. Can Fin Homes Limited - Independent Director

Committee membership(s)/ chairmanship(s) inclusive of this Bank in terms of Regulation 26 of SEBI LODR

1 – (as Chairman)

CA Dr Chinnasamy Ganesan³ – Non-Executive Independent Director



Accountancy



Finance



Information Technology



Cyber Security



Audit



Taxation

No. of Other Company Directorships **1**

M/s. Belstar Microfinance Limited – Independent Director

Committee membership(s)/ chairmanship(s) inclusive of this Bank in terms of Regulation 26 of SEBI LODR

2 – (as Chairman)

1 – (as Member)

R Vidhya Shankar⁴ – Non-Executive Independent Director



Law



Credit Recovery



Co-operation & Rural Economy



MSME

No. of Other Company Directorships **1**

M/s. Anugraha Valve Castings Limited

Committee membership(s)/ chairmanship(s) inclusive of this Bank in terms of Regulation 26 of SEBI LODR

2 – (as Chairman)

Srimathy Sridhar – Non-Executive Independent Director

Banking



Credit



Finance



Rural Economy



MSME

Human
Resources

Risk Management



Credit Recovery

Business
Management

Marketing

Payment &
Settlement SystemsVigilance &
InspectionTreasury
OperationsStrategic
Planning**No. of Other Company Directorships**

Nil

**Committee membership(s)/
chairmanship(s)** inclusive of this Bank in
terms of Regulation 26 of SEBI LODR

1 – (as Member)

B Sankar – Executive Director

Banking



Accountancy



Audit



Finance



Credit

Payment &
Settlement Systems

MSME

Information
Technology

Rural Economy



Credit Recovery



Marketing

Strategic
ManagementBusiness
ManagementHuman
Resources

Risk Management

No. of Other Company Directorships

Nil

**Committee membership(s)/
chairmanship(s)** inclusive of this Bank in
terms of Regulation 26 of SEBI LODR

1 – (as Member)

None of the Directors are member of more than ten Board level Committees and Chairman of more than five Committees across all listed and unlisted public limited Companies. For considering the limit of Membership and Chairpersonship in the listed and unlisted Public Limited Companies, Audit/ Stakeholder Committee, have been considered as per Regulation 26(1)(b) of SEBI LODR.

¹ Member of Managing Committee and Alternate Chairman of Corporate Credit Committee in Indian Banking Association (IBA).

² Managing Partner of ASIMA Consulting LLP and Partner with Social Venture Partner Philanthropy Foundation.

³ Partner in CNGSN & Associates LLP and R K C G & Associates LLP.

⁴ Executive Committee Member of the Planters Association of Tamil Nadu; in the Management Committee of Poomulli Neelakandan Namboothiripad Memorial Bharatheeya Sasthra Vidhya Peedham Trust, Hospital & College.

PROFILE OF BOARD OF DIRECTORS



Dr Meena Hemchandra

Non-Executive Independent
(Part-time) Chairperson

DIN: 05337181

Qualification:

M.A., (Economics), Ph.D.,(Economics), CFA (India), EDP on Advanced Risk Management - Wharton (USA), PG Online programme in Data Science and Business Analytics (University of Texas-Austin/ Great Lakes Institute Delhi), C.A.I.I.B.

Experience:

Career Central Banker with Four decades of Experience & Retired Executive Director of RBI

Sectorial Representation on the Board:

Economics, Banking, Agricultural and Rural Economy, Finance, Business Management, Treasury Operations, Payment & Settlement Systems, Information Technology, Cyber Security, Risk Management, supervision and Business analytics ("Majority Sector")

Date of Appointment: May 26, 2022

Tenure on Board: >3 Years

No of Shares held as on 31.03.2025: 2,500

Dr Meena Hemchandra is a Career Central Banker with Four decades of experience in various departments of Reserve Bank of India. She was Executive Director of Reserve Bank of India in-charge of Supervision of Banks, Non-Banking Finance Companies and Cooperative Banks from June 2015 till her superannuation in November 2017. Her earlier experience includes treasury management, having headed the Department of External Investment and Operations (a department that manages the country's forex reserves) between 2005 and 2011. She also has expertise in Strategic Planning and in foreign exchange regulations having worked in the Foreign Exchange Department at various points in her career. She has in-depth understanding of corporate governance and corporate balance sheets, having worked in departments relating to large corporate finance, supervision over banks and from her long board tenures. Her Board experience of over nine years includes Reserve Bank of India Nominee Directorship on the Boards of Union Bank of India, Canara Bank and ECGC. Further, she was an Independent Director on the Board of Clearing Corporation of India Limited.

She has strong skills in IT governance having established the 'Standing Committee on Cyber Security in Banks' in RBI and being its first Chairperson. She oversaw the framing of RBI guidelines on cyber security in June 2016.

She had also been the Principal of the Reserve Bank's College of Agricultural Banking organising training courses in Agriculture and Rural Credit, Co-operative Banking, Financial Inclusion, Financial Literacy, etc.

She advises on banking sector regulation, financial matters and cyber-security/IT governance in banks.

Dr Meena Hemchandra holds Bachelor of Arts (Economics) from Calcutta University; Master of Arts (Economics) from Madurai Kamaraj University; PhD in Economics from Gokhale Institute of Politics and Economics, Pune (Thesis-'An Early Warning Framework for Financial Stress'). Her executive education includes EDP on Advanced Risk Management from Wharton (USA), CFA (Chartered Financial Analyst) (India), CAIIB, Diploma in C++ Programming from CMC, and 1-year PG programme (online) in Data Science and Business Analytics (University of Texas-Austin/Great Lakes Institute-Delhi).

She was appointed as Non-Executive Independent (Part-time) Chairperson of the Bank for a period of three (3) years from the date of taking charge as approved by The Reserve Bank of India. She had taken charge on July 25, 2022. Further, she was re-appointed as Non-Executive Independent Director for the second term of five years (5) with effect from May 26, 2025, not liable to retire by rotation. The said re-appointment was approved by the shareholders of the Bank vide resolution dated May 17, 2025, through postal ballot. Further, pursuant to RBI letter dated May 09, 2025, she was re-appointed as Part-time Chairperson of the Bank for a period of three years with effect from July 25, 2025 to July 24, 2028.

Presently, she is an Independent Director on the Board of Triveni Engineering & Industries Limited and also having directorship in Unified Fintech Forum - Section 8 Company.


Shri B Ramesh Babu

Managing Director and
Chief Executive Officer

DIN: 06900325

Qualification:

M. Com., (with specialisation in Banking); C.A.I.I.B., Diploma in International Factoring by Factors Chain International, Netherlands

Experience:

An astute Banker with four decades of all-round experience

Sectorial Representation on the Board:

Accountancy, Banking, Human Resources, Payment & Settlement Systems, Strategic Planning and Treasury Operations ("Majority Sector")

Date of Appointment: July 29, 2020

Tenure on Board: ~5 years

No of Shares held as on 31.03.2025: 1,41,177

Shri B Ramesh Babu is a Strategic planner with comprehensive managerial acumen, offering varied experience in Banking and excelled in every assignment, creating high performance organisation through various successful HR initiatives and Relationship Management. He has deeper Analytical skills, Managing Crisis effectively, Strong abilities for goal setting, executing result oriented strategic initiatives even under high stress scenarios and tight timelines. He is a Postgraduate in Commerce from Andhra University, Waltair and a Certified Associate of the Indian Institute of Bankers. He has expertise in "International Factoring" with hands on experience in handling Payment and Settlement Systems and passed with Distinction "Diploma in International Factoring" conducted by Factors Chain International, Netherlands.

He was Ex-Deputy Managing Director & Chief Operating Officer in State Bank of India and has experience of developing and overseeing the Retail Business and Banking Operations for more than 21,000 retail branches and 1,20,000 other touch points of the Bank (ATMs/ Customer Service Points) successfully.

He has extensive experience in redressing painpoints in Customer Service-related areas and furthering Financial Inclusion by actively leveraging the services of Business Correspondents in SBI.

He was actively involved in Direction setting and Policy formulation by participating in various apex committees of State Bank of India. He has successfully headed the whole business and operations of 1,300 Branches of Chennai Circle of SBI (Branches in Tamil Nadu and Pondicherry) for three years with excellent understanding of business dynamics and man management. He has also vast experience as a Director on the Boards of five Associate Banks of SBI and Invitee on to the Boards of Non-Banking Subsidiaries. He is Member of Managing Committee and Alternate Chairman of Corporate Credit Committee in Indian Banking Association (IBA) and Director in Indian Institute of Banking and Finance (IIBF).

Shri B Ramesh Babu was re-appointed as Managing Director & CEO of the Bank, for the second term of three (3) years, with effect from July 29, 2023.


Shri R Ramkumar

Non-Executive
Non-Independent Director

DIN: 00275622

Qualification:

B.C.S., M.B.A (Human Resources)

Experience:

Having more than a decade of experience in Textile Business and also has a business interest in certain finance firms

Sectorial Representation on the Board:

Business Management, Finance and Human Resources ("Minority Sector")

Date of Appointment: June 25, 2018

Tenure on Board: >7 years

No of Shares held as on 31.03.2025: 22,37,284

Shri R Ramkumar hails from the promoter's family. He has Completed Bachelor of Arts in Corporate Secretaryship (B.C.S.) from Loyola College, Chennai and Master's in business administration (M.B.A.) in Human Resources. He has rich experience in the business of textiles and export of home textiles.

He has widely travelled overseas for his export business and also has a business interest in certain finance firms.

Presently, he is Director of M/s Harikrishna Green Power Private Limited.



Shri K G Mohan

Non-Executive
Independent Director
DIN: 08367265

Qualification:

B.Tech (Chemical Engineering) - IIT Madras, Post Graduate Diploma in Industrial Engineering

Experience:

More than four decades of corporate working experience with large multinationals as well as Independent Technology Professional post retirement

Sectorial Representation on the Board:

Business Management, Cyber Security, Information Technology and MSME ("Majority Sector")

Date of Appointment: February 01, 2020

Tenure on Board: >5 years

No of Shares held as on 31.03.2025: 2,500

Shri K G Mohan is a senior Information Technology professional with hands on experience in business management and transformation exercise, strategic deployment and cyber security framework using technology in various business processes to organisations. He mixes sharp business sense and experienced leadership skills with international operating experience in strategic IT Business value delivery.

He is an IIT Madras alumni with a PGDIE from NITIE. He held varied global IT leadership positions at FMCG giant Unilever for 27 years and subsequently at Healthcare leader Johnson & Johnson for 4 years.

At Unilever he held the positions of VP IT, VP IT & CIO for South Asia / Africa and Global VP IT for Networking and Telecommunication. At Johnson & Johnson, he was the VP IT and CIO for Asia Pacific, working out of Singapore.

He was a Member of Asia Pacific Business Board for Johnson & Johnson Medicals and a Member of Global IT Leadership Teams at Unilever and Johnson & Johnson. He has led several business

transformation exercises using technology, renegotiated global contracts, set up shared service facilities and developed global IT Teams across countries.

Currently, he is the Managing Partner of ASIMA Consulting LLP providing consulting inputs in the strategic deployment of technology to various organisations. He is also a Partner with Social Venture Partner Philanthropy Foundation and works for enhancing livelihood for the under privileged.

Expertise includes, Transforming business by leveraging appropriate technology, Developing IT Strategy and implementation roadmap, Conceiving and setting up shared business processes and technology capabilities, Partnering with CXOs to innovate business solutions, Evaluating IT capabilities for due diligence in M&As and Mentoring technology teams to enhance their impact.

He has experience in providing advisory to MSME registered entities in Information Technology space. As an IT consultant, he regularly deals with technology related issues in MSME sector.



Dr Harshavardhan R

Non-Executive
Independent Director
DIN: 01675460

Qualification:

B.E., (Mechanical Engineering), M.B.A., - IIM Kolkata, M.S. (Quantitative Finance), Ph.D., (Business Economics & Strategy)

Experience:

Around three decades of experience in Management Consultancy

Sectorial Representation on the Board:

Strategic Planning, Risk Management, Business Management and Payment & Settlement Systems ("Majority Sector")

Date of Appointment: July 30, 2020

Tenure on Board: ~5 years

No of Shares held as on 31.03.2025: 2,500

Dr Harshavardhan R is an independent business advisor. He was Senior Advisor to leading international management consulting firm Bain & Company and led its financial services practice in India.

He joined Bain in 2010 after spending over 14 years with other international consulting firms including the Boston Consulting Group and Arthur Andersen. He has also worked in the Banking

industry for about 2 years as an analyst and trader. He has worked primarily in the financial services - Banking - retail and corporate, private banking and wealth management, insurance, asset management and so on, where he has advised top management of companies in India, North America, Europe, Southeast Asia and Greater China, on issues of strategy, operations, organisation, risk management, etc. He has hands on experience in management consultancy and his key works include the areas of corporate finance, valuations, Banking/financial services operations viz; process re-engineering, cost rationalisation, Business management and Payment & Settlement Systems, Strategic Investors, etc., private equity and strategic investors, strategic investors, strategic due diligence, etc. He was Chairman of National Commodity Clearing Limited which is responsible for clearing and settlement services of all trades executed on the exchange and provide transparent risk management platform for the collective benefit of the agriecosystem.

He is actively involved in policy making related to financial services in India and was a member of the Banking Working

Group of the Financial Services Legislative Reforms Commission (FSLRC) set up by the Government of India as well as the Dr. P J Nayak Committee on Governance in Banking set up by the RBI. He chaired the committee appointed by the RBI in 2019 to review securitisation for housing finance. He has served on CII National Committees for Private Equity, Regulatory Affairs and Commodity Markets. He regularly contributes articles and is quoted frequently in business media on important sector issues.

He is a frequently invited speaker at conferences organised by Confederation of Indian Industries (CII), the Indian Banks Association (IBA), Indian Merchants Chambers, Reserve Bank of India (RBI), etc., as well as in business schools. He regularly contributes to articles in academic and business journals. He has a Bachelor's degree in Mechanical Engineering from VNIT Nagpur followed by an MBA from IIM Kolkata, and an MS in Quantitative Finance and PhD in Business Economics & Strategy from the Smith School of Business at the University of Maryland, USA.

Presently, he is a director in Transcorp International Limited and Shriram Asset Reconstruction Private Limited.



Shri Murali Ramaswami

Non-Executive
Independent Director
DIN: 08659944

Qualification:

B.Com., M.B.A., AICWA., C.A.I.I.B., DBF(ICFAI)

Experience:

Seasoned banker having wide experience for more than Three decades & Retired Executive Director of Bank of Baroda

Sectorial Representation on the Board:

Banking, Credit, Finance, Accountancy, Marketing, Payment & Settlement Systems, Information Technology and Treasury Operations ("Majority Sector")

Date of Appointment: June 14, 2022

Tenure on Board: >3 years

No of Shares held as on 31.03.2025: 2,600

Shri Murali Ramaswami is a seasoned banker having wide experience for more than Three decades. He started his career in 1984 and joined Vijaya Bank in 1989 and retired as an Executive Director in Bank of Baroda in 2020. He was involved in various facets of Banking sector essentially in Credit, Treasury, International Operations, Cash Management, Integration Management, Digital Banking and Information Technology Initiatives. He started his career in banking domain with Vijaya Bank, during the span of 30 years in Vijaya Bank, he rose to the position of Executive Director. In his career at Vijaya Bank, he held important positions in Credit, Operations and also as CFO of the bank. He has also worked as an Executive Director in Bank of Baroda during the year 2019-2020.

He served as a nominee director in M/s India Infra Debt Ltd and M/s BOB Capital Markets Ltd during his tenure in Bank of Baroda. He is well versed with all areas of Banking Sector. Presently, he is also an Independent Director in Can Fin Homes Limited.

Shri Murali Ramaswami is a B.Com graduate from Madras University, AICWA from the Institute of Cost & Works Accountants of India, DBF from the Institute of Chartered Financial Analysts of India, C.A.I.I.B from the Indian Institute of Bankers, MBA from University of Madras -Specialised in Corporate Finance, Foreign Trade & Market research.



CA Dr Chinnasamy Ganesan

Non-Executive
Independent Director

DIN: 07615862

Qualification:

B.Com., FCA., DISA (ICAI).

Experience:

More than three decades of experience in the area of audit

Sectorial Representation on the Board:

Accountancy, Finance, Information Technology, Cyber Security, Audit and Taxation ("Majority Sector")

Date of Appointment: April 25, 2023

Tenure on Board: >2 Years

No of Shares held as on 31.03.2025: 2,500

CA Dr Chinnasamy Ganesan is a Chartered Accountant having more than three decades of experience in the area of audit. He handled Indian and multi-national clients in automotive, auto ancillary, IT/ITES, BPOs, KPOs, telecom, industrial markets, consumer markets, pharma/healthcare, transport/logistics, shipping management, BSRE, oil and gas, plantation, banking, financial services and insurance sector. He handled many Indian and multi-national companies with respect to audits, advisory on international financial reporting, taxation, due diligence and other assurance services.

He has more than 25 years of extensive knowledge and experience in carrying out bank audit and training bank officials in financial reporting. He specialises in Financial Reporting (including Ind AS,

IFRS and US GAAP), Company law matters, audit and taxation and was conferred Honorary Doctorate ("honoris causa") in International Financial Reporting Standards for his extensive contribution to Ind AS and IFRS by a renowned foreign university.

He is an active resource person for Regional Training Institute of Comptroller and Auditor General of India, Staff Training College of Indian Bank, Indian Overseas Bank, Reserve Bank of India and several other banks. He was an Independent Director in board of directors of RailTel Corporation of India Limited, a Mini-Ratna Public sector undertaking under the Ministry of Railways.

Presently, he is an Independent Director in Belstar Microfinance Limited. He is also partner in CNGSN & Associates LLP and R K C G & Associates LLP.



Shri R Vidhya Shankar

Non-Executive
Independent Director

DIN: 00002498

Qualification:

B.Com., B.L.

Experience:

More than three decades of standing experience in Corporate/ General Civil Laws

Sectorial Representation on the Board:

Law, Credit Recovery, Co-operation & Rural Economy and MSME ("Majority Sector")

Date of Appointment: April 22, 2024

Tenure on Board: > 1 Year

No of Shares held as on 31.03.2025: 2,500

Shri R Vidhya Shankar holds a Bachelor of Commerce and Bachelor of Law degree from Bharathiyar University, Coimbatore. He is a Gold Medallist and holds the record for a very rare first class in Law at Bharathiyar University. He is the senior partner of M/s Ramani & Shankar, one of the oldest Law Firms in Western Tamil Nadu and much sought after lawyer in western Tamil Nadu for corporate litigations, transactions and opinions.

He specialises in Corporate Law, including in corporate transactions, corporate restructuring, schemes and arrangements,

corporate litigations, domestic and international arbitrations, capital market, FEMA compliances, cross-border transactions and general corporate advisory services.

He has more than 100 reported decisions in the field of corporate law to his credit and he is regular speaker at the seminars and workshops of Bar Association, Chambers of Commerce and professional Institutes.

Currently, he serves as Director in M/s. Anugraha Valve Castings Limited, Governing Council member of the Chamber of Commerce, Coimbatore, and Executive Committee Member of the Planters

Association of Tamil Nadu. Further, he is also in the Management Committee of Poomulli Neelakandan Namboothiripad Memorial Bharatheeya Sasthra Vidhya Peedham Trust, Hospital & College.



Smt Srimathy Sridhar

Non-Executive
Independent Director

DIN: 10627997

Qualification:

M.Com., M.B.A., (Banking & Finance), C.A.I.I.B.

Experience:

Veteran Banker with 38 + years of extensive experience in various facets of Banking Industry

Sectorial Representation on the Board:

Banking, Credit, Finance, Rural Economy, MSME, Human Resources, Risk Management, Credit Recovery, Business Management, Marketing, Payment & Settlement Systems, Vigilance & Inspection, Treasury Operations and Strategic Planning ("Majority Sector")

Date of Appointment: September 26, 2024

Tenure on Board: <1 Year

No of Shares held as on 31.03.2025: 2,500

Smt Srimathy Sridhar started her career as a probationary clerk at Andhra Bank in 1985 and moved to Canara Bank as Probationary Officer in 1986. Over a period of 34 years in Canara Bank, she rose to the level of Chief General Manager. She has exposure to various verticals in the Bank Viz; Branch operations across diverse locations from rural to metro, Retail & Corporate Credit, Mid & Large credits, Human Resources, Internal Control & Compliance, Risk Management, Treasury, Administrative offices etc. She has headed the Large Corporate Vertical at Head Office of the bank and a large circle of Canara Bank at Chennai.

On a Deputational assignment, she functioned as Chief Vigilance Officer of NABARD. During this tenure, she also handled additional

assignments as Chief Vigilance Officer of New India Assurance Company, State Bank of India and Bank of Baroda for varying periods.

She moved up to the position of Executive Director at Indian Overseas Bank in March 2021. She handled multiple critical portfolios like Corporate Credit, Retail Lending, Agricultural Credit and Financial inclusion, including SLBC functions, Treasury, Risk, Internal Control & Inspection, Digital Banking etc., Upon completion of her tenure as Executive Director in IOB, she demitted office in March 2024. She holds a postgraduate degree in Commerce, a Masters in Business Administration and is a Certified Associate of the Indian Institute of Banking & Finance (CAIIB).

She has been conferred with Alekh Foundation's W20 Women Achievers Award during 2023.



Shri B Sankar

Executive Director

DIN: 08846754

Qualification:

B.Com (Hons)., Master of Management Studies (Finance), C.A.I.I.B

Experience:

Tenured banker with over three and a half decades of experience

Sectorial Representation on the Board:

Banking, Accountancy, Auditing, Finance, Credit, Payment & Settlement Systems, MSME, Information Technology, Rural Economy, Credit Recovery, Marketing, Strategic Management, Business Management, Human Resources and Risk Management ("Majority Sector")

Date of Appointment: March 12, 2025

Tenure on Board: <1 Year

No of Shares held as on 31.03.2025: 22,700

Shri B Sankar is a tenured banker with over three and half decades of experience. Over the years, he has held various roles with progressive responsibilities at the State Bank of

India (SBI), contributing to its success and navigating through numerous challenges.

He was former Deputy Managing Director – Stressed Assets, managing NPA worth ~ ₹ 82,000 Crore in SBI. He was CGM of SME – Corporate Center SBI and tasked with reactivating the SBI's SME business. Further, he served as the Chief Operating Officer and managed operations for all 23,000 branches including customer service, ATMs (~65,200) and branch re-design, CRM etc. Exposure to Risk Management, Internal Audits, Board Experience, enhancing efficiency and operations by leveraging technology. In 2019, he served as Chief General Manager (CGM) of Chennai, overseeing the entire Tamil Nadu and Pondicherry regions with 1,391 branches. Managing deposits of over ₹ 1,80,000 Crore and advances of ₹ 1,22,000 Crore.

He holds a Bachelors degree in B.Com (Hons.) from Osmania University, postgraduate degree in Master of Management Studies (Finance) from Banaras Hindu University and is a Certified Associate of the Indian Institute of Banking & Finance (CAIIB).

The brief profile of the Directors of the Bank is also available on the website of the Bank at <https://www.kvb.co.in/about-us/board-of-directors/>

Also, in compliance with the Regulation 17(1A), none of the directors have attained the age of 75 years as on March 31, 2025, and none of the Director will be attaining the age of 75 years in the FY 2025-26.

AFFIRMATION BY INDEPENDENT DIRECTORS

Pursuant to section 149(7) read with 149(6) of the Companies Act, 2013 and regulation 25(8) read with regulation 16(1) (b) of the SEBI LODR, all Independent Directors of the Bank have submitted the declaration that they have met the criteria of Independence. Based on the declaration received from the Independent Directors, the Board of Directors have assessed and confirmed that they are independent of the management & fulfil the conditions specified in the Companies Act, 2013 and SEBI LODR.

In terms of the Companies (Creation and Maintenance of databank of Independent Directors) Rules, 2019 read with the Companies (Appointment and Qualification of Directors) Rules, 2014, with respect to enrolling their name in the online databank of independent directors and qualifying the online proficiency self-assessment test for independent directors, all Independent Directors of the Bank have enrolled their names in the online databank of Independent Directors maintained by the Indian Institute of Corporate Affairs.

Further, Dr Meena Hemchandra, Shri K G Mohan, Dr Harshavardhan R, CA Dr Chinnasamy Ganesan and Smt Srimathy Sridhar, Non-Executive Independent Directors of the Bank, have qualified the online proficiency self-assessment test for Independent Director's Databank. Furthermore, in accordance with the above said rules, Shri Murali Ramaswami and Shri R Vidhya Shankar, have claimed exemption for online proficiency self-assessment test.

Terms and Conditions for Appointment of Independent Directors

A formal letter of appointment is issued by the Bank to the newly appointed Director containing, inter alia, the terms and conditions

of his/her appointment. Independent Directors' tenure is fixed in terms of the provisions of the Companies Act, 2013 and Section 10A(2A)(i) of the Banking Regulation Act, 1949 and/or by the shareholders/ Board. Terms and Conditions for appointment of Independent Directors are available on the website of the Bank at <https://www.kvb.co.in/investor-corner/>

FAMILIARISATION PROGRAMMES

The familiarisation programmes intend to provide an introductory orientation to the newly inducted Directors to enable them to familiarise the functioning of the Bank to gain a clear understanding of their roles, rights and responsibilities for the purpose of contributing significantly towards the growth of the Bank.

Bank also nominates the Directors to attend relevant external training programs which are conducted by the Regulatory/ reputed Institutions. During the year, Directors had attended the programmes conducted by IDRBT, IIBF, CAFRAL, RBI, IICA.

During FY 2024-25, Independent Directors have attended 191 hours of familiarisation programs. Further, newly inducted Independent Directors were familiarised with policies and procedures of the Bank.

Familiarisation programmes include Program in Cyber Security, Program on Climate Change Risk & Sustainability for Board, ESG, Digital Public Infrastructure (DPI) & Emerging Technologies, etc.

Also, after obtaining feedback from the Director(s), trainings and sensitisation programs are conducted to enable them to keep track of market developments relating to banking industry, in areas such as risk management, technology, products, processes etc.

The details of such familiarisation programmes attended by the Directors are available on the website of the Bank at <https://www.kvb.co.in/docs/disclosure-on-familiarisation-programmes-for-board-of-directors.pdf>

RESIGNATION OF INDEPENDENT DIRECTOR

No Independent Directors resigned during FY 2024-25.

RELATIONSHIP BETWEEN DIRECTORS INTER-SE

None of the Directors of the Bank are related to each other.

DIRECTORS AND OFFICERS INSURANCE

Pursuant to the regulation 25(10) of SEBI LODR, the Bank had undertaken Directors and Officers insurance ('D & O insurance') for all its Directors, including Independent Directors.

BOARD PROCEDURE

The meeting of the Board and its Committee are scheduled well in advance and the information including date, time and place of the meetings are circulated to all Directors as per the Secretarial Standards. The Meetings of the Board and its Committees are governed by a structured agenda. The Board agenda and Memorandum/Notes thereof backed by comprehensive background information are sent to the Board of Directors in compliance with the provisions of the Companies Act, 2013, Secretarial Standards and SEBI LODR. The Memorandum/Notes contains all complete relevant information related to the requests of the Departments to facilitate open and substantive deliberations. The respective Department Heads of the Bank are special invitees to the Meeting to provide any explanations related to the Notes and seek feedback from the Board if any. On every Board Meeting, Board is briefly informed about recent activity, initiatives, key events, etc., in the Bank and Chairperson of the respective Committees of the Board also present a verbal

summary of key points discussed at the Committee Meetings. Further, video conferencing facility is also used effectively to facilitate participation of Directors, who are unable to attend the meetings in person, complying with the provisions of Companies Act, 2013 and SEBI LODR. The Board of Directors follows highest degree of business ethics, transparent practices, governance and cordial environment in the Board.

In case of exigency or urgency of matters, Board and its Committee also pass the resolutions by circulation. Data required by the Directors and clarifications, if any, are provided for informed decision making. Resolutions passed by circulation are noted in the next meeting as required under the Companies Act, 2013.

The Minutes of the Board and its Committees are circulated to all the Board and Committee members for their comments/confirmation within the timelines prescribed in accordance with the Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI).

Your Bank has established a standardised framework for post meeting follow-up procedure i.e., to follow up and report the directions and advisories issued by the Board/Board level committees till such directions and advisories are closed. An Action Taken Report (ATR) and Advisory status is being placed before the Board/Board Level Committee on regular intervals. This framework has been functioning effectively, ensuring a smooth and streamlined process.

Further, the Board has established procedures to periodically review compliance report pertaining to all laws applicable to the Bank as well as steps taken by the Bank to rectify instances of non-compliance, if any.

BOARD MEETINGS

During FY 2024-25, Thirteen (13) Board Meetings were held and the maximum time gap between any two meetings was not more than 120 days. The dates of the meetings are mentioned below:

22/04/2024	13/05/2024	22/05/2024	18/06/2024	18/07/2024	19/08/2024	26/09/2024
17/10/2024	28/11/2024	24/12/2024	20/01/2025	20/02/2025	27/03/2025	-

The details of attendance of each Director at the Board meetings held during the period from April 01, 2024 to March 31, 2025 are mentioned below along with Attendance details of last AGM of the Bank held through VC/OAVM:

Name of the Director	Attendance of last AGM (14.08.2024)	22/04/2024	13/05/2024	22/05/2024	18/06/2024	18/07/2024	19/08/2024	26/09/2024	17/10/2024	28/11/2024	24/12/2024	20/01/2025	20/02/2025	27/03/2025	% of Attendance	Attended / Conducted
Dr Meena Hemchandra	Yes														100	13/13
B Ramesh Babu	Yes														100	13/13
R Ramkumar	Yes														100	13/13
K G Mohan	Yes														100	13/13
Dr Harshavardhan R	Yes														100	13/13
Murali Ramaswami	Yes														100	13/13
CA Dr Chinnasamy Ganesan	Yes														100	13/13
R Vidhya Shankar ²	Yes	NA													100	12/12
J Natarajan ³	Yes	NA	NA												100	11/11
Srimathy Sridhar ⁴	NA	NA	NA	NA	NA	NA	NA	NA							100	6/6
B Sankar ⁵	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA		100	1/1
Dr K S Ravichandran ¹	NA				NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	100	3/3
% Attendance	100	100	100	100	100	100	100	100	100	100	100	100	100	100		

- Present NA - Not applicable

¹ Dr K S Ravichandran, Non-Executive Independent Director of the Bank, demitted office at the close of office hours on May 25, 2024, consequent to completion of his tenure.

² Shri R Vidhya Shankar was appointed as Non-Executive Independent Director of the Bank for a period of three years with effect from April 22, 2024.

³ Shri J Natarajan was appointed as Executive Director of the Bank on May 22, 2024 for a period of one year. Further, he demitted office at the close of office hours on May 21, 2025, consequent to completion of his tenure.

⁴ Smt Srimathy Sridhar, was appointed as Non-Executive Independent Director of the Bank, for a period of three years with effect from September 26, 2024.

⁵ Shri B Sankar was appointed as Executive Director of the Bank, for a period of three years with effect from March 12, 2025.

100% Board Attendance was recorded during the period under review.



BOARD COMMITTEES

COMMITTEES OF THE BOARD

Board level Committees are usually formed as per the relevant regulatory guidelines and business requirement in order to improve the board effectiveness and impart special attention in areas where more focus and specific deliberations are required. Committees facilitate efficient time management for the entire Board and allows thorough scrutiny and focused attention. Board of Directors perform their advisory and oversight function through well-structured, planned, and assigned committees to take advantage of the expertise of the Directors. The Board has delegated authority to various Board Committees to enable them to oversee certain specific responsibilities based on their terms of reference in line with the Companies Act, 2013, SEBI LODR, the Banking Regulation Act, 1949 and RBI guidelines issued from time to time.

Board Committees normally function independently from each other and are provided with sufficient authority and assigned responsibilities in assisting the entire Board. The duties and responsibilities of each Committee of the Board are specified in the charter. Each Committee is guided by its terms of reference, which defines the scope, powers and composition of the Committee. The Committees deliberate issues as per their terms of reference which are fixed in line with the statutory requirement and make recommendations to the Board as and when required. All the required decisions and recommendations of the Committees are placed before the Board for information or review or approval.

Board has constituted and functioned with 10 Committees as on date of this report, namely as under:

Committees of the Board



MANAGEMENT COMMITTEE OF THE BOARD

-  **Shri B Ramesh Babu**
-  Shri R Ramkumar
-  Dr Harshavardhan R
-  Shri Murali Ramaswami
-  Shri B Sankar



AUDIT COMMITTEE OF THE BOARD

-  **CA Dr Chinnasamy Ganesan**
-  Shri R Ramkumar
-  Shri K G Mohan
-  Smt Srimathy Sridhar



NOMINATION AND REMUNERATION COMMITTEE

-  **Shri K G Mohan**
-  Dr Meena Hemchandra
-  Shri Murali Ramaswami



CUSTOMER SERVICE AND STAKEHOLDERS RELATIONSHIP COMMITTEE

-  **Shri R Vidhya Shankar**
-  Shri B Ramesh Babu
-  Shri R Ramkumar
-  Shri K G Mohan
-  Shri B Sankar

 Chairperson

 Member

➤ RISK MANAGEMENT & ASSET LIABILITY MANAGEMENT COMMITTEE

-  **Dr Harshavardhan R**
-  Dr Meena Hemchandra
-  Shri B Ramesh Babu
-  Shri R Vidhya Shankar
-  Shri B Sankar

➤ NPA MANAGEMENT COMMITTEE

-  **Dr Meena Hemchandra**
-  Shri B Ramesh Babu
-  Shri R Vidhya Shankar
-  Smt Srimathy Sridhar
-  Shri B Sankar

➤ SPECIAL COMMITTEE OF THE BOARD FOR MONITORING AND FOLLOW-UP OF FRAUD CASES

-  **Shri Murali Ramaswami**
-  Shri B Ramesh Babu
-  Dr Harshavardhan R
-  CA Dr Chinnasamy Ganesan
-  Shri B Sankar

➤ IT STRATEGY & DIGITAL TRANSACTION MONITORING COMMITTEE

-  **Shri K G Mohan**
-  Dr Meena Hemchandra
-  Shri B Ramesh Babu
-  CA Dr Chinnasamy Ganesan
-  Shri B Sankar

➤ REVIEW COMMITTEE FOR WILFUL DEFAULTERS AND LARGE DEFAULTERS

-  **Shri B Ramesh Babu**
-  CA Dr Chinnasamy Ganesan
-  Shri R Vidhya Shankar
-  Smt Srimathy Sridhar

➤ CORPORATE SOCIAL RESPONSIBILITY & ENVIRONMENTAL, SOCIAL AND GOVERNANCE COMMITTEE

-  **Shri B Ramesh Babu**
-  Dr Meena Hemchandra
-  Dr Harshavardhan R
-  Shri Murali Ramaswami
-  Shri B Sankar

 Chairperson  Member

70% of the Board Committees are chaired by Independent Directors.

1. Management Committee of the Board (MCB)

Management Committee of the Board is a non-statutory Board level committee constituted to consider various business/credit related matters in line with credit policy of the Bank having material significance under superintendence of the Board. This committee aims to provide Board of Directors, qualitative time for focusing on strategic issues and brings about organisational effectiveness by helping the executives to perform their managerial functions efficiently. Committee acts within the powers delegated by the Board

in line with provisions of Section 179 of the Companies Act, 2013 and guidelines issued by RBI from time to time.

During FY 2024-25, Management Committee of the Board met twelve (12) times and the date of the meetings are mentioned below:

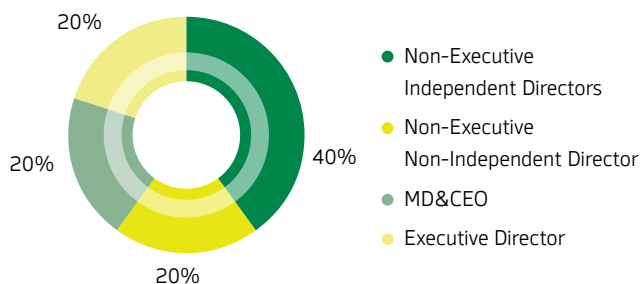
20/05/2024	21/06/2024	20/07/2024	17/08/2024
21/09/2024	15/10/2024	16/11/2024	13/12/2024
23/01/2025	21/02/2025	20/03/2025	28/03/2025

The details of attendance of each Director at the meetings held during the period from April 01, 2024 to March 31, 2025 are mentioned below:

Name of the Director <i>Sarvashri</i>	Category	No of Meetings during his tenure Attended / Conducted	% of Attendance
B Ramesh Babu MD & CEO	Chairman	12/12	100
R Ramkumar Non-Executive Non-Independent Director	Member	12/12	100
Dr Harshavardhan R Non-Executive Independent Director	Member	12/12	100
Murali Ramaswami Non-Executive Independent Director	Member	12/12	100
J Natarajan * Executive Director	Member	10/11	90.91

* Member of the Committee from 19.06.2024

Composition of Management Committee of the Board (MCB) as on March 31, 2025



The terms of reference of the Committee, inter-alia, include the following:

- Sanctioning of credit proposals (Fund based & Non-Fund based);
 - Proposals for approval, renewal, modifications in the sanction terms and conditions.
 - Review of Executive Director Committee.
 - Turnaround time in credit sanctioning/ efficiency levels in operations. (Sanctioning at any level whether fresh or for renewal or for modifications, relaxations and concessions, must be turned around in a maximum of 30 days from the date of receipt of application. Grace period could be 15 days to account of delays in getting further papers and explanations can be admitted.

Hence, every proposal that has not seen output or logical conclusion within 45 days must necessarily be reviewed by this Committee, so that enquiries can be made and take such actions as it may deem fit.)

- Approval, review of capital and revenue expenditure budget.
- Proposals relating to acquisition and hiring of premises including deviation of norms.
- Review on the performance of Verticals, Divisions, Branches and Business Arrangements.
- Review Major incidents, accidents that has monetary impact or reputation loss to the Bank.
- Approval of CSR expenditure and Donations under Section 181 of the Companies Act, 2013.
- Support business development initiatives viz:
 - Approval of Business tie-ups, new products and to enter new arrangements with companies.
 - Determining, implementing, reviewing of partnering agreements.
 - Providing direction to retail segment i.e. retail advances, retail deposits and insurance & investment, personal Banking.
 - Review of new initiatives of Insurance companies, AMCs of MF, Aggregators for online payments, Fintech companies under digital payments and retail loans, Joint lending (NBFCs), Payment banks and digital marketing agencies, etc.,
 - Review of business surveys results on Quantitative and Qualitative information.
 - Review of metrics and indicators for business development activities and provide direction.
- Review on the measures taken to maintain safe work environment, free from sexual harassment and discrimination of employees, POSH at Senior Management and below Senior Management levels.
- Human Resources aspects for below Senior Management cadre;
 - Review formulation and periodic amendments of HR Policies governing the Bank.
 - Review Manpower Planning, Skill Gaps, training and development efforts towards organisation success.
 - Review Compliance with Internal Processes, Regulators and Board Guidance.

10. Memorandum on Promotion of Officer and Workman cadre employees for the year.
11. Memorandum on regularisation of services of Chauffeur/ Temporary Driver in Subordinate staff cadre.
12. Variations of 10% or more in the parameters of Turn over, Net Profit, Tangible Networth, Current Ratio and Debt Equity Ratio while verifying the projections of borrower with actuals through Audited Financials.
13. Review of Program of finance against Assignment of receivables on Non-recourse Basis – Open Market Channel.
14. Comparison of estimations submitted by the Borrower(s) vis-à-vis the actual achievement in figures, for all the credit proposals submitted to the Board / Committee, in order to understand the actual performance of the Borrower.
15. Performance review of Recruitment of Virtual Relationship Manager (VRM).
16. Cross selling business from CIG customers, details of cross selling business obtained during the period, need analysis carried out etc., to the Committee.

2. Audit Committee of the Board (ACB)

Audit Committee of the Board (ACB) is one of the key statutory committees and constituted in accordance with the provisions of the Companies Act, 2013, SEBI LODR, the extant guidelines of RBI and its circulars from time to time.

ACB is chaired by an Independent Director. All the members are financially literate and have adequate knowledge in accounting and financial management. The Chairman of the ACB was present at the last Annual General Meeting.

During FY 2024-25, Audit Committee met Ten (10) times and not more than one hundred and twenty days lapsed between two consecutive meetings of the ACB. The date of the meetings are mentioned below:

04/04/2024	13/05/2024	27/06/2024	18/07/2024
05/08/2024	24/09/2024	17/10/2024	20/12/2024
20/01/2025	07/03/2025		

The details of attendance of each Director at the meetings held during the period from April 01, 2024 to March 31, 2025 are mentioned below:

Name of the Director <i>Sarvashri</i>	Category	No of Meetings during his/ her tenure Attended / Conducted	% of Attendance
CA Dr Chinnasamy Ganesan Non-Executive Independent Director	Chairman	10/10	100
R Ramkumar Non-Executive Non-Independent Director	Member	10/10	100
K G Mohan [^] Non-Executive Independent Director	Member	10/10	100
Srimathy Sridhar [§] Non-Executive Independent Director	Member	01/01	100
Murali Ramaswami* Non-Executive Independent Director	Member	05/05	100
R Vidhya Shankar # Non-Executive Independent Director	Member	04/04	100

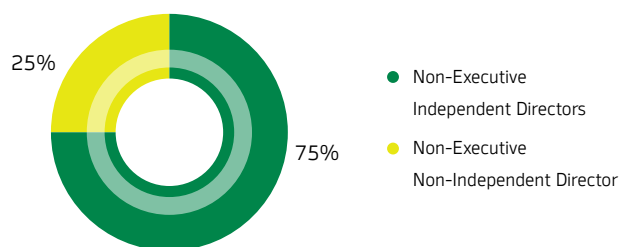
[^] Member of the Committee from 01.04.2024

[§] Member of the Committee from 21.01.2025

* Member of the Committee till 19.08.2024

Member of the Committee from 20.08.2024 till 20.01.2025

Composition of Audit Committee of the Board (ACB) as on March 31, 2025



The terms of reference of the Committee, inter-alia, the following:

1. Oversight of the Bank's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of Auditors of the Bank;

3. Approval of payment of fees to Statutory Auditors for any other services rendered by them;
4. Reviewing quarterly, half-yearly and annual financial statements with the management and Auditors Report thereon before submission to the Board for approval with specific reference to:
 - a) Matters required to be included in the Directors' Responsibility Statement which forms part of Board's report in terms of clause (c) of subsection 3 of Section 134 of the Companies Act, 2013;
 - b) Changes in accounting policies and practices, if any, and reasons for the same;
 - c) major accounting entries involving estimates based on the exercise of judgement by management;
 - d) Significant adjustments made in the financial statements arising out of audit findings;
 - e) Compliance with the Listing and other legal requirements relating to financial statements;
 - f) Disclosure of related party transactions;
 - g) modified opinion(s) in the draft Audit Report;
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. Reviewing the statement of application of funds raised through an issue (public, rights, preferential issue, etc.), the statement of funds utilised other than for those stated in the offer documents, report submitted by monitoring agency on the utilisation proceeds with the management and making appropriate recommendations to the Board to take steps in this regard;
7. Reviewing and monitoring the Statutory Auditor's independence, performance, and effectiveness of Audit process;
8. Approving or any subsequent modification of transactions with related parties;
9. Scrutiny the transactions pertaining to inter-corporate loans and investments, if any;
10. Valuation of undertakings or assets of the Bank, as and when required ;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing with the management, performance of statutory and Internal Auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of Internal Audit function, including the structure of the Internal Audit Department, staffing and seniority of the official heading the department, reporting structure coverage, frequency of Internal Audit;
14. Reviewing the findings of any internal investigations by the Internal Auditors into matters where suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
15. Discussions with Statutory Auditors before commencement of Audit, about the nature and scope of Audit as well as post-Audit discussion to ascertain any area of concern;
16. Reviewing repayment obligations of Bank, assess and review the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
17. Reviewing the Whistle-Blower Policy and Vigil Mechanism;
18. Approving the appointment of CFO (i.e., the person who is heading the finance function after assessing his qualifications, experience, background and etc.);
19. Reviewing Long Form Audit Report as prepared by Statutory Auditors;
20. Reviewing periodic inspection report submitted by RBI;
21. Reviewing of RBIA inspection reports on periodic basis;
22. Reviewing of Frauds on periodic basis;
23. Discussions and review with the internal audit and Concurrent Auditors, their reports/findings with an objective of reporting any significant/material findings to the Board;
24. Monitoring the adequacy of the internal control environment, adequacy of checks and balances including Management Information Systems (MIS) and the adequacy of Internal Audit function, its policies, its structure, coverage and frequency of Internal Audits;
25. Reviewing the compliance function periodically;
26. Reviewing the following information:
 - A. Management Discussion and Analysis of financial conditions and results of operations;
 - B. Statement of significant related party transactions submitted by the management, etc.,
 - C. Management letters / letters of internal control weaknesses issued by the statutory auditors;

D. The appointment, removal and terms of remuneration of the chief internal auditor;

E. Statement of deviations, annual statement of funds utilised for purposes other than those stated in the offer document/prospectus/ notice in case of fund raising activities;

27. Performing any other functions, duty as stipulated by the Companies Act, 2013, Reserve Bank of India, SEBI LODR, SEBI PIT Regulations and any other regulatory authority or under any applicable laws as prescribed from time to time.

3. Nomination and Remuneration Committee (NRC)

Pursuant to the provisions of the Companies Act, 2013, SEBI LODR and the extant guidelines of Reserve Bank of India, your Bank has constituted Board level Nomination & Remuneration Committee (NRC) which, inter alia, deals with the matters relating to appointments on the Board and Senior Management, performance appraisal and compensation related matters of the Bank.

NRC has formulated the criteria for determining qualifications, positive attributes and independence of a Director for the appointment/re-appointment of Directors in tune with the 'fit and proper' criteria as per Dr. Ganguly Committee Norms which stipulates age, qualification, experience, track record, integrity, etc., and various circulars instructions and guidelines issued by Reserve Bank of India from time to time.

NRC is also reviewing and assessing the composition mix and performance of the Board as well as identifying appropriately qualified persons to confirm Board Diversity.

Chairman of the NRC was present at the last Annual General Meeting.

During FY 2024-25, Nomination and Remuneration Committee met Ten (10) times and the date of the meetings are mentioned below:

22/04/2024	06/05/2024	18/05/2024	08/07/2024
19/08/2024	16/10/2024	28/11/2024	17/01/2025
20/02/2025	27/03/2025		

The details of attendance of each Director at the meetings held during the period from April 01, 2024 to March 31, 2025 are mentioned below:

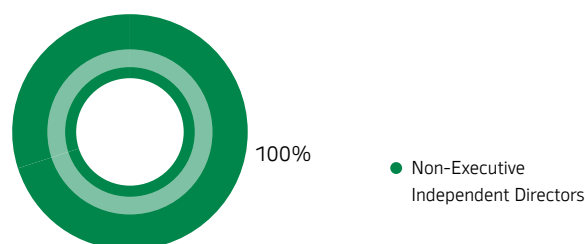
Name of the Director <i>Sarvashri</i>	Category	No of Meetings during his/her tenure Attended / Conducted	% of Attendance
K G Mohan [§] Non-Executive Independent Director	Chairman	10/10	100
Dr Meena Hemchandra Non-Executive Independent (Part-time) Chairperson	Member	10/10	100
Murali Ramaswami [#] Non-Executive Independent Director	Member	07/07	100
Dr K S Ravichandran [*] Non-Executive Independent Director	Chairman	03/03	100

[§] Member of the Committee till 25.05.2024 & appointed as Chairman of the Committee from 26.05.2024

[#] Member of the Committee from 26.05.2024

^{*} Chairman of the Committee till 25.05.2024

Composition of Nomination and Remuneration Committee (NRC) as on March 31, 2025



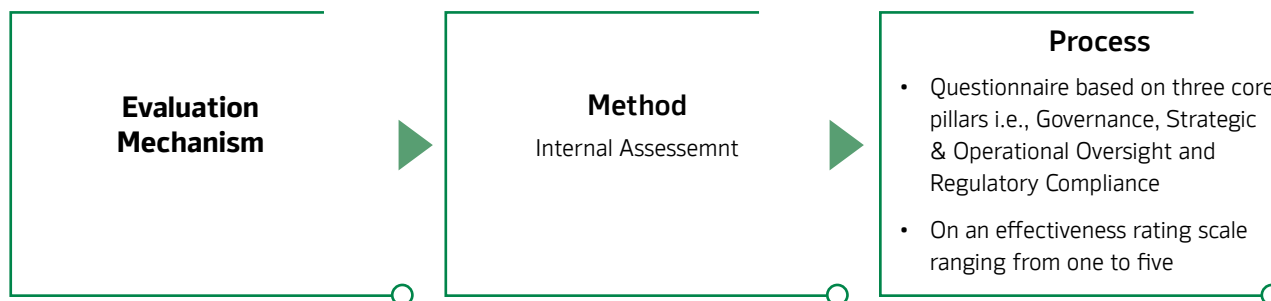
The terms of reference of the Committee, inter-alia, include the following:

1. Formulate criteria for determining qualifications, positive attributes and independence of a director, in terms of fit and proper criteria issued by the RBI from time to time.
2. Devise/review a Policy on Appointment and Succession Planning for Directors.
3. Devise/review a policy on Board Diversity.

4. Formulate/review criteria for evaluation of performance of Chairman, Independent Directors, Board of Directors, Committees of Board.
5. Recommend persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board of directors their appointment and removal.
6. Frame/review Compensation Policy towards ensuring effective alignment between remuneration and risk. Directors and Senior Management Personnel shall be part of the Compensation Policy.
7. Formulate the criteria for variable pay and fix the thresholds for applying malus & clawback on the grant of variable pay payable to MD & CEO/ WTD.
8. Review and recommend to the board, all remuneration, in whatever form, payable to Directors & senior management.
9. Consider grant of stock options to employees, administer and supervise the Employee Stock Option Plans in conformity with statutory provisions and guidelines.
10. Provide inputs, if required, to Board for making disclosures regarding policies, appointments, remuneration etc. of Directors and Senior Management personnel in the Annual Reports/ Directors Reports/Financial Statements etc. as may be required by the regulations from time to time.
11. Perform any other functions or duties as stipulated by the Companies Act, RBI, SEBI, Stock Exchanges and any other regulatory authority or under any applicable laws as may be prescribed from time to time.

Evaluation of Board's Performance

Particulars	Category	Disclosures
Evaluation of	Board as a whole	Evaluation on Individual Directors without the Director being evaluated, Chairperson, MD & CEO/ ED, Board as a whole & its committees are carried out as per statutory guidelines based on questionnaire.
	Board Committees	
	Chairperson	
	Managing Director & CEO / Executive Director(s)	
	Non – Executive Directors including Independent Directors	



Evaluation Criteria

Based on the observations made by the Board on the evaluation process, Nomination and Remuneration Committee had revamped the criteria, in accordance with the relevant provisions of the Companies Act, 2013, SEBI LODR and as per the Guidance Note on Board Evaluation issued by SEBI for, evaluation of Board as whole, Committees of the Board, Chairperson, Managing Director & CEO / Executive Director, Non – Executive Directors including Independent Directors by engaging an external agency.

Category	Criteria
Board as a Whole	Criteria, inter-alia, includes such as composition, structure, independence, frequency of the meeting, defined roles and responsibilities, effectiveness of board processes, familiarisation & training programs, information and functioning, management relations, strategy, risk management, integrity, sustainability, inputs from the directors, ethical business culture, stakeholder-inclusive approach etc.,
Board's Committee	Criteria, inter-alia, includes such as composition, effectiveness, periodicity of meetings, function and duties, management relations, committee meetings and procedures, inputs on the minutes of committee meeting and chairperson of the respective committee, Independence of the Committee, effective recommendation to Board, cohesiveness in overall working etc.,
Chairperson	Criteria, inter-alia, includes such personal attributes, leadership qualities, ability to synthesise discussion, management of balance between stakeholders, maintenance of good working relationship and communication within the Board and among senior management, promoting sense of participation among the members and implementing best Corporate Governance practices, etc.,

Category	Criteria
Managing Director & CEO / Executive Director(s)	Criteria, inter-alia, includes such as leadership, strategy formulation & execution, developing and executing business plans, operational plans, risk management and maintaining collaborative working relationships with Board members and harmonious relationship with stakeholders, effective organisation structure, foster innovation in process, technology and products, effective and timely decision making, maintain ethical, transparent and compliance culture etc.,
Non – Executive Directors including Independent Directors	Criteria, inter-alia, includes such as act in good faith, active participation, independent views & judgement, knowledge, expertise, skill updation, competence, candour in expressing views, quality of information to Directors etc.,

The Board of Directors in their meeting held on April 30, 2025 have carried out the annual evaluation on the performance of Board, its Committees, Chairperson, Managing Director & CEO/Executive Director and Independent Directors. Further Independent Directors in their Separate Meeting have carried out evaluation of Board as a whole and Non-Executive Non-Independent Director. The evaluation process was initiated by putting in place, a revamped structured questionnaire after taking into consideration of the inputs received from the Directors and external agency.

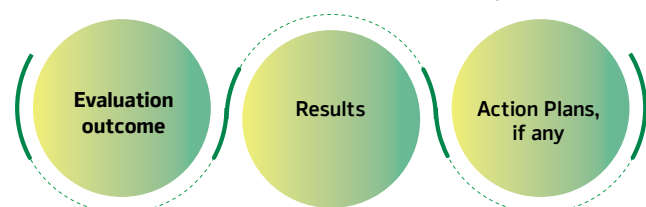
Board acknowledges that Independent Directors are having diversified expertise with competence and integrity and who express their opinions freely as well as exercise their own judgements.

The disclosure in terms of SEBI Circular No. SEBI/HO/CFD/CMD/ CIR/P/2018/79 dated May 10, 2018, on board evaluation, is detailed as under:

a) Observations of Board evaluation carried out for the year:

- To strengthen the talent pipeline, leadership development – develop comprehensive compensation policy considering mix of IBA and CTC models in the bank and sharpen training & development process.
- Review aspects pertaining to IT project management especially for the critical projects.
- Improvements in certain aspects of Board process.

b) Previous year's observations and actions taken: Previous year's observations were to arrange in-house training programs for Directors on recent trends in Environmental, Social & Governance (ESG) aspects, Suggested improvements in presentation aspects of the verticals/ Departments to the Board and Suggested to explore improvements in the methodology and parameters considered for the Performance evaluation process



Actions taken: In line with the above, familiarisation program was conducted on ESG aspects, the improvements in presentation aspects have been carried out and for Board evaluation the Bank has engaged an external agency to revamp the Board evaluation criteria and board evaluation was conducted in alignment with the enhanced framework.

c) Proposed action based on current year observations:

All the observations made by the Board during performance evaluation process have been conveyed to the concerned stakeholders, for appropriate action. The status of compliance with the said observations will be reviewed by the Board.

4. Customer Service and Stakeholders Relationship Committee (CS & SRC)

The Reserve Bank of India vide its circular on July 01, 2015 has suggested Banks to constitute a Customer Service Committee of the Board in compliance with the recommendations of Committee on Procedures and Performance Audit on Public Service (CPPAPS) and to include experts and representatives of customers as invitees to enable the Bank to formulate policies and assess the compliance thereof internally with a view to strengthening the Corporate Governance structure and bring about on-going improvements in the quality of customer service provided by the Banks, thereby improving the level of customer satisfaction for all categories of clientele consistently. The Committee is entrusted with the responsibility of monitoring the quality of services rendered to the customers and also ensuring the implementation of directives received from RBI in this regard.

Further, in terms of RBI Circular DBOD.No.CID. BC.127/20.16. 056/2013-14 dated June 27, 2014 Bank shall have a structured process of complaints redressal by constituting a Consumer Protection Committee under Board with respect to Credit Information Report submitted by the Bank and pursuant to provisions of Section 178 of the Companies Act, 2013, a company which consists of more than one thousand shareholders, debenture-holders, deposit holders and any other security holders at any time during a financial year shall constitute a Stakeholders Relationship Committee and the SEBI LODR requires that, the Committee so constituted has to consider and resolve the grievances of investors.

In line with the above regulatory provisions, Bank has constituted a Customer Service and Stakeholders' Relationship Committee ("CS&SRC"). The Committee is chaired by a Non-Executive Independent Director and the Chairman of the CS&SRC was present at the last Annual General Meeting.

During FY 2024-25, the Committee met two (2) times and the date of the meetings are mentioned below:

29/08/2024	25/03/2025

The details of attendance of each Director at the meetings held during the period from April 01, 2024 to March 31, 2025 are mentioned below:

Name of the Director <i>Sarvashri</i>	Category	No of Meetings during his/ her tenure Attended / Conducted	% of Attendance
R Vidhya Shankar * Non-Executive Independent Director	Chairman	2/2	100
B Ramesh Babu MD & CEO	Member	2/2	100
R Ramkumar Non-Executive Non-Independent Director	Member	2/2	100
K G Mohan Non-Executive Independent Director	Member	2/2	100
J Natarajan # Executive Director	Member	2/2	100
Dr Meena Hemchandra § Non-Executive Independent (Part-time) Chairperson	Chairperson	0/0	NA

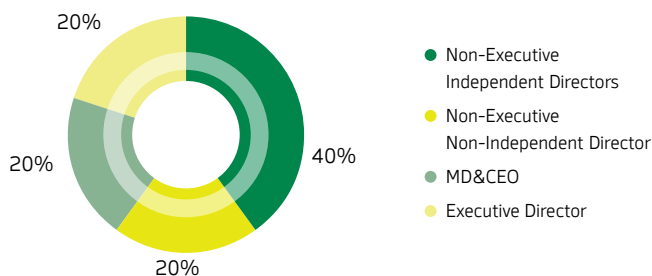
* Member and Chairman of the Committee from 20.08.2024

Member of the Committee from 19.06.2024

§ Chairperson of the committee till 19.08.2024 and no meeting has been scheduled during her tenure.

Shri Srinivasarao Maddirala, Company Secretary and Deputy General Manager, is the Compliance Officer in terms of Regulation 6 of the SEBI LODR.

Composition of Customer Service and Stakeholders Relationship Committee (CS & SRC) as on March 31, 2025



The terms of reference of the Committee, inter-alia, include the following:

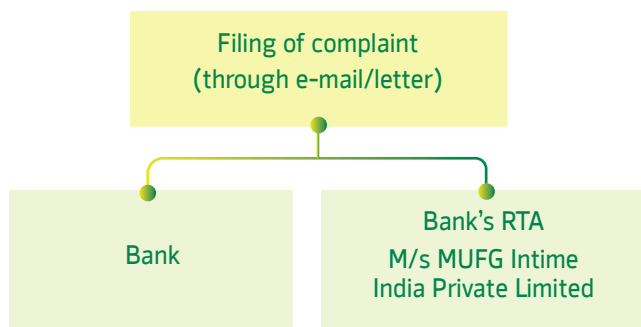
- Formulating comprehensive Deposit Policy, incorporating the issues such as the treatment of death of a depositor (for operations of his account), the product approval process, annual survey of depositor satisfaction and the triennial audit of such services;
- The Committee shall also examine any other issues which have a bearing on the quality of customer service rendered by the Bank;
- Review the actions taken/being taken by the Bank to standardise the delivery of customer service;
- Review the results of the surveys conducted that provide quantitative and qualitative feedback from customers' experience of the service rendered by the bank;
- Review the updation, alteration of credit information, resolution of disputes, process of complaint redressal, with respect to Credit Information Report submitted in terms of RBI Circular DBOD.No.CID.BC.127/20.16.056/2013-14 dated June 27, 2014.
- Further, with a view to enhancing the effectiveness of the Customer Service Committee, banks should also:
 - Place all the awards given by the Banking Ombudsman before the Customer Service Committee to enable them to address issues of systemic deficiencies existing in banks, if any, brought out by the awards;
 - Place all the awards remaining unimplemented for more than three months with the reasons therefor before the Customer Service Committee to enable the Customer Service Committee to report to the Board such delays in implementation without valid reasons and for initiating necessary remedial action; and
- In terms of Master Circular issued by RBI on Internal Ombudsman for Regulated entities Directions, 2023 requires :
 - The Internal Ombudsman to furnish periodic reports (including the analysis of complaints) on his/her activities to the CS & SRC Committee of the Board which is handling customer service and protection, preferably at quarterly intervals, but not less than half yearly intervals.
 - To put in place a system for discussion of cases, in which the decision of the Internal Ombudsman has been rejected by the regulated entity, by the Customer Service Committee/Consumer Protection Committee of the Board of the regulated entity.

8. Review and monitor the mechanism to redress the complaints received from security holders such as shareholders, bond holders and any other stake holders with specific reference to non-receipt of dividend, non-receipt of interest on bonds, annual report/statutory notice by the shareholders of the Bank, transfer or transmission of shares, issue of duplicate share certificate, splitting or consolidation, dematerialisation, rematerialisation, transmission of securities etc. The Bank shall seek confirmation in this regard from share transfer agents and verify adequacy and timeliness of complaint redressal received through these agents or through SCORES etc.
9. Review the adherence to the service standards adopted by the Bank in respect of various services being rendered by the Registrar & Share Transfer Agent to its shareholders;
10. Review of measures taken for effective exercise of voting rights by the shareholders and recommend measures for overall improvement in the quality of investor services.
11. Review various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants along with compliances with respect to IEPF etc.
12. Review the policies related to Committee and recommend to the Board for approval.
13. Review and review such other matters, as the Committee may deem fit, from time to time.

Complaints Redressal Systems

Your Bank has ensured well-defined process for facilitating the redress of investor grievances and offers multiple avenues for investors to file their complaints.

Filing of complaint



The complaints will be resolved within 21 days, if any complaint was not redressed within the prescribed timelines the investors may escalate the same as detailed below:

SEBI Complaints Redress System (SCORES)

SEBI has formed a centralised web-based complaints redress system SEBI Complaints Redress System ("SCORES") during 2011, wherein complaints lodged by investors are forwarded to the listed entity through online. The purpose of SCORES is to provide a platform for aggrieved investors, whose grievances, pertaining to securities market, which remain unresolved by the concerned listed company or registered intermediary after a direct approach. The listed companies and SEBI registered intermediaries shall update the Action Taken Reports ("ATR") along with supporting documents, if any, electronically in SCORES. This acts as an oversight mechanism on the company's redressal system and does not allow them to shrug off their responsibilities towards investors grievances.

SEBI Online Dispute Resolution (ODR) Portal

SEBI has issued a Circular SEBI/HO/OIAE/OIAE_IAD-3/P/ CIR/2023/195 Updated as on December 20, 2023, to streamline the existing dispute resolution mechanism in the Indian securities market by establishing a common Online Dispute Resolution Portal viz <https://smartodr.in/login>. In case the member is not satisfied with the resolution provided at Level 1 i.e., Directly writing to Bank/RTA and Level 2 i.e., SEBI SCORES portal, then the online dispute resolution process can be initiated through the SMART ODR portal.

The details of each complaints (category wise) received and redressed are furnished to the Customer Service & Stakeholders Relationship Committee of the Board on half-yearly basis.

Details of investor complaints received and resolved during financial year 2024-25:

Opening as on April 01, 2024	Received during the year	Resolved during the year	Closing as on March 31, 2025
-	4	4	-

The majority of the complaints received during the period under review pertaining to dividend related aspects.

All the complaints were redressed within the prescribed time line and the communication of the same was duly forwarded to the shareholders.

5. Risk Management and Asset Liability Management Committee (RM & ALM)

Pursuant to the guidelines of RBI on Risk Management Systems and SEBI LODR, your Bank has formed Risk Management and Asset Liability Management Committee (RM & ALM). The Committee, which, inter alia, review the Bank's risk management framework and ensure effective implementation of the risk management strategies in the

Bank. In compliance with RBI circular guidelines, the Risk Management Department of the Bank is headed by the Chief Risk Officer. The Committee is headed by a Non-Executive Independent Director.

During FY 2024-25, the Committee met six (6) times and the date of the meetings are mentioned below:

10/05/2024	12/06/2024	31/08/2024
09/10/2024	04/12/2024	17/02/2025

The details of attendance of each Director at the meetings held during the period from April 01, 2024 to March 31, 2025 are mentioned below:

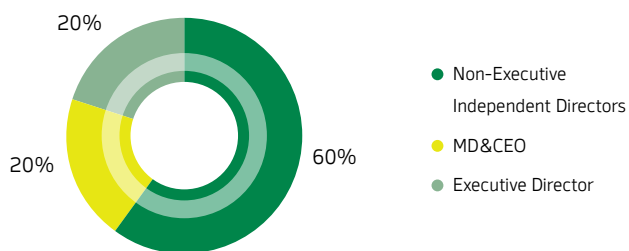
Name of the Director <i>Sarvashri</i>	Category	No of Meetings during his/her tenure Attended / Conducted	% of Attendance
Dr Harshavardhan R Non-Executive Independent Director	Chairman	6/6	100
Dr Meena Hemchandra Non-Executive Independent (Part-time) Chairperson	Member	6/6	100
B Ramesh Babu MD & CEO	Member	6/6	100
J Natarajan # Executive Director	Member	4/4	100
R Vidhya Shankar * Non-Executive Independent Director	Member	4/4	100
R Ramkumar® Non-Executive Non-Independent Director	Member	2/2	100

Member of the committee from 19.06.2024

* Member of the committee from 20.08.2024

® Member of the Committee till 19.08.2024

Composition of Risk Management and Asset Liability Management Committee (RM & ALM) as on March 31, 2025



The terms of reference of the Committee, inter-alia, include the following:

1. Assess the risk universe of the Bank and identify prioritise actions steps to address the risk faced by the Bank.
2. Approve the development and implementation of risk assessment methodologies, frameworks, tools and reporting formats.
3. Identifying and regularly reporting on Key Risk indicators.
4. Facilitating and defining the definition of Risk Appetite of the Bank.
5. Monitor and oversee the implementation of the Risk Management Framework in the Bank.
6. Recommend suitable controls/mitigations for managing different risks;
7. Conduct review of stress testing and report the result.
8. Review of the Risk Management Policies related to IT related risks including cybersecurity risk in consultation with ITS & DTM Committee.
9. Review of IT/cyber security Risk assessment on quarterly basis
10. Review the methodologies, framework and tools for asset liability management of the Bank and report on their performance on regular basis.
11. Advise the Board on all risk matters;
12. Consider any major regulatory issues that may have a bearing on the risk profile and risk appetite of the Bank.
13. Formulate a detailed risk management policy which shall include:
 - A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
 - Measures for risk mitigation including systems and processes for internal control of identified risks.
 - Business continuity plan.
14. Approve the strategy and policies of the Bank, to ensure well integrated enterprise risk management in the Bank; and to periodically review the risk management policy, by considering the changing industry dynamics and evolving complexity;
15. Exercise oversight over the risk management function of the Bank;

16. Review regular risk management reports from management which enable the Committee to assess the risks involved in the Bank's business and how they are controlled and monitored and to give clear focus to current and forward-looking aspects of risk exposure;
17. Provide guidance and inputs to the Board and the Management on the hiring and reporting structure of the Chief Risk Officer of the Bank; The appointment, removal and terms of remuneration of the Chief Risk Officer, shall be subject to review by the Risk Management Committee; and
18. Meet CRO on one-to-one basis, without the presence of the MD & CEO, at least on a quarterly basis, as CRO reports to the MD & CEO.
19. Review the Policies related to the committee and recommend to the Board for approval.
20. Review of effectiveness of the framework of EWS and status of Red Flagged Accounts on quarterly basis. The review should cover status of red flagged accounts, including the EWS alerts/triggers, remedial actions initiated by the bank, etc.
21. Approve EWS indicators identified for monitoring credit facilities/loan accounts and other banking transactions and to prescribe the TAT for examination of EWS alerts/triggers.
22. Review of Model Risk Management framework including the inputs or assumptions used in the credit risk models. Review of outcomes of the Validation and suggest corrective measures if any.
23. Review of exposure to Central Counterparties (CCPs), including exposures arising from trading through a CCP and exposures arising from CCP membership obligations such as default fund contributions on quarterly basis.
24. In terms of SEBI LODR, the Committee shall have powers to seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary.
25. Any other functions as may be stipulated by SEBI, Ministry of Corporate Affairs, RBI, Stock Exchanges and any other statutory authorities from time to time.

6. NPA Management Committee

Your Bank has constituted NPA Management Committee to monitor stressed assets, review the recovery process, study quick mortality assets & review NPA Accounts and suits filed with NCLT. In order to bring down the level of NPAs, Bank takes appropriate legal actions against the

borrowers to realise the assets and recovery of dues from them. The Committee is vested with powers for approving settlement proposals in respect of NPAs and to initiate legal actions against the borrowers as per the Recovery Policy of the Bank. The Committee is headed by a Non-Executive Independent Director.

During FY 2024-25, the Committee met five (5) times and the date of the meetings are mentioned below:

30/05/2024	12/06/2024	30/08/2024
04/12/2024	18/02/2025	

The details of attendance of each Director at the meetings held during the period from April 01, 2024 to March 31, 2025 are mentioned below:

Name of the Director Sarvashri	Category	No of Meetings during his/ her tenure Attended / Conducted	% of Attendance
Dr Meena Hemchandra [#] Non-Executive Independent (Part-time) Chairperson	Chairperson	5/5	100
B Ramesh Babu MD & CEO	Member	5/5	100
R Vidhya Shankar [*] Non-Executive Independent Director	Member	5/5	100
J Natarajan [@] Executive Director	Member	2/3	66.67
Srimathy Sridhar [§] Non-Executive Independent Director	Member	1/1	100
CA Dr Chinnasamy Ganesan [^] Non-Executive Independent Director	Member	4/4	100
Dr K S Ravichandran ^{&} Non-Executive Independent Director	Chairman	0/0	NA

[#] Member of the Committee till 25.05.2024 & Chairperson of the Committee w.e.f. 26.05.2024

^{*} Member of the Committee from 26.05.2024

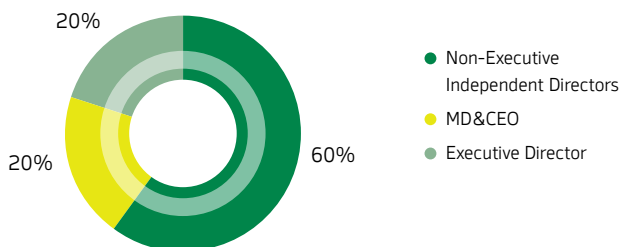
[@] Member of the Committee from 19.06.2024

[^] Member of the Committee till 20.01.2025

[§] Member of the Committee from 21.01.2025

[&] Chairman of the committee till 25.05.2024 and no meeting has been scheduled during his tenure.

Composition of NPA Management Committee as on March 31, 2025



The terms of reference of the Committee, inter-alia, include the following:

1. Periodical review of the large corporate loans and advances appearing in SMA lists
2. Periodical review of Non-performing Assets of large value (₹ 2.5 Crore and above) and also a pool of NPAs in various categories (substandard, doubtful and loss)
3. Review the position of stressed assets (SMA 1, SMA 2) position in the Bank
4. Review the progress of recovery and monitor the process of recovery mechanism of the Bank.
5. Review the status of SARFAESI compliance for every six months.
6. Review the trends of NPAs in the industry and direct the recovery measures
7. Review the suits filed cases of large value (₹ 2.5 Crore and above)
8. Review the status on technical write off accounts.
9. Review the Policies related to the committee and recommend to the Board for approval.
10. Any other relevant matters identified from time to time, or advised by the board
11. Review Quick Mortality NPA and Fraud reported accounts.
12. Monitor mechanism of the advances below and above ₹ 3 Crore.

7. Special Committee of the Board for Monitoring and Follow-up of Fraud Cases

Reserve Bank of India vide its circular No. DBS.CO.CFMC. BC.No.1/23.04.001/2016-17 dated July 01, 2016 (updated on July 03, 2017) titled "Master Directions on Frauds - Classification and Reporting by Commercial Banks and selected FIs" advised to constitute a Special committee of the Board which shall have the objective to oversee investigation of frauds, conduct root cause analysis, review actions taken by the Bank against the perpetrators of such frauds and suggesting / reviewing corrective steps

to plug systemic loopholes, if any. Further, name of the Committee has been rechristened as "Special Committee for Fraud Monitoring and followup of Fraud Cases" based on the RBI Master Direction No. RBI/DOS/2024-25/118 DOS.CO.FMG.SEC.No.5/23.04.001/2024-25 dated July 15, 2024.

In compliance with the RBI Master Direction, SCBMF will review all the frauds irrespective of the amount involved. However, SCBMF reviews frauds involving amount of ₹ 3 Crore and above at the earliest basis but not more than 90 days delay. The periodicity of SCBMF may be decided according to the number of cases involved. In addition, SCBMF should meet and review as and when a fraud involving an amount of ₹ 3 Crore and above comes to light. This Committee is headed by an Independent Director.

During FY 2024-25, the Committee met three (3) times and the date of the meetings are mentioned below:

04/05/2024	09/10/2024	17/02/2025

The details of attendance of each Director at the meetings held during the period from April 01, 2024 to March 31, 2025 are mentioned below:

Name of the Director <i>Sarvashri</i>	Category	No of Meetings during his/her tenure Attended / Conducted	% of Attendance
Murali Ramaswami*	Chairman	3/3	100
Non-Executive Independent Director			
B Ramesh Babu ⁵	Member	3/3	100
MD & CEO			
CA Dr Chinnasamy Ganesan	Member	3/3	100
Non-Executive Independent Director			
J Natarajan &	Member	1/2	50
Executive Director			
R Harshavardhan ^	Member	2/2	100
Non-Executive Independent Director			
R Ramkumar [#]	Member	1/1	100
Non-Executive Non-Independent Director			
K G Mohan [@]	Member	1/1	100
Non-Executive Independent Director			

* Member of the committee till 18.06.2024 and designated as Chairman of the Committee from 20.08.2024.

⁵ Chairman of the Committee till 19.08.2024 and Member of the Committee from 20.08.2024

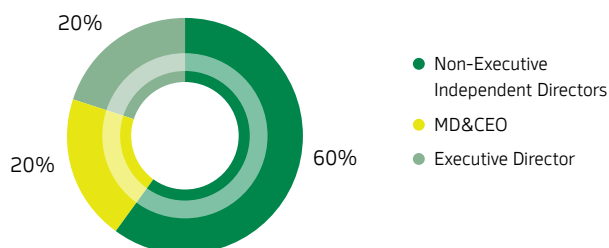
[&] Member of the Committee from 19.06.2024

[^] Member of the Committee from 20.08.2024

[#] Member of the Committee till 19.08.2024

[@] Member of the Committee till 19.08.2024

Composition of Special Committee of the Board for Monitoring and Follow-Up of Fraud Cases as on March 31, 2025



The terms of reference of the Committee, inter-alia, include the following:

The major functions of the Special Committee would be to monitor and review all the frauds to;

1. SCBMF to review all the frauds irrespective of the amount involved. Further SCBMF to review Frauds involving amount of ₹ 3 Crore and above at the earliest basis but not more than 90 days delay;
2. To monitor and follow up of cases of frauds of ₹ 3 Crore and above and overseeing the effectiveness of fraud risk management in the Bank.
3. Responsible for review and monitor cases of frauds, including root cause analysis, and suggest mitigating measures for strengthening the internal controls, risk management framework and minimising the incidence of frauds.
4. Identify the systemic lacunae, if any, which facilitated perpetration of the fraud and put in place measures to plug the same.
5. Identify the reasons for delay in detection, if any, reporting to top management of the bank and RBI.
6. It should oversee the effectiveness of the framework for Early Warning Signals (EWS) and Red Flagged Accounts (RFA).
7. Cases remaining in red-flagged status beyond 180 days shall be reviewed by SCBMF.
8. Review the meetings of Executive Level Committees aligned to SCBMF (FMG and FIC).
9. SCBMF to review and monitor cases of fraud once in a quarter or as and when require. The review is to cover among others, categories/trends of frauds, industry/sectoral/ geographical concentration of frauds, delay in detection/classification of frauds and delay in examination/conclusion of staff accountability, etc.
10. Identify the reasons for delay in detection if any, in reporting to top management of the Bank and RBI.
11. Monitor Progress of CBI/Police investigation and recovery position.

12. Ensure that staff accountability is examined at all levels and staff-related action, if required, is completed expeditiously.

8. Information Technology Strategy and Digital Transaction Monitoring Committee (ITS & DTMC)

Your Bank has formed Information Technology Strategy and Digital Transaction Monitoring Committee (ITS & DTMC) pursuant to guidelines/circulars issued by RBI. The Committee, inter-alia, ensures that the Bank is appropriately placed in a rapidly changing technological environment and adopted the right technology at the right time to ensure continued competitiveness, safety, security, encouraging of digital transactions in line with national objectives, formulation of IT strategies and review IT investments.

The Committee shall consist Minimum of two members, one of whom should be an Independent Director. The Committee shall be headed by Non-Executive Independent Director.

IT Strategy Committee members should be technically competent. At least one member should have substantial IT expertise in managing technology.

During FY 2024-25, the Committee met five (5) times, and the date of the meetings are mentioned below:

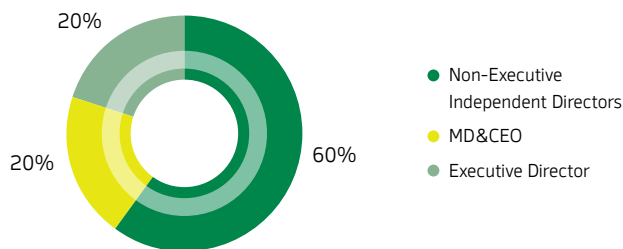
10/05/2024	25/06/2024	15/10/2024	26/11/2024
19/02/2025			

The details of attendance of each Director at the meetings held during the period from April 01, 2024 to March 31, 2025 are mentioned below:

Name of the Director <i>Sarvashri</i>	Category	No of Meetings during his/her tenure Attended / Conducted	% of Attendance
K G Mohan Non-Executive Independent Director	Chairman	5/5	100
Dr Meena Hemchandra Non-Executive Independent (Part-time) Chairperson	Member	5/5	100
B Ramesh Babu MD & CEO	Member	5/5	100
CA Dr Chinnasamy Ganesan Non-Executive Independent Director	Member	5/5	100
J Natarajan * Executive Director	Member	4/4	100

* Member of the Committee from 19.06.2024

Composition of Information Technology Strategy and Digital Transaction Monitoring Committee (ITS & DTMC) as on March 31, 2025



The terms of reference of the Committee, inter-alia, include the following:

- Suggest improvement and monitor the implementation of modern technology in the Bank;
- Approving IT strategy and policy documents;
- Ensuring that the management has put an effective strategic planning process in place;
- Ratifying that the business strategy is indeed aligned with IT strategy;
- Ensuring that the IT organisational structure complements the business model and its direction;
- Ensuring that management has implemented processes and practices that ensure that the IT delivers value to the business;
- Ensuring IT investments represent a balance of risks and benefits and that budgets are acceptable;
- 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;
- Ensuring proper balance of IT investments for sustaining bank's growth;
- Understanding exposure to IT related risks; the proposed controls thereof and evaluating effectiveness of management's monitoring of IT risks;
- Assessing Senior Management's performance in implementing IT strategies;
- Issuing high-level policy guidance (e.g. related to risk, funding, or sourcing tasks);
- Confirming whether IT or Business Architecture has been designed, to derive the maximum business value;
- Overseeing the aggregate funding of IT at a Bank-level and ascertaining if the management has resources to ensure the proper management of IT risks;
- Reviewing IT performance measurement and contribution of IT to businesses (i.e., delivering the promised value);
- Reviewing and monitoring the Bank's Digital Banking strategy i.e., penetration in market, setting of Digital transactions target, review of progress made to improve the digital transactions, review of initiatives taken for educating the customers & publicity in front of digital transactions and providing direction on areas of focus;
- Reviewing the Minutes of Executive Level Committees "Technology (IT Steering)" and Convener Department "Information & Technology Department (ITD)"; and "Information Security (IS)" and Convener Department "Information Security Group (ISG)"; and
- Any other terms of reference as may be included from time to time by the Board or in compliance with RBI Guidelines, IBA etc., from time to time.
- Review, at least on annual basis, the adequacy and effectiveness of the Business Continuity Planning and Disaster Recovery Management of the bank.
- Review of Senior Management and IT Steering Committee: Update ITSC and CEO periodically on the activities of IT Steering Committee. The IT Steering Committee shall meet at least on a quarterly basis.
- Information Security Policy and Cyber Security Policy: CISO shall place a review of cyber security risks/ arrangements/ preparedness of the RE before the Board/ MCB/ ITSC at least on a quarterly basis.
- Cyber Incident Response and Recovery Management: Bank shall have clear communication plans for escalation and reporting the incidents to the Board and Senior Management as well as to customers, as and when required.
- To convene preferably six meetings of the Committee during a year with specific themes in each alternate meeting viz., Strategy, Program Management & Business Value, IT Governance and Information / Cyber Security together with external lectures on latest trends and technologies.
- Status of all ongoing IT projects through dashboard together with project management rigour;
- Status of CBS version upgrade;
- Cost benefit Analysis of migrations from old to new technologies;
- Observations and Findings of Executive Level Steering Committee on CBS Migration project;
- Review of Budget vs Achievement.

9. Review Committee for wilful defaulters and large defaulters

Pursuant to the Reserve Bank of India circular letter no. RBI/2014-15/73 DBR No.CID.BC.57/20.16.003/2014-15 dated 01.07.2014 and circular letter No. RBI/2014-15/362 DBR.No.CID.BC.54/20.16.064/2014-15 dated 22.12.2014, your Bank has constituted the Review Committee for Wilful Defaulters and Non-Cooperative Borrowers to review the orders passed by the Committee of Executives for Identification of Wilful Defaulters & Non-Cooperative Borrowers and provide final decision with regard to identified Wilful Defaulters & Non-Cooperative Borrowers. Based on the RBI vide its circular no. RBI/DoR/2024-25/122 DoR.FIN.REC.No.31/20.16.003/2024-25 dated July 30, 2024, the name of the Committee has been rechristened as "Review Committee for Wilful Defaulters and Large Defaulters". This Committee is headed by MD & CEO of the Bank.

During FY 2024-25, the Committee met three (3) times, and the date of the meetings are mentioned below:

04/05/2024	29/10/2024	04/12/2024

The details of attendance of each Director at the meetings held during the period from April 01, 2024 to March 31, 2025 are mentioned below:

Name of the Director <i>Sarvashri</i>	Category	No of Meetings during his/her tenure Attended / Conducted	% of Attendance
B Ramesh Babu MD & CEO	Chairman	3/3	100
R Vidhya Shankar® Non-Executive Independent Director	Member	2/2	100
CA Dr Chinnasamy Ganesan § Non-Executive Independent Director	Member	2/2	100
Smt Srimathy Sridhar# Non-Executive Independent Director	Member	0/0	NA
Dr K S Ravichandran* Non-Executive Independent Director	Member	1/1	100
Murali Ramaswami ^ Non-Executive Independent Director	Member	1/1	100
Shri J Natarajan® Executive Director	Member	0/0	NA

® Member of the Committee from 26.05.2024

§ Member of the Committee from 20.08.2024

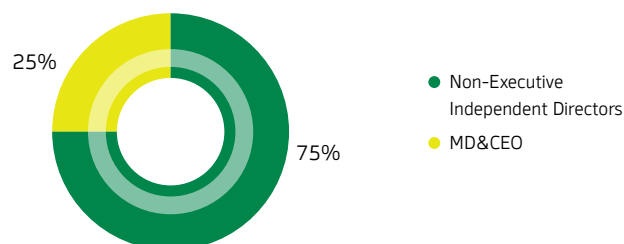
* Member of the Committee till 25.05.2024

^ Member of the Committee till 19.08.2024

® Member of the Committee till 26.09.2024 & no meeting has been scheduled during his tenure

Member of the Committee from 21.01.2025 & no meeting has been scheduled during her tenure

Composition of Review Committee for Wilful Defaulters and Large Defaulters as on March 31, 2025



The terms of reference of the Committee, inter-alia, include the following:

- Review and confirmation of the order of the executive committee for Classification of borrowers as "Non-Cooperative Borrowers" or "Wilful Defaulters";
- The proposal of the Identification Committee along with the written representation received shall be considered by the Review Committee.
- The Review Committee shall provide an opportunity for a personal hearing also to the borrower/guarantor/promoter/director/persons who are in charge and responsible for the management of the affairs of the entity when they express their desire to be heard
- Any other matters identified from time to time or as advised by the Board.

10. Corporate Social Responsibility & Environmental, Social and Governance Committee (CSR & ESG)

In line with the requirements of section 135 of the Companies Act, 2013 and rules made there under with respect to Corporate Social Responsibility and in order to have an effective governance mechanism and oversee the development & implementation of the Bank's ESG framework, your Bank has constituted Corporate Social Responsibility & Environmental, Social and Governance Committee (CSR & ESG). Your Bank has in place Board approved CSR Policy recommended by CSR & ESG Committee. CSR policy of the Bank aims at promoting education, sanitation, safe drinking water facilitation, rural healthcare, promotion of sports, promotion of arts and culture, etc. In tune with CSR policy, your Bank has been supporting various projects and causes that seek to improve the economic and social wellbeing of the community at large.

The Committee shall consist of three or more members and one member shall be Non-Executive Independent Director. The Committee is headed by MD & CEO of the Bank.

During FY 2024-25, the Committee met three (3) times and the date of the meetings are mentioned below:

08/07/2024	12/12/2024	06/02/2025

The details of attendance of each Director at the meetings held during the period from April 01, 2024 to March 31, 2025 are mentioned below:

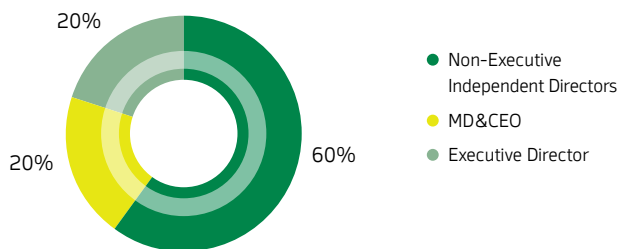
Name of the Director <i>Sarvashri</i>	Category	No of Meetings during his/her tenure Attended / Conducted	% of Attendance
B Ramesh Babu MD & CEO	Chairman	3/3	100
Dr Harshavardhan R Non-Executive Independent Director	Member	3/3	100
Murali Ramaswami Non-Executive Independent Director	Member	3/3	100
J Natarajan^ Executive Director	Member	3/3	100
Dr Meena Hemchandra* Non-Executive Independent (Part-time) Chairperson	Member	2/2	100
Dr K S Ravichandran& Non-Executive Independent Director	Member	0/0	100

^ Member of the Committee from 19.06.2024

* Member of the Committee from 20.08.2024

& Member of the committee till 25.05.2024 and no meeting has been scheduled during his tenure

Corporate Social Responsibility & Environmental, Social and Governance Committee (CSR & ESG) as on March 31, 2025



The terms of reference of the CSR & ESG Committee, inter- alia, include the following:

1. Formulate and recommend to the Board of Directors a Corporate Social Responsibility Policy indicating the activities to be undertaken by the Bank. Further review of Policy from time to time.
2. Provide perspective and guidance to the Board of Directors on matters relating to CSR.
3. Provide guiding principles for selection, implementation and monitoring of projects.
4. Formulation of the Annual Action Plan & recommend to Board.
5. Review the Annual Action Plan implementation & revision, if required.
6. Recommend the amount to be spent on the CSR activities.
7. Periodically review the effectiveness of CSR spends.
8. Ensure that CSR Activities are undertaken directly or through registered Implementation Agencies who meet the eligibility criteria prescribed under the CSR Policy Rules.
9. Review the impact assessment report & internal audit reports.
10. Review Certification by the Chief Financial Officer (CFO) or the person responsible for financial management regarding the utilisation of the CSR Expenditure/payments.
11. Review the Disclosures of the Bank's CSR activities stipulated in applicable CSR laws and rules.
12. Review implementation of the CSR Policy and AAP, such that the CSR Project(s)/Program(s) that are being proposed to be undertaken are aligned to the Bank's social, environmental and economic activities to the extent possible.
13. Formulate and recommend to the Board of Directors an ESG Policy. Further review of Policy from time to time.
14. Oversee the development and implementation of the Bank's ESG framework.
15. Provide strategic direction to the Bank's ESG performance taking into consideration the relevant risks and opportunities.
16. Oversee compliance with ESG regulations applicable to the Bank.
17. Monitor progress on the ESG framework implementation from time to time.
18. Oversee reporting and disclosure of the ESG performance in accordance with appropriate regulations and standards.
19. Review periodic reports placed before the Committee regarding the activities undertaken in both CSR & ESG.

Other than the above Committees, during the financial year Board has constituted two special committees for specific purpose, with suitable terms and conditions viz., Search Committee for appointment of Executive Director and Growth Strategy Committee for Business Development. The constitution of said committees is in accordance with the Corporate Governance Policy of the Bank.

SEPARATE MEETINGS OF THE INDEPENDENT DIRECTORS:

Pursuant to the provision of the Companies Act, 2013 and SEBI LODR, the Independent Directors Meeting was held on March 31, 2025 without the attendance of Non-Independent Directors and Members of the Management. The Members of the meeting reviewed the performance of Non-Independent Directors and the Board as a whole after taking into account views of Executive and Non-Executive Directors. The Performance evaluation of Non-Independent Directors was on the basis of the criteria such as attendance and participation at the Board; knowledge and expertise; management of relationship with stakeholders; skillset, personal attributes, integrity and ethics, preparedness, etc., and assessed the quality, quantity and timelines of flow of information between the Bank Management and the Board. The Independent Directors expressed satisfaction about the quality, quantity and timelines of flow of information between the Senior Management and the Board.

SENIOR MANAGEMENT

Particulars of senior management of the Bank as of March 31, 2025:

Name	Designation	Position
Chandrasekaran M S	Chief General Manager	Chief Operating Officer
Sudhakar K V S M ¹	Chief General Manager	Chief Compliance Officer
Sekar S ²	General Manager	Chief Information Officer
Shekhar Ramarajan	General Manager	Head - CIG
Mahendran K	General Manager	Country Head -PMD
Immanuel Gnanaraj Daniel	General Manager	Chief Human Resources Officer
Ramshankar R	General Manager	Chief Financial Officer
Murali L	General Manager	Head - Internal Audit
Ramanjaneya Kumar R V S	General Manager	Head - CBG
Nitin Rangaswami A	General Manager	Head - Retail Assets
Jatla Sivaramakrishna	General Manager	Chief Risk Officer
Ravi S	General Manager	Head - ABG
S T Gopal	General Manager	Head - Retail Liabilities
Srinivasarao Maddirala	Deputy General Manager	Company Secretary

¹ Relieved on 30.04.2025 consequent to Resignation.

² Relieved on 30.04.2025 consequent to completion of Tenure.



AFFIRMATION AND DISCLOSURE

SUCCESSION PLANNING

Succession Planning is a key aspect of management ensuring smooth and effective functioning of the Board and Senior Management. It is an ongoing process of identifying and developing resources with the essential competencies to ensure continuity of leadership and skill requirement in critical positions. The bank maintains a progressive learning and development agenda to ensure success in this endeavor. Bank has framed Succession Planning Policy for Board of Directors, and Succession Planning process for Senior Management Personnel.

The Bank's Nomination and Remuneration Committee (NRC) oversees matters of succession planning of its Directors, Senior Management and Key Managerial Personnel. The Board of the Bank also ensures that proper plans are put in place for orderly succession of appointment to the Board and to senior management of the Bank.

Changes in Senior Management during FY 2024-25:

Employee Name	Previous Designation	New Designation	Remarks
Currently holding position at the Bank			
Ravi S	Deputy General Manager – Agricultural Banking Group	General Manager Head – Agricultural Banking Group	Elevated as General Manager w.e.f 13.05.2024
S T Gopal	-	General Manager Head – Retail Liabilities	Joined as General Manager on 01.07.2024
Senior Management who has demitted the office of the Bank			
Natarajan J	President	Executive Director	Appointed as Executive Director w.e.f 22.05.2024
	Executive Director	-	As on date of the report, Shri Natarajan J has demitted office on 21.05.2025 after completing his one-year tenure
Chandrasekaran R N	General Manager Head - CIG	-	Term ended on 30.04.2024
Dolphy Jose	Chief General Manager Head - Consumer Banking	-	Resigned and relieved on 01.07.2024
Srinivasan V	General Manager Head - Credit Monitoring, Legal & Recovery	-	Term ended on 30.11.2024
Venkatesan R	Deputy General Manager Head - Operations	-	Superannuated on 29.03.2025

COMPENSATION POLICY

The Bank has in place a Comprehensive Compensation Policy in tune with the objectives as enumerated in the Companies Act, 2013, RBI guidelines and the SEBI LODR, as amended from time to time. The Compensation Policy of the Bank covers the compensation payable to all the employees including the MD&CEO/WTM, Key Managerial Personnel, Material Risk Takers, Control Function Staff as per the guidelines of RBI as also fee payable to Non-Executive Directors/Independent Directors. In terms of the said policy the compensation structure shall have fixed and variable components. The Variable pay shall be payable on the basis of achievement of performance criteria, consisting the qualitative and quantitative parameters applied by Nomination and Remuneration Committee, variable pay as subject to malus and claw back, shall be in the form of cash and non-cash component, the non-cash component shall be in the form of share-linked instruments.

The Bank is a party to Industry level Bi-partite settlement of IBA and has been following the emoluments/ compensation as arrived in the Bi-partite settlements. Remuneration to employees is defined by the IBA pay scale/CTC pay structure, both of which are approved by the Board.

Remuneration to Non-Executive Directors

Sitting Fees

Non-Executive directors including independent directors are entitled to sitting fees for each meeting of the Board and Committees. Pursuant to the provisions of the Companies Act, 2013, sitting fees of ₹75,000/- and ₹50,000/- per meeting are paid to Non-Executive Directors for attending the Board and Board Level Committees respectively.

Fixed Remuneration

In accordance with the provision of the Companies Act, 2013 and RBI guidelines, Non-Executive Directors except Part-time Chairperson are eligible to receive fixed remuneration.

In order to enable the Bank to sufficiently attract qualified competent individuals, RBI vide its circular No. RBI/2023-24/121 DoR.HGG.GOV.REC. 75/29.67.001/2023-24 dated February 9, 2024, has revised the ceiling of fixed remuneration of Non-Executive Directors excluding Non-Executive (Part-time) Chairman, from ₹ 20 Lakh to ₹ 30 Lakh per annum. In line with the above circular, the fixed remuneration to all the Non-Executive Directors (excluding the Non-Executive (Part-time) Chairperson) has been revised from, an amount of 0.1% of the profit available for distribution subject to a maximum of ₹ 10 Lakh per annum per Director to 0.2% of the profit available for distribution subject to a maximum of ₹ 20 Lakh per annum per Director with effect from the FY 2024-25, for a period of Three (3) years. The same was approved by shareholders vide Postal Ballot resolution dated July 16, 2024.

The criteria of making payments to Non-Executive Directors / Independent Directors of the Bank are contained in the Comprehensive Compensation Policy and it is available on the Bank's website at <https://www.kvb.co.in/docs/investor-compensation-policy.pdf>.

No material pecuniary relationship exists between the Non-Executive Directors vis-à-vis the Bank, other than payment of Sitting Fees for attending the Board/Committee Meetings and fixed remuneration and no stock options are granted to any of the Non-Executive Directors.

Remuneration paid to the Non-Executive Directors for FY 2024-25 is mentioned below:

Name of the Director <i>Sarvashri</i>	Amount (₹ in Lakh)	
	Sitting Fees	Fixed Remuneration
Dr Meena Hemchandra, Chairperson	24.75	NA
R Ramkumar	23.25	20.00
K G Mohan	28.25	20.00
Dr Harshavardhan R	23.25	20.00
Murali Ramaswami	31.25	20.00
CA Dr Chinnasamy Ganesan	22.25	20.00
R Vidhya Sankar	18.00	18.85
Srimathy Sridhar	6.00	10.25
Dr K S Ravichandran*	4.25	03.01

*Demitted office during the FY 2024-25, consequent to completion of his tenure.

Remuneration to Non-Executive Independent (Part-time) Chairperson

Dr Meena Hemchandra, Non-Executive Independent (Part-time) Chairperson was paid ₹ 27 Lakh as remuneration for FY 2024-25, which is other than payment of Sitting Fees for attending the Board/Committee Meetings.

Remuneration to Executive Directors

In line with the RBI guidelines and Compensation policy of the Bank, compensation structure of Executive Directors of the Bank, consist of both fixed pay and variable pay with deferral arrangements.

Managing Director & CEO

In terms of Compensation policy, MD & CEO is one of the Material Risk Takers. During the financial year, Shri B Ramesh Babu, Managing Director & CEO was paid sum of ₹ 2,17,13,625.02/- as fixed pay of the FY 2024-25.

GENERAL BODY MEETINGS:

a) Location, day, date and time, where the last three Annual General Meetings (AGM) were held:

AGM	Financial Year	Location	Day, Date and Time
105 th	2023-24	The Karur Vysya Bank Limited, Regd. & Central Office, No. 20, Erode Road, Vadivel Nagar, L.N.S., Karur- 639002. (through Video Conferencing)	Wednesday, August 14, 2024, 11.00 a.m. IST
104 th	2022-23	The Karur Vysya Bank Limited, Regd. & Central Office, No. 20, Erode Road, Vadivel Nagar, L.N.S., Karur- 639002. (through Video Conferencing)	Wednesday, August 23, 2023, 11.00 a.m. IST
103 rd	2021-22	The Karur Vysya Bank Limited, Regd. & Central Office, No. 20, Erode Road, Vadivel Nagar, L.N.S., Karur- 639002. (through Video Conferencing)	Wednesday, August 03, 2022, 11.00 a.m. IST

Further, during the year, deferral payment of variable pay of ₹ 5,50,000 for the FY 2020-21, deferral payment of variable pay of ₹ 10,65,821 for the FY 2021-22, deferral payment of variable pay of ₹ 10,74,235 for the FY 2022-23 and upfront payment of variable pay of ₹ 47,75,000 for the FY 2023-24 was also paid.

Furthermore, during the year 24,643 shares, 19,691 shares and 13,882 shares were allotted to consequent to vesting of the stock option granted under deferral arrangement of variable pay for the FY 2020-21, FY 2021-22 and FY 2022-23 respectively under ESOS 2018 Scheme.

Executive Director

Shri J Natarajan

Shri J Natarajan, Executive Director being Material risk taker, during the financial year, he was paid sum of ₹ 87,65,798.12/- as fixed pay of the FY 2024-25.

During the year, upfront payment of variable pay of ₹ 16,82,861/- for the FY 2023-24 was paid, for the position he held as President and COO of the Bank.

Furthermore, during the year 24,719 shares, 19,070 shares and 14,266 shares were allotted consequent to vesting of the stock option granted under deferral arrangement of variable pay for the FY 2020-21, FY 2021-22 and FY 2022-23 respectively under KVB ESOS 2018 Scheme, for the position he held as President and Chief Operating Officer of the Bank.

Shri B Sankar

Executive Director being Material risk taker, during the financial year, he was paid sum of ₹ 5,82,332.25/- as fixed pay for FY 2024-25.

Section 197 of Companies Act, 2013 is not applicable to the Bank by virtue of Section 35B(2A) of the Banking Regulation Act, 1949.

b)	Whether any special resolutions passed in the previous three Annual General Meetings (AGM)	Yes. No Special Resolutions were passed in the 105th Annual General Meeting held on 14th August 2024 No Special Resolutions were passed in the 104th Annual General Meeting held on 23rd August 2023 At the 103rd AGM held on 03rd August 2022, two special resolutions were passed, viz., To appoint Dr Meena Hemchandra (DIN: 05337181) as Non-Executive Independent Director. To appoint Shri Murali Ramaswami (DIN: 08659944) as Non-Executive Independent Director.																
c)	Whether any special resolution passed last year through postal ballot- details of voting pattern	Yes. During FY 2024-25, One Special Resolution was approved on July 16, 2024 with requisite majority vide Postal Ballot Notice dated June 13, 2024 as details below: Description of the Resolution: 1. To approve the Appointment of Shri R Vidhya Shankar (DIN: 00002498) as Non-Executive Independent Director of the Bank for a period of three (3) years. <table><tr><th>No. of Votes –Favour</th><th>% of Votes –Favour</th><th>No. of Votes –Against</th><th>% of Votes –Against</th></tr><tr><td>407006372</td><td>99.55</td><td>1850061</td><td>0.45</td></tr></table> Also, One Special Resolution was approved on December 10, 2024 with requisite majority vide Postal Ballot Notice dated October 17, 2024 as details below: Description of the Resolution: 2. To approve the Appointment of Smt. Srimathy Sridhar (DIN: 10627997) as Non-Executive Independent Director of the Bank for a period of three (3) years <table><tr><th>No. of Votes –Favour</th><th>% of Votes –Favour</th><th>No. of Votes –Against</th><th>% of Votes –Against</th></tr><tr><td>410867331</td><td>97.85</td><td>9042975</td><td>2.15</td></tr></table> The aforementioned Postal Ballots was conducted through the Remote e-Voting process in accordance with the circulars issued by Ministry of Corporate Affairs, provisions of the Companies Act, 2013 and other applicable laws.	No. of Votes –Favour	% of Votes –Favour	No. of Votes –Against	% of Votes –Against	407006372	99.55	1850061	0.45	No. of Votes –Favour	% of Votes –Favour	No. of Votes –Against	% of Votes –Against	410867331	97.85	9042975	2.15
No. of Votes –Favour	% of Votes –Favour	No. of Votes –Against	% of Votes –Against															
407006372	99.55	1850061	0.45															
No. of Votes –Favour	% of Votes –Favour	No. of Votes –Against	% of Votes –Against															
410867331	97.85	9042975	2.15															
d)	Person who conducted the postal ballot exercise	Shri R K Bapulal (FCS No. 5893), M/s Bapulal Yasar & Associates, Company Secretaries																
e)	Whether any special resolution is proposed to be conducted through postal ballot?	No Special Resolution requiring Postal Ballot is being proposed on or before the ensuing Annual General Meeting of the Bank.																
f)	Procedure for the postal ballot	Not Applicable																

Means of Communication

Pursuant to Regulation 46 of SEBI LODR and NSE Circular Ref. No: NSE/CML/2022/32 dated July 04, 2022, your Bank maintains a functional website viz., www.kvb.co.in and having separate section viz., “Investor Corner” which contains investors information about the Bank such as details of its business, financial results, shareholding pattern, compliance with the corporate governance requirements and other Corporate Communications made to the Stock Exchanges, Notices & Annual Reports of the Bank, unpaid/unclaimed dividend details, contact details of the designated officials who are responsible for assisting and handling investor grievances, etc.

In line with SEBI LODR, the Board of Directors of the Bank reviewed and taken on record/approved the quarterly un-audited financial results within 45 days from the end of respective quarters and the

audited financial results for the quarter and year ending within 60 days from the end of the financial year. The results are promptly intimated to the stock exchanges within the stipulated time and are published in English and regional language newspapers, within 48 hours of the conclusion of the Board meeting. The results as well as other official press releases are also updated on the Bank’s website at www.kvb.co.in.

The Bank conducts con-call meeting with Institutional Investors/Analysts every quarter, after declaration of financial results. Apart from the quarterly meeting, Bank also participates in Institutional Investors/Analysts meet on event basis. The Schedule of Meeting and Investors Presentation/Transcript/Audio Recordings/Outcome of the meeting are promptly filed with the stock exchanges as well as displayed on the Bank’s website in terms of SEBI LODR.

As a part of voluntary initiative, Bank has been sending an email to all shareholders who registered their mail id with Bank's RTA/ Depository Participant about the financial results of the Bank on every quarter.

Financial Calendar for the results during FY 2024-25:

FY 2024-25	Date of Approval
For the Q1 ended 30.06.2024	18.07.2024
For the Q2 ended 30.09.2024	17.10.2024
For the Q3 ended 31.12.2024	20.01.2025
For the Q4 ended 31.03.2025	19.05.2025

GENERAL SHAREHOLDER INFORMATION

106 th Annual General Meeting	Date: August 21, 2025 Day: Thursday Time: 11:00 A.M. IST Venue: Through Video Conferencing("VC")/Other Audio Visual Means ("OAVM")
Financial Year	April 01, 2024 to March 31, 2025
Dividend Record date	August 07, 2025
Dividend Payment Date	On or after August 22, 2025
Listing on Stock Exchanges	Equity Shares are listed in National Stock Exchange of India Limited, Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (East), Mumbai-400051. Listing fees payable to the National Stock Exchange where the Equity Shares are listed has been duly paid. Equity Shares of the Bank are traded under 'permitted' category in BSE under Stock Code:590003
Stock Code	NSE: KARURVYSYA
ISIN	Equity: INE036D01028
Share Transfer Agents (Both Physical and Demat Segments)	Equity (INE036D01028): MUFG Intime India Private Limited, (Formerly known as Link Intime India Private Limited) "Surya", 35 Mayflower Avenue, Behind Senthil Nagar, Sowripalayam Road, Coimbatore -641028 Tamil Nadu. Tel: 0422 – 4958995/2539835/2539836 E-Mail: coimbatore@in.mpms.mufig.com Website: www.in.mpms.mufig.com CIN: U67190MH1999PTC118368
Share Transfer System	The Bank's shares which are in demat form are transferable through the depository system. Pursuant to Regulation 40(1) of the SEBI LODR, with effect from April 1, 2019, except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialised form with a depository. The Board has delegated the authority for approving transfer of Bank's securities to the Company Secretary.
Bank's address for correspondence/ Compliance Officer Address	Shri Srinivasarao Maddirala, Company Secretary & Deputy General Manager, Investor Relations Cell, The Karur Vysya Bank Limited, Regd. & Central Office, No. 20, Erode Road, Vadivel Nagar, L.N.S., Karur- 639002. Phone: 04324-269441 E-Mail: kvb_sig@kvbmail.com Website: www.kvb.co.in
Corporate Identity Number (CIN)	L65110TN1916PLC001295

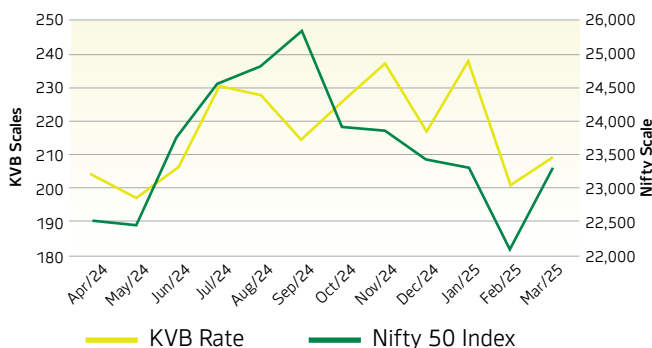
Stock Market Price Data

The monthly high and low prices of the Bank's shares traded on the National Stock Exchange of India Limited (NSE) are mentioned below:

Period	NSE	
	High	Low
Apr-24	209.30	181.90
May-24	208.00	180.00
Jun-24	219.90	164.10
Jul-24	232.75	191.15
Aug-24	231.50	205.56
Sep-24	226.00	206.10
Oct-24	229.53	193.20
Nov-24	245.00	208.82
Dec-24	246.00	207.00
Jan-25	239.50	204.32
Feb-25	239.89	198.20
Mar-25	214.99	185.55

The Bank's equity share touched a high of ₹ 246.00 in December 2024 and low of ₹164.10 in June 2024.

The performance of the Bank's Equity Shares as compared with NSE Nifty 50 Index during the period from April 01, 2024 to March 31, 2025:



Dematerialisation of shares and liquidity

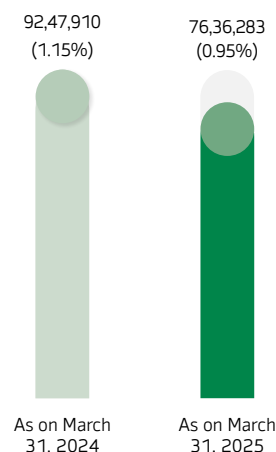
Bank's Equity shares are available in both Demat and Physical form. The shares which are in Demat can be tradable and transferable through the Depository system - National Securities Depository Limited ('NSDL') and Central Depository Service (India) Limited ('CDSL'). The annual custody fees for FY 2024-25 have been paid to NSDL and CDSL.

Particulars as on 31.03.2025	No. of Shares	% to the Total Shares
Demat	79,74,88,376	99.05
Physical	76,36,283	0.95

Out of 79,74,88,376 shares which held in Demat Mode, 69,97,04,808 are held in NSDL and 9,77,83,568 are held in CDSL.

Reduction in physical shareholders

No. of Shares held in physical form



The Shareholders of the Bank who have not dematerialised their share may approach any of the Depository Participants of NSDL or CDSL for Dematerialisation and it will be beneficial for market liquidity. Further, SEBI vide its master circular No. SEBI/HO/MIRSD/POD-1/P/CIR/2024/37 dated May 07, 2024, has stipulated that listed companies shall issue the securities in dematerialised form only while processing the following service request: i. Issue of duplicate securities certificate; ii. Claim from Unclaimed Suspense Account; iii. Renewal/Exchange of securities certificate; iv. Endorsement; v. Sub-division/Splitting of securities certificate; vi. Consolidation of securities certificates/folios; vii. Transmission; viii. Transposition.

Reconciliation of Share Capital Audit

Pursuant to regulation 76 of SEBI (Depositories and Participants) Regulations, 2018, Reconciliation of Share Capital Audit has been carried out by a qualified Chartered Accountant/Practicing Company Secretary on quarterly basis. The Audit report confirms, inter-alia, the total issued and listed capital of the Bank with that of total share capital admitted/held in dematerialised form with NSDL and CDSL and those held in physical form. Report issued in this regard are submitted to NSE and placed before the Board of Directors for their review on quarterly basis.

Shareholding Pattern as on March 31, 2025

Sr. No	Particulars	No. of Shares	% of Shares
A.	PROMOTERS		
1.	Promoters & Promoters Group	16991789	2.11
B.	PUBLIC Institutions (Domestic)		
	Mutual Funds	253504166	31.49
	Alternate Investment Funds	15480152	1.92
	Banks	16538	0.00
	Insurance Companies	43858397	5.45
	NBFCs registered with RBI	73346	0.00
C.	PUBLIC Institutions (Foreign)		
	Foreign Portfolio Investors Category I	114044258	14.17
	Foreign Portfolio Investors Category II	7729712	0.96
	Foreign Institutional Institutions/ Banks	770	0.00
D.	PUBLIC Central Government/State Government(s)		
	Central Government/President of India	151756	0.02
E.	PUBLIC Non-Institutions/Individuals/ Others		
	Directors and their relatives (excluding Independent Directors and Nominee Directors)	481450	0.06
	Key Managerial Personnel	39837	0.00
	Relatives of promoters (other than 'immediate relatives' of promoters disclosed under 'Promoter and Promoter Group' category)	22194	0.00
	Trusts where any person belonging to 'Promoter and Promoter Group' category is 'trustee', 'beneficiary', or 'author of the trust'	1851554	0.23
	Investor Education and Protection Fund (IEPF)	1325634	0.17
	Resident Individuals holding nominal share capital up to ₹ 2 Lakh	193172592	24.00
	Resident Individuals holding nominal share capital in excess of ₹ 2 Lakh	120139329	14.92
	Non Resident Indians (NRIs)	9332160	1.16
	Foreign Nationals	45	0.00
	Bodies Corporate	17854768	2.22
	Trusts	198284	0.02
	Body Corp-Ltd Liability Partnership	700425	0.09
	Hindu Undivided Family	7902106	0.98
	Unclaimed Shares	226438	0.03
	Clearing Member	9359	0.00
	Other Directors / Relatives	17600	0.00
	Total (A+B+C+D+E)	805124659	100

List of Shareholders holding more than 1% shares in the Bank as on March 31, 2025 (PAN-Based)

Sr. No	Particulars	No. of Shares	% of Holding
1	HDFC Mutual Fund (Various Funds)	57566312	7.15
2	HSBC Value Fund (Various Funds)	34654900	4.30
3	Rekha Jhunjunwala	33487516	4.16
4	Nippon Life India Trustee Ltd. (Various Funds)	32817262	4.08
5	Axis Mutual Fund Trustee Limited (Various Funds)	21455339	2.66
6	Franklin Templeton Mutual Fund (Various Funds)	16280169	2.02
7	SBI Mutual Fund (Various Funds)	13904447	1.73
8	Edelweiss Trusteeship Co Ltd. (Various Funds)	10380858	1.29
9	UTI Mutual Fund (Various Funds)	10218575	1.27
10	HDFC Life Insurance Company Limited	10205947	1.27
11	SBI Life Insurance Co. Ltd.	9927281	1.23
12	Axis Max Life Insurance Limited (Various Funds)	9252876	1.15
13	Bajaj Allianz Life Insurance Company Ltd.	8716162	1.08
	Total	268867644	33.39

Distribution of shareholding as on March 31, 2025

S.No	Shareholding of Shares	Number of Shareholders	% of Total Shareholders	Shares	% of Total Share Capital
1	1 to 500	214983	79.72	20927984	2.60
2	501 to 1000	21330	7.91	16024042	1.99
3	1001 to 2000	14572	5.40	20750698	2.58
4	2001 to 3000	5318	1.97	13329709	1.66
5	3001 to 4000	2979	1.11	10440252	1.30
6	4001 to 5000	1861	0.69	8499343	1.06
7	5001 to 10000	4082	1.51	28846211	3.58
8	10001 & above	4547	1.69	686306420	85.24
	Total	269672	100	805124659	100

Disclosures

During the financial year ended March 31, 2025:

a) Related Party Transactions:

During the year under review, transactions entered with Related Parties were in the ordinary course of business and on arm's length basis and do not attract the provisions of Section 188 of the Companies Act, 2013. The Bank has not entered any materially significant related party transactions which could lead to a potential conflict with the interests of the Bank. Omnibus approval from the Audit Committee has been obtained for the transactions which are of repetitive nature and the said transactions with related parties were placed before the Audit Committee of the Board for its review as per the Regulations from time to time. Details of related party transaction under AS - 18 entered during FY 2024-25 are given in notes to

the financial statements. Board has put in place a policy on materiality of related party transactions and also on dealing with Related Party Transactions pursuant to the provisions of the Companies Act, 2013, SEBI LODR and the same has been available on the website of the Bank at <https://www.kvb.co.in/docs/related-party-transactions-policy.pdf>.

b) Recommendation of Committee(s) of the Board:

During the year under review, all recommendations of the Committee(s) which are mandatorily required were accepted by the Board.

c) Strictures and Penalties:

There are no instances of non-compliance by the Bank; no penalties or strictures have been imposed by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during last three years.

During the year under review, the Reserve Bank of India (RBI) imposed a penalty of ₹ 2,60,975/- pertaining to the deficiencies found in soiled notes remittance by our currency chests to the central bank exchange facility of mutilated notes in Branch and cash outs in ATMs. However, the Bank has recovered ₹ 1,92,975/- including cash out penalties from service providers during FY 2024-25. Further, the Reserve Bank of India (RBI) imposed a penalty ₹ 8.30 lakh for Non-compliance with certain directions issued by RBI on 'Guidelines on Loan System for Delivery of Bank Credit'.

d) Code of Conduct:

Pursuant to regulation 26(3) of SEBI LODR, all the Directors and Senior Managerial Personnel of the Bank have affirmed the compliance of the Code of Conduct laid down by the Bank. MD & CEO's affirmation that the Code of Conduct has been complied with by the persons covered under the Code is furnished at the end of this report.

e) MD & CEO/CFO Certification:

The MD & CEO and the CFO of the Bank have given certification on financial reporting and internal controls to the Board in terms of Regulation 17(8) of SEBI LODR. The said certificate is annexed and forms part of this report.

f) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

The Bank is committed to ensuring a safe, respectful, and inclusive workplace environment for all employees. The provisions relating to the prevention of sexual harassment are covered under the Bank's Anti-Harassment Policy, which is applicable to all employees, irrespective of their level, location, or nature of employment. The policy outlines the definition of unacceptable behaviour at workplace, the rights of employees, and the mechanism to report and resolve complaints in a time-bound and confidential manner.

Sexual harassment is treated as a Major misconduct under The Karur Vysya Banks Officer Employees' (Conduct) Regulations and Bipartite settlement 2002 applicable to Officers and workmen employees respectively.

In line with the requirements of the POSH Act 2013 the bank has a well-defined internal mechanism to address complaints of sexual harassment. Complaints are handled with utmost sensitivity and confidentiality, ensuring fairness and adherence to legal norms. The system enables swift and impartial investigation and resolution of issues, reinforcing the Bank's Zero-tolerance stance towards harassment.

The Bank places high priority on creating awareness about acceptable behaviour at the workplace. To this end, 'Harmony-Acceptable Behaviour at the Workplace' has been made an integral part of all training programs. Furthermore, an e-learning module on POSH Awareness has been developed and launched as a mandatory course for all employees. We also circulate creatives to ensure that all staff members are informed of their rights, responsibilities, and the grievance redressal mechanism available to them.

The Bank has constituted the Internal Complaints Committee (ICC) in accordance with the POSH Act, consisting of six members, five of whom are female, including the external member with relevant expertise in women's rights or social work. This committee is led by a female Presiding Officer. The committee is empowered to receive, investigate and recommend actions on complaints received under the POSH framework. The ICC addresses all queries with the utmost priority and care.

The details of complaints received, disposed and pending during the FY 2024-25 is as follows:

Number of complaints filed during the FY 2024-25	Number of complaints disposed-off during the FY 2024-25	Number of complaints pending at the end of FY 2024-25
1	1	0

Note: No complaints were pending more than 90 days.

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

g) Whistle Blower Policy:

The details pertaining to Whistle Blower policy are furnished in the Directors' Report that forms part of this Annual Report.

h) Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity:

Bank has not issued any GDRs/ADRs/Warrants or convertible instruments. Hence outstanding instruments, conversion date and likely impact on equity is not applicable.

i) Plant Locations:

As the Bank is engaged in the business of Banking/ Financial Services there are no Plant Locations. However, the Bank has 888 Branches (including Corporate Business Units, Business Banking Units, Asset Recovery Branches, OMC, SMART, Digital Banking Units and Precious Metal Division excluding three Extension Counters and four Satellite Offices), 1,586 ATMs, 666 Bunch Note Recycler Machines (BNRM) and 294 Self-Service Passbook Kiosks as on March 31, 2025.

j) Disclosure on Commodity Price Risks and Foreign Exchange Risks and commodity hedging activities:

Bank has Market Risk Management Policy, Integrated Treasury Policy and Precious Metals Division Policy approved by the Board specifying risk control framework for undertaking any Commodity price risk and foreign exchange risk. The Board of the Bank has defined overall Net Overnight Open Position (NOOP) Limit, Stop Loss Limit, Aggregate Gap limit (AGL), Value at Risk (VaR) limit to manage foreign exchange risk within its risk control framework. The Bank's policy stipulated margins for lending against commodities and has put in place a system of monitoring margins available/required with respect to on-going commodity prices.

Bank is authorised by Reserve Bank of India to import gold and silver. Bank imports Gold and silver on consignment basis and sales are being covered on back-to-back basis.

Bank uses Forwards & Forex Swaps for hedging its currency and interest rate risk for its foreign currency balance sheet items, customer cover and for proprietary trading, within overall risk limits and control framework. The management of these products and businesses is governed by Board approved Policies of the Bank.

k) Mandatory Requirements:

The Bank has complied with all mandatory requirements under the provisions of SEBI LODR and amendments thereon from time to time.

l) Non-Mandatory Requirements:

In addition to the Mandatory Requirements, your Bank has ensured the implementation of the non-mandatory requirements as suggested in Regulation 27 of the SEBI LODR.

1) The Board:

The Bank is maintaining a Chairman's Office at its Registered & Central Office.

2) Shareholders' Rights:

Your Bank places highest value on the shareholders and in order to enable the shareholders to be aware of their rights, bank has placed the details of Shareholders' Rights in its website at www.kvb.co.in/investor-corner/.

The Bank discloses its financial results of every quarter to Stock Exchange within the prescribed timeline and it is available in the Stock Exchange's website. The same is also available on Bank's website at www.kvb.co.in which is accessible to the public.

The results are published in English Newspapers having wide circulation in India and a Tamil Newspaper having wide circulation in Tamil Nadu. Further, Bank has been sending an email to all shareholders who registered their mail id with Bank's RTA/Depository Participant about the financial results of the Bank on every quarter.

3) Unmodified Audit opinion/reporting:

The Auditors have expressed an unmodified opinion on the financial statement of the Bank.

4) Separate posts of Chairperson and the Managing Director (MD) or the Chief Executive Officer (CEO)

Your Bank has separated the post of Chairperson and the MD & CEO in terms of RBI Regulations and SEBI LODR. Dr Meena Hemchandra, Non-Executive Independent Director, is the Part-time Chairperson of the Bank and she is not related to any other Directors of the Bank. Shri Ramesh Babu B is the Managing Director & CEO of the Bank.

5) Reporting of Internal Auditor:

In terms of RBI Guidelines, the Head of Internal Audit will report to MD & CEO and Audit Committee of the Board shall be reviewing the performance.

Audit Committee shall meet the Head of Internal Audit once in a quarter without the presence of the Senior Management, including the MD & CEO.

m) Disclosure on political contributions:

During FY 2024-25, the Bank has not made any political contribution.

n) Certificate under Regulation 34(3) of SEBI LODR:

Pursuant to the Regulation 34(3) read with Schedule V of the SEBI LODR, a certificate has been obtained from S.A.E & Associates LLP, Company Secretaries confirming that none of the Directors on the Board of the Bank as on March 31, 2025 have been debarred or disqualified from being appointed or continuing as Director of the Bank either by Securities and Exchange Board of India or the Ministry of Corporate Affairs or any other Statutory Authorities.

o) Directors E-KYC

The Ministry of Corporate Affairs (MCA) has vide amendment to the Companies (Appointment and Qualification of Directors) Rules, 2014, mandated registration of KYC of all the Directors through e-form DIR-3 KYC. All Directors of the Bank have complied with the aforesaid requirement.

p) Fees paid to Statutory Auditors (including Branch Statutory Auditors):

Your Bank does not have any subsidiary. The total fees incurred by the Bank for services rendered by Statutory Auditors (including Branch Statutory Auditors) are given below. Further, there was no non-audit fees paid to Statutory Auditors for the FY 2024-25.

Particulars	FY 2024-25 (₹ in Lakh)
Audit fees/ Statutory certificates	387.47
Reimbursement of expenses*	17.63
Total (excluding GST)	405.10

* OPE of branch auditors included in reimbursement of expenses

Note: Figures are debits made to PL during the year, including provisions

q) Details of utilisation of funds:

During the year under review, there was no Preferential Allotment or Qualified Institutional Placement as specified under Regulation 32(7A) of the SEBI LODR.

r) Policies of the Bank:

As a part of good Corporate Governance, the Bank has adopted various policies/codes from time to time which are hosted on the website of the Bank at <https://www.kvb.co.in/investor-corner/policies/>.

s) Credit Ratings and Change/Revisions in Credit Ratings for Debt Instruments and Certificate of Deposit Programme:

Credit Rating Agency	Instrument	Rating
CRISIL	Certificate of Deposits Programme for ₹ 5,000 Crore (Enhanced from ₹ 3,000 Crore)	CRISIL A1+
CARE	Short Term Fixed Deposit of ₹ 12,000 Crore	CARE A1+
	Fixed Deposit	CARE AA; Stable
ICRA	Issuer Rating	[ICRA]AA (Stable)
ICRA	Certificate of Deposit Programme for ₹ 5,000 Crore (Enhanced from ₹ 3,000 Crore)	ICRA A1+

During FY 2024-25 for the Bank's Basel III Tier II Bonds, India Ratings and Research vide its communication dated 07.05.2024 has withdrawn its Credit Rating "IND A+/Stable," and ICRA vide its communication dated 12.07.2024 has withdrawn its Credit Rating "ICRA AA- (Stable), consequent to repayment of principal on 12.03.2024.

Other than the same, there is no change/revision in Credit Ratings for Debt Instruments and Certificate of Deposit Programme. More details on the Credit Ratings are disclosed in the Directors' Report which forms part of this Annual Report.

t) All disclosures in compliance with the Corporate Governance requirement specified in regulation 17 to 27 and clause (b) to (i) of sub regulation (2) of Regulation 46 to the extent applicable is available on Bank's website at www.kvb.co.in. The Bank has obtained certificate affirming the Compliances with these regulations from S.A.E & Associates LLP, Company Secretaries and forms part of this Report. It may be noted that their certificate confirms that the Bank has complied with the conditions of Corporate Governance as prescribed under SEBI LODR.

Compliance with SEBI (Prohibition of Insider Trading) Regulations, 2015

In compliance with the Securities and Exchange Board of India (SEBI) (Prohibition of Insider Trading) Regulations, 2015 ("PIT Regulations") as amended, Bank has formulated "Internal Code of Conduct for Prevention of Insider Trading" as per Regulation 9 and also the "Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information" as per Regulation 8. The Code is applicable to the Directors, Designated Persons, Connected Persons and their immediate relatives along with the Promoters and Promoter Group of the Bank. The Persons are required to ensure fullest compliance with the Internal Code at the time of trading in Bank's Securities. Company Secretary has been designated as the Compliance Officer and Chief Financial Officer (CFO) has been designated as the Chief Investor Relations Officer (CIRO) for this purpose. In terms of the PIT regulations and Bank's internal Code, Structured Digital Database is in place. The Code requires pre-clearance for dealing in the Bank securities beyond threshold limits. Further it prohibits the trade in the Bank's securities by the Directors, Designated Persons, Connected Persons and their immediate relatives along with Promoters and Promoter Group of the Bank while in possession of UPSI in relation to the Bank and during the trading window closure period. Trading window shall be closed from the end of every quarter till two days after the declaration of financial results. The details of Trading Window closure during the period under report are mentioned below:

Trading Window Closure Period	Purpose of closure of Trading Window
April 01, 2024 to May 15, 2024	Declaration of Audited Financial Results of the Bank for the quarter and Year ended March 2024
July 01, 2024 to July 20, 2024	Declaration of Un-Audited Financial Results of the Bank for the quarter ended June 2024
October 01, 2024 to October 19, 2024	Declaration of Un-Audited Financial Results of the Bank for the quarter and half year ended September 2024
January 01, 2025 to January 22, 2025	Declaration of Un-Audited Financial Results of the Bank for the quarter and nine month ended December 2024



SHAREHOLDERS INFORMATION

Dividend

The Board of Directors of the Bank in its meeting held on May 19, 2025, has recommended dividend of ₹2.60/- per equity share on the face value of ₹ 2/- each (i.e., 130%) for the financial year ended March 31, 2025, subject to the approval of regulatory authorities, if any and shareholders at the 106th Annual General Meeting (AGM) of the Bank.

Dividend history of the Bank over the past years

Year	Rate of Dividend	Dividend Pay out ratio
2020-21	25%	11.12%
2021-22	80%	25.01%
2022-23	100%	14.50%
2023-24	120%	12.03%
2024-25	130% (Proposed)	10.95%

Dividend Distribution Policy

Pursuant to Regulation 43A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), the Bank has Board approved "Dividend Distribution Policy". The Bank shall declare dividend only after ensuring compliance with the Banking Regulation Act, 1949, various regulatory guidelines on dividend declaration issued by RBI from time to time, the provisions of the Companies Act, 2013 & the rules made thereunder, SEBI LODR, as amended to the extent applicable for Banking Companies. The Policy is available on the website of the Bank at <https://www.kvb.co.in/docs/dividend-distribution-policy.pdf>

Updation of KYC – Physical Shareholders

SEBI vide its Master Circular No. SEBI/HO/MIRSD/MIRSDPoD/P/CIR/2025/91 dated June 23, 2025, has mandated all the listed companies to record PAN, Address with PIN code, Mobile Number, Bank Account details and Specimen Signature of security holders. Even though updating of Email ID and choice of Nomination are optional, the security holders are requested to register email id to avail online services and nomination to avoid legal complications.

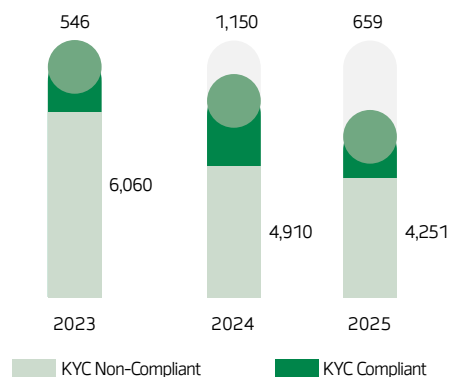
- a) With effect from April 01, 2024, dividend shall be paid only through electronic mode to the shareholders who have not updated the PAN or Contact Details or Mobile Number or Bank Account Details or Specimen Signature in respect of their physical folios, only upon furnishing all the aforesaid details in entirety.

- b) If a shareholder updates the PAN, Contact Details including Mobile Number, Bank Account Details and Specimen Signature after April 01, 2024, then the shareholder would receive all the dividends declared during that period (from April 01, 2024 till the date of updation) pertaining to the shares held after the said updation automatically.

Hence, we request the shareholders of the Bank, who have not registered their PAN, Contact details, Bank Account details and Specimen Signature, to update the same.

Further, as per the Central Board of Direct Taxes (CBDT) notification, it is mandatory to link PAN with Aadhaar number. RTAs shall accept only valid PANs and the ones which are linked to the Aadhaar number. All physical security holders who are yet to link the PAN with Aadhaar number are requested to get the same done and as such folios (non-linking of PAN and Aadhaar number) would be also considered as non-KYC compliant.

Comparative status on KYC updation Status over last three years



Specimen copy of letter and prescribed forms for updating KYC and Nomination is available on the Bank's website at <https://www.kvb.co.in/investor-corner/>.

Initiative taken by the Bank

To enhancing the KYC compliant, your Bank has been closely following up with the Non-KYC compliant shareholders via., mails/telephonic conversation, whose data are registered with the Bank.

In order to ensure more attention, follow up has been made through the Divisional offices/Branches based on the shareholders' locations. Bank would ensure/explore other means to reach shareholders in this regard.

Further, in all the notices issued to shareholders furnished in the Newspaper having regional circulation as well as nation wide circulation was accompanied with the procedure for KYC Updation.

The Bank is actively taking all necessary measures to significantly reduce KYC non-compliant cases.

Shareholders Engagement

In continued commitment to transparency and service excellence, the Bank has launched a **Shareholders Satisfaction Survey** to actively seek the opinion and feedback of the valuable shareholders.

The initiative aims to gather insights on Key aspects such as service quality, adequacy of disclosures, ease of information access and overall shareholders experience. The survey was hosted on Bank's website, also accessible via QR code and path of the survey, which was sent via mail to shareholders whose email ids were registered in their demat account(s)/ Folio numbers.

Participation is secured through PAN validation, ensuring that only shareholders of the Bank as of the designated date are eligible to respond.

The survey consists of a set of questions where shareholders can rate each aspect using a star-rating system - Not Satisfied, Need Improvements, Satisfactory, Good and Very Good. Additionally, an optional comment box is available for each question to allow more detailed feedback. The survey was conducted in June 2025, and the Bank received over 700 responses, making the initiative an effective step toward enhanced shareholder engagement. Out of the total responses 98% shareholders provided positive feedback, while remaining 2% offered constructive suggestions for improvement. The Bank views every feedback as an opportunity to evolve. Bank reaffirms its commitment to implementing thoughtful, shareholder-centric enhancements aimed at elevating service quality and overall stakeholder experience.

“We believe that every shareholder’s voice is instrumental in shaping a stronger, more transparent and service-oriented Bank”

This initiative reflects the Bank's dedication to continual improvement by placing shareholders at the centre of its growth and governance strategy.

Disclosure of details of Unclaimed Shares Suspense Account under Regulation 39(4) of SEBI LODR

Sr. No	Particulars	Number of shareholders	No. of shares
1	Aggregate number of shareholders and the outstanding shares as on April 01, 2024	788	47,797
2	Add: No. of shares transferred to Unclaimed Shares Suspense Account during the FY 2024-25	736 [^]	1,99,205
3	Less: No. of shareholders who approached the Bank for transfer of shares and to whom shares were transferred during FY 2024-25	13	17,984
4	Less: No. of shares transferred to the IEPF authority in terms of Section 124(6) of the Companies Act, 2013	11*	2,580
5	Aggregate number of shareholders and the outstanding shares as on March 31, 2025	1,425	2,26,438

[^] Shares credited includes the shares pertaining to the existing 85 shareholders.

* Among which shares of the 10 shareholders are still in Unclaimed Shares Suspense Account, as their subsequent corporate benefits are not yet met the requirement for transferring to IEPF.

The voting rights on the above mentioned 2,26,438 shares shall remain frozen till the rightful owner of such shares claims the same.

Unpaid/Unclaimed Dividend

Pursuant to the provisions of Section 124 (5) of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended from time to time, Bank is statutorily required to transfer to the Investor Education & Protection Fund ('IEPF'), established by the Central Government, all dividends remaining unpaid/unclaimed for a period of 7 years, from the date of such transfer to the unclaimed dividend account. Once such amounts are transferred to IEPF, no claim of the shareholder shall lie against the Bank.

The following table gives the unclaimed amount from the year 2017-18 with the position as on March 31, 2025 and the last date for claiming the dividend before transfer to the said Fund.

Financial Year	Date of Declaration	Div. amount per share and %	Total Amount	Unclaimed Amount (₹) and %	Last date for claiming the Dividend
Unclaimed Dividend Warrants:					
2017-18	10.08.2018	0.60 (30%)	43,59,83,622.60	17,46,162.60 (0.40%)	09.09.2025
2018-19	19.07.2019	0.60 (30%)	47,95,92,431.40	17,03,730.60 (0.36%)	18.08.2026
2019-20		Dividend was not declared as per the RBI circular dated April 17, 2020			
2020-21	11.08.2021	0.50 (25%)	39,96,60,854.00	19,31,490.50 (0.48%)	12.09.2028
2021-22	03.08.2022	1.60 (80%)	128,01,82,040.00	56,88,596.00 (0.44%)	02.09.2029
2022-23	23.08.2023	2.00 (100%)	160,51,09,532.00	68,81,686.00 (0.43%)	22.09.2030
2023-24	14.08.2024	2.40 (120%)	193,13,41,821.60	1,63,91,712.40 (0.85%)	17.09.2031
Unclaimed Refund Orders & Fractional Warrants of Bonus Issue:					
Bonus 2018 Fractional Warrant	27.09.2018	-	-	1,52,350.86	26.10.2025
Unclaimed Debenture Interest Warrant					
2021-22 Debenture Interest Warrant	12.03.2022	-		35,850	10.04.2029
2022-23 Debenture Interest Warrant	12.03.2023	-	58,19,65,000	35,850	14.04.2030
2023-24 Debenture Interest Warrant	12.03.2024	-		53,775	11.04.2031
2023-24 Debenture Principal	12.03.2024	-	-	5,00,000	11.04.2031

Shareholders/Debenture holders who have not claimed their dividend/interest warrants for the period as specified above are advised to send their request letter along with supported documents to Registrars and Share Transfer Agents or Nodal Officer of the Bank Shri Srinivasarao Maddirala. The details of unpaid/unclaimed dividends and Debenture Interests are available on the website of the Bank at www.kvb.co.in.

Pursuant to Regulation 6(2)(d) SEBI LODR, Bank has created a separate e-Mail ID for redressal of Investor Complaints and Grievances. The said e-Mail ID is kvb_sig@kvbmail.com.

Transfer of shares to Investor Education and Protection Fund (IEPF)

In terms Section 124 (6) of the Companies Act, 2013 and read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), as amended from time to time, all shares pertaining to any shareholder in respect of which dividend/s have not been claimed for the last 7 consecutive years shall be transferred to the IEPF Authority. Subsequent to such transfer of shares to IEPF Authority, all future benefits which may accrue, on these shares, including future dividend, will be credited to the said IEPF Authority only.

As per the said Rules, Bank is required to transfer all shares in respect of which dividends remained unclaimed by the shareholders for a period of seven consecutive years (i.e., from financial year 2016-17). Bank has sent individual communication to the concerned shareholders whose shares are liable to be transferred to IEPF Authority, for taking appropriate action and by submitting requisite documents to claim the unclaimed dividend amount. Subsequently, a public notice was issued in Business Standard for all India Circulation and Dinamalar in Trichy Edition covering Karur.

Pursuant to the IEPF Rules, 1,69,766 shares in respect of which unclaimed/unpaid dividends were not claimed from financial year 2016-17 (Final) for seven consecutive years were transferred to IEPF Authority during September 2024 bearing demat account no IN300708-10656671.

The details of the Shareholders who have not claimed the dividends for last seven years are available on the Bank's website at www.kvb.co.in.

Efforts undertaken to facilitate claiming unclaimed dividends:

The Bank has implemented a series of proactive measures to assist shareholders in claiming their unclaimed dividend.

Shareholder Communication

The Bank regularly sends reminders via letters and emails to shareholders with respect to encashing of unclaimed dividend and to Bond holders with respect to unclaimed interest. These communications are intended to ensure shareholders are consistently informed and can take timely action.

Targeted Outreach Efforts

In May 2024, the bank dispatched 226 letters to shareholders whose shares were identified for transfer to IEPF authority, out of which 131 letters were returned due to incorrect or incomplete registered addresses.

Newspaper Advertisement

Public notices and advertisements concerning the transfer of unclaimed dividend to the IEPF were published in:

- Business Standard (National Circulation)
- Dinamalar (Trichy Edition) covering Karur

Direct Shareholder Engagement

Initiatives taken for personally reaching out the shareholders/bondholders who have not yet claimed the dividend/interest and specifically which are due for transferring to IEPF (dividend amount of ₹ 2,500 and above), through divisional offices/branches based on the available address for claiming of dividends/interest.

Despite these sustained efforts, the response and claim ratio remained low, primarily because shareholders;

- No longer resided at the registered address
- Have not updated their mobile numbers or email address in folio/demat accounts.

Information Accessibility

The folio/Demat wise list of Unclaimed dividend/interest is publicly accessible on Bank's Website, under the Investor Corner section at <https://www.kvb.co.in/investor-corner/>, promoting transparency and enabling shareholder self-service.

Despite the significant follow-ups over the years the Bank has still have shares, dividend, interest in unclaimed account as detailed above. The Bank continues to make proactive efforts to reduce the same.

Guidelines to claim the shares/dividend transferred to Investors Education and Protection Fund (IEPF)

Pursuant to Rule 7 of IEPF Rules, the shareholders whose shares/dividend transferred to IEPF can claim the same from IEPF Authority by following the below mentioned process;

- 1. Online Application vide Form IEPF-5 on MCA V3:** Claimant can claim dividends and/or shares by filing the Form IEPF-5 on MCA V3 Portal at <https://www.iepf.gov.in/>. All the required documents to be attached to the form.
- 2. Dispatch of documents to the Nodal/Deputy Nodal Officer of the Company:** Claimant to dispatch hard copy of the self-attested Form IEPF-5 along with other requisite documents, to Shri Srinivasarao Maddirala, Nodal Officer (IEPF) of the Bank in an envelope marked "Claim for refund from IEPF Authority" at the below mentioned address.
- 3. Upload of proof of dispatch on MCA V3 Portal:** Claimant to update date of dispatch and upload proof thereof, on the MCA V3 Portal
- 4. Submission of E-Verification Report by the Bank:** Claim forms completed in all aspects will be verified by the Bank and within 30 days of receiving the IEPF-5 claim, the Company is required to submit E-Verification Report on MCA V3 Portal.
- 5. IEPF Authority to release shares and/or dividends:** On the basis of Bank's verification report, refund will be released by the IEPF Authority in Favor of claimants' account through electronic transfer.

The general information about the Bank for filling the IEPF - 5 form are as under:

a) Corporate Identification Number (CIN) of Bank	L65110TN1916PLC001295
b) Name of the Bank	The Karur Vysya Bank Ltd
c) Address of Registered & Central Office of the Bank	The Karur Vysya Bank Limited, Investor Relations Cell, Regd. & Central Office, No. 20, Erode Road, Vadivel Nagar, L.N.S, Karur- 639002. E-Mail: kvbiefp@kvbmail.com

Disclosure of certain types of agreements binding listed entities

The Bank has not received any intimation under clause 5A of paragraph A of Part A of Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding agreements made which impact the management or control of the listed entity or impose any restriction or create any liability upon the listed entity.

Declaration as required under Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

The Members of the Board of Directors and Senior Management Personnel of the Bank have affirmed compliance with the Code of Conduct of the Bank for the year ended March 31, 2025.

B Ramesh Babu

Managing Director & Chief Executive Officer

Place: Karur

Date: July 24, 2025

CEO / CFO Certification

As stipulated under Regulation 17(8) of the SEBI Listing Obligations & Disclosure Requirements Regulations (LODR) 2015, we hereby certify that -

- a) We have reviewed financial statements for the year ended March 31, 2025 and that to the best of our knowledge and belief these statements :
 - i. do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the period which are fraudulent, illegal or in violation of the company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Bank pertaining to financial reporting and have disclosed to the auditors and the Audit Committee, that there are no significant changes in internal control over financial reporting during the period ended March 31, 2025 and deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have also indicated to the Auditors and the Audit Committee that:
 - There are no changes in accounting policies followed in the preparation of financial results for the quarter/year ended March 31, 2025 as compared to those followed for the year ended March 31, 2024, except in case of valuation of investments based on RBI Master Direction – Classification, Valuation and Operation of Investment Portfolio of Commercial Banks (Directions), 2023 and the same has been disclosed in the notes to the financial statements;
 - The financial results do not contain any false or misleading statement or figures and do not omit any material fact which may make the statements or figures contained therein misleading; and
 - There are no instances of significant fraud of which we have become aware and the involvement therein of the management or an employee having a significant role in the company's internal control system over financial reporting.

B Ramesh Babu

Managing Director and CEO

R Ramshankar

General Manager and CFO

Place: Karur

Date: May 19, 2025

Certificate of Compliance of conditions of Corporate Governance

[Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To
The Members
THE KARUR VYSYA BANK LIMITED
No.20, Erode Road, Vadivel Nagar,
L.N.S., Karur - 639002

We, S.A.E & Associates LLP, Company Secretaries have examined the compliance of conditions of Corporate Governance by The Karur Vysya Bank Limited ("the Bank"), having CIN L65110TN1916PLC001295 and registered office at No.20, Erode Road, Vadivel Nagar, L.N.S., Karur 639002, for the financial year ended on March 31, 2025 as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46 (2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR).

MANAGEMENT'S RESPONSIBILITY:

The compliance of conditions of Corporate Governance is the responsibility of the management. This responsibility includes design, implementation and maintenance of internal control and procedures to ensure compliance with the conditions of Corporate Governance as stipulated in LODR.

AUDITOR'S RESPONSIBILITY:

- Our responsibility is limited to a review of the procedures and implementation thereof adopted by the Bank for ensuring compliance of the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Bank.
- We have examined the records and documents of the Bank, to the extent relevant, for the purpose of providing reasonable assurance on compliance with Corporate Governance requirements by the Bank.

OPINION:

- To the best of our information and based on our examination of the relevant records and the explanations given to us and the representations provided by the directors and the management, we certify that the Bank has complied with the conditions of corporate governance as stipulated in Regulation 17 to 27 and clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the LODR, during the financial year ended March 31, 2025.
- We state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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

Company Secretaries

Sri Vidhya Kumar, Partner

FCS. No. 11114, C.P. NO. 20181

FRN: L2018TN004700

Peer Review Certificate No. 2822/2022

UDIN: F011114G000855311

Place: Chennai

Date: July 24, 2025

Certificate of Non-Disqualification of Directors

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended))

To
The Members,
The Karur Vysya Bank Limited
No.20, Erode Road, Vadivel Nagar,
L.N.S., Karur - 639002.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of The Karur Vysya Bank Limited having CIN L65110TN1916PLC001295 and registered office at No.20, Erode Road, Vadivel Nagar, L.N.S., Karur 639002 (hereinafter referred to as 'the Bank'), produced before us by the Bank for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Bank & its officers, we hereby certify that none of the Directors on the Board of the Bank as stated below as on the financial year ended March 31, 2025 have been debarred or disqualified from being appointed or continuing as Directors of Bank by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority viz., Reserve Bank of India.

Sr. No.	Name of Director	DIN	Date of appointment in the Bank
1	Dr Meena Hemchandra	05337181	26-May-2022
2	Shri B Ramesh Babu	06900325	29-July-2020
3	Shri R Ram Kumar	00275622	25-Jun-2018
4	Shri K G Mohan	08367265	01-Feb-2020
5	Shri R Harshavardhan	01675460	30-Jul-2020
6	Shri Murali Ramaswami	08659944	14-Jun-2022
7	CA Dr Chinnasamy Ganesan	07615862	25-Apr-2023
8	Shri Vidhya Shankar	00002498	22-Apr-2024
9	Shri J Natarajan	02710776	22-May-2024*
10	Smt Srimathy Sridhar	10627997	26-Sep-2024
11	Shri Sankar Balabhadrapatruni	08846754	12-Mar-2025

*Completed his tenure as whole-time director on May 21, 2025

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the management of the Bank. Our responsibility is to express an opinion based on our verification of the records and disclosures. This certificate is neither an assurance as to the future viability of the Bank nor of the efficiency or effectiveness with which the management has conducted the affairs of the Bank.

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

Company Secretaries

Sri Vidhya Kumar, Partner

FCS. No. 11114, C.P. NO. 20181

FRN: L2018TN004700

Peer Review Certificate No. 2822/2022

UDIN: F011114G000855298

Place: Chennai

Date: July 24, 2025

Independent Auditors' Report

To The Members of The Karur Vysya Bank Limited

Report on the Audit of the Financial Statements

Opinion

1. We have audited the accompanying financial statements of **The Karur Vysya Bank Limited** ('the Bank'), which comprise the Balance Sheet as at 31 March 2025, the Profit and Loss Account and the Statement of Cash Flows for the year then ended, and notes to financial statements including a summary of significant accounting policies and other explanatory information in which are included the returns for the year ended on that date, of:
 - i) 22 branches including Treasury Branch audited by us and
 - ii) 971 branches including processing centres audited by statutory branch auditors located across India.
2. In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of the statutory branch auditors as referred to in paragraph 6 below, the aforesaid financial statements, read with notes thereon, give the information required by the Banking Regulation Act, 1949 as well as the Companies Act, 2013 ('the Act'), as amended in the manner so required for banking companies and circulars and guidelines issued by the Reserve Bank of India ('RBI'), in the manner so required for banking companies and give a true and fair view and are in conformity with the accounting principles generally accepted in India including the Accounting Standards prescribed under section 133 of the Act read with Companies (Accounting Standards) Rules, 2021, of the state of affairs of the Bank as at 31 March 2025, its profit and its cash flows for the year ended on that date.

Basis for Opinion

3. We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Bank in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (the "ICAI") together with ethical requirements that are relevant to our audit of the financial statements in accordance with the accounting principles generally accepted in India, including

the Accounting Standards prescribed under section 133 of the Act read with Companies (Accounting Standards) Rules, 2021, provisions of section 29 of the Banking Regulation Act, 1949, circulars and guidelines issued by RBI from time to time and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained and that obtained by the statutory branch auditors, in terms of their reports referred in paragraph 6 is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, and based on the consideration of the reports of the statutory branch auditors as referred to paragraph 6 below, were of most significance in our audit of the financial statements for the financial year ended March 31, 2025. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.
5. We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

A. Identification of Non-Performing Assets ('NPA') and Provisions thereon

(Schedule 9 read with Note 3 of Schedule 17 and Note 4.1 and Note 14.5 of Schedule 18 to the financial statements)

Key Audit Matter

Identification of Non-Performing Assets ("NPA") and provisions in respect of NPAs and restructured advances are made based on management's assessment in accordance with norms, circulars and directions issued by

Independent Auditors' Report (Contd.)

the RBI on Prudential Norms on Income Recognition, Asset Classification and Provisioning ("IRACP") pertaining to Advances from time to time which are also used to classify investments.

The provision on NPA is based on the valuation of the security available and also requires management estimates and judgements. In case of restructured accounts, provision is made for diminution in fair value of restructured loans, in accordance with the RBI guidelines.

Accordingly, our audit focused on identification of NPAs and provision on assets as a key audit matter because of the level of management estimates and judgment involved in determining the provision and the valuation of the security of the NPA loans and the resultant impact on the financial statements of the Bank. Given the significance of the amount of advances and investments and its significance to overall audit due to stakeholder and regulatory focus, identification of non-performing assets and provision thereon has been considered as Key Audit Matter.

Auditor's Response

Our key audit approach/procedures towards Classification of Advances, Identification of Non-performing Advances, Income Recognition and Provision on Advances and investments included:

- Understanding and considering the Bank's policies for NPA identification and provisioning and assessing compliance with the IRACP Norms.
- Understanding, evaluation and testing the design and operating effectiveness of key controls (including system based automated controls) for identification and provisioning of impaired accounts based on the extant guidelines on IRACP laid down by the RBI.
- Performing other procedures including substantive audit procedures covering the identification of NPAs by the Bank. These procedures included:
 - (a) Considering testing of the exception reports generated from the application systems where the advances have been recorded.
 - (b) Considering the accounts reported by the Bank and other banks as Special Mention Accounts ("SMA") in RBI's central repository of information on large credits (CRILC) to identify stress.
 - (c) Reviewing account statements, drawing power calculation, security and other related information of the borrowers selected based on quantitative and qualitative risk factors.
 - (d) Reading of minutes of management committee and credit committee meetings and performing inquiries with the credit and risk departments to ascertain if there were indicators of stress or an occurrence of an event of default in a loan account or any product.
 - (e) Considering key observations arising out of Internal Audits, Systems Audits, Credit Audits and Concurrent Audits conducted as per the policies and procedures of the Bank.
 - (f) Considering the RBI Annual Financial Inspection report on the Bank, the Bank's response to the observations and other communication with RBI during the year.
 - (g) Examination of advances including stressed/restructured advances on a sample basis with respect to compliance with the RBI Master Circulars / Guidelines.
 - (h) Visits to branches/offices and examination of documentation and other records relating to advances.
 - (i) Considered the branch audit reports submitted by the Statutory Branch Auditors of branches of the Bank.
 - For Non- performing advances identified, we, based on factors including stressed sectors and account materiality, tested on a sample basis the asset classification dates, compliance of income recognition, value of available security and provisioning as per IRACP norms. We recomputed the provision for NPA on such samples after considering the key input factors and compared our measurement outcome to that prepared by management.
 - Additionally, the Bank makes provisions on exposures that are not classified as NPAs including advances in certain sectors and identified advances or group advances that can potentially slip into NPA. These are classified under 'Other liabilities'.

Independent Auditors' Report (Contd.)

B. Information Technology - IT Systems and Controls

Key Audit Matter

The Bank's operations utilise many independent and inter-dependent information technology systems for processing and recording large volume of transactions in numerous locations on a daily basis. As a result, there is a high degree of reliance and dependency on such IT systems for financial reporting process of the Bank. Controls over access and changes to IT systems are critical to the recording of financial information and the preparation of a financial statements which provides a true and fair view of the Bank's financial position and performance. Appropriate automated general and application controls are required to ensure that such IT systems and applications are able to process the data, as required, completely, accurately and consistently, which directly impacts the completeness and accuracy of financial reporting.

The IT systems and controls, as they impact the financial recording and reporting of transactions, is a key audit matter as our audit approach could significantly differ depending on the effective operation of the Bank's IT controls.

Auditor's Response

We tested the technology control environment for key IT applications (systems) used in processing significant transactions and recording balances in the general ledger. We also tested key automated controls embedded within these systems which link the technology-enabled business processes. Our further audit procedures included:

- Identification of critical application softwares used in the Bank with reference to its functionalities and impact on the books and records of the Bank.
- Assessing the governance and higher-level controls across the IT Environment, including those regarding policy design, review and awareness, and IT Risk Management practices;
- Evaluation and understanding the key IT systems being used by the Bank;
- Design and operating effectiveness testing of controls across the User Access Management Lifecycle, Change Management as well as effectiveness testing of automated business process controls including segregation of duties

- Design and operating effectiveness testing of controls to enable Change Management including how changes are initiated, documented, approved, tested and authorised prior to migration into the production environment of critical IT Applications. We assessed the appropriateness of users with access to release changes to IT application production environments in the Bank;
- Evaluated other areas including password policies, security configurations, controls over changes to applications and databases and controls to ensure that developers and production support did not have access to change applications.
- Verified the audit trail (edit log) on test check basis for identified accounting softwares.

Reviewing effectiveness of mappings and flagging of financial transactions and automated reconciliation controls (both between systems and intra-system) and Data integrity of critical system reporting used in our audit to select samples and analyse data used by management to generate financial reporting.

C. Direct and Indirect Taxes

(Schedule 5 and 12 read with Note 15 of Schedule 17 to the financial statements)

Key Audit Matter

This matter has been identified as a key audit matter due to the significant level of management judgment required in the estimation of provision for taxes including any write back of provisions, due to factors like uncertain tax positions and provision for tax involves interpretation of various rules and law. It also involves consideration of on-going disputes and related disclosures.

Auditor's Response

- Our audit procedures to test uncertain tax positions included understanding processes, evaluation of relevant controls and testing thereof over provision for taxation, assessment of uncertain tax positions and disclosure of contingencies.
- We have obtained details of completed tax assessments and demands from the management of the bank.

Independent Auditors' Report (Contd.)

- We discussed with appropriate senior management personnel, evaluated the management's underlying key assumptions in estimation of tax provisions and independently assessed management's estimate of the possible outcome of the disputed cases. We have also relied upon the opinion given by tax consultants while evaluating management's assessment for the uncertain tax positions.
- We considered past assessments and appellate orders for earlier years and other relevant legal precedence and rulings in evaluating management's position on these uncertain tax positions, the provisions made, and/or written back.
- We also considered the adequacy and completeness of the disclosures made in relation to matters where management concluded that no provision should be recorded.

Other Matters

6. We did not audit the financial statements / information of 971 domestic branches including processing centres included in the financial statements of the Bank whose financial statements / financial information reflects total assets of ₹. 1,03,38,95,244 thousand as at March 31, 2025 and total revenue of ₹.9,44,41,855 thousand for the year ended on that date, as considered in the financial statements. These branches and processing centres cover 77.19% of advances, 82.86% of deposits, 66.08% of non-performing assets as at March 31, 2025 and 82.07% of revenue for the year ended March 31, 2025. The financial statements/ information of these branches have been audited by the statutory branch auditors whose reports have been furnished to us and our opinion on the financial statements, in so far as it relates to the amounts and disclosures included in respect of branches including processing centres, and our report in terms of Section 143(3) of the Act, in so far as it relates to the aforesaid branches including processing centres, are based solely on the reports of such statutory branch auditors.

Our opinion on the financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the statutory branch auditors.

7. The financial statements of the Bank for the year ended March 31, 2024 were audited by predecessor auditors

whose report dated May 13, 2024 expressed an unmodified opinion on those financial statements.

Our opinion is not modified in respect of above matters.

Information Other than the Financial Statements and Auditors' Report thereon

8. The Bank's Board of Directors is responsible for the other information. The other information comprises the Corporate Overview, Directors' Report including annexures to Directors' Report, Management Discussion and Analysis, Basel III – Pillar 3 disclosures and Corporate Governance report included in the Annual Report, but does not include the financial statements and our auditor's report thereon. The other information is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

9. The Bank's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Bank in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Act read with Companies (Accounting Standards) Rules, 2021 in so far as they apply to the Bank and provisions of Section 29 of the Banking Regulation Act, 1949 and circulars and guidelines issued by the RBI from time to time. This responsibility also includes maintenance of adequate accounting records in

Independent Auditors' Report (Contd.)

accordance with the provisions of the Act for safeguarding of the assets of the Bank and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

10. In preparing the financial statements, the Board of Directors is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.
11. The Board of Directors are also responsible for overseeing the Bank's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

12. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
13. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material

misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Bank has adequate internal financial controls system with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the financial statements made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the Bank to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit of the financial information of the Bank and such branches included in the financial statements, of which we are the independent auditors. For the other branches included in the financial statements, which have been audited by statutory branch auditors, such branch auditors remain responsible for the direction,

Independent Auditors' Report (Contd.)

supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

14. Materiality in the magnitude of the misstatements in the financial statements that, individually or aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning of the scope of our audit work and evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatement in the financial statements.
 15. 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.
 16. 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.
 17. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the financial year ended March 31, 2025 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**
18. The Balance Sheet and the Profit and Loss Account have been drawn up in accordance with Section 29 of the Banking Regulation Act, 1949 and Accounting Standards as per section 133 of the Act read with Companies (Accounting Standards) Rules, 2021.
 19. As required by sub-section (3) of section 30 of the Banking Regulation Act, 1949, and on the consideration of the reports of the statutory branch auditors as referred in paragraph 6 above, we report that:
 - a) we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit and have found them to be satisfactory;
 - b) the transactions of the Bank, which have come to our notice, have been within the powers of the Bank; and
 - c) the returns received from the offices and branches of the Bank have been found to be adequate for the purpose of our audit.
 20. With respect to the matter to be included in the auditor's report under section 197(16) of the Act, we report that since the Bank is a banking company as defined under the Banking Regulation Act, 1949; the reporting under section 197(16) of the Act in relation to whether the remuneration paid by the Bank is in accordance with the provisions of section 197 of the Act and whether any excess remuneration has been paid in accordance with the aforesaid section is not applicable.
 21. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the statutory branch auditors as referred to in paragraph 6 above, we further report to the extent applicable that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - (b) In our opinion, proper books of accounts as required by law have been kept by the Bank so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branches not visited by us.
 - (c) the reports on the accounts of the branches and processing centres of the Bank audited under section 143(8) of the Act by the statutory branch auditors of the Bank have been sent to us and have been properly dealt with by us in preparing this report.
 - (d) The Balance Sheet, Profit and Loss Account and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (e) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act read with Companies (Accounting Standards) Rules, 2021 to the extent they are not consistent with the policies prescribed by the RBI.

Independent Auditors' Report (Contd.)

- (f) On the basis of the written representation received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025 from being appointed as a director in terms of section 164(2) of the Act.
- (g) With respect to the adequacy of internal financial controls with reference to the financial statements of the Bank and the operating effectiveness of such controls, our separate report in Annexure A is attached.
- (h) The entity being a banking company as defined under Banking Regulation Act, 1949, the remuneration to its directors during the year ended March 31, 2025 has been paid / provided by the Bank in accordance with the provisions of Section 35B(1) of the Banking Regulation Act, 1949.
- (i) With respect to the other matters to be included in the Auditors Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our knowledge and belief and according to the information and explanation given to us:
 - i. The Bank has disclosed the impact of pending litigations on its financial position in Schedule 12 and Note 14.12 of Schedule 18 to the financial statements.
 - ii. The Bank has made provision as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts as detailed in Schedule 12 and note 7 of Schedule 18 to the financial statements and
 - iii. Except for a delay of 12 days in transferring unclaimed share application money amounting to Rs. 475 thousand, which as explained to us was due to technical issues in the MCA portal as stated in Note.14.13 of Schedule 18 to the financial statements, there has been no delay in transferring the amounts required to be transferred to the Investor Education and Protection Fund by the Bank during the year ended March 31, 2025.
 - iv. a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the note 15 of

Schedule 18 to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Bank to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Bank ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- b) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the note 15 of Schedule 18 to the financial statements, no funds have been received by the Bank from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Bank shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

Based on such audit procedures that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) above contain any material misstatement.

- v. As stated in note 1.2 of Schedule 18 to the financial statements and as disclosed in Profit and Loss Account under 'Appropriations' to the Financial Statements:
 - (a) The final dividend proposed in the previous year, declared, and paid by the Bank during the year is in accordance with Section 123 of the Act, as applicable.

Independent Auditors' Report (Contd.)

- (b) The Bank did not pay any interim dividend during the year.
- (c) The Board of Directors of the Bank have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable, until the date of this report.
- vi. Based on our examination which included test checks the Bank has used accounting softwares for maintaining its books of account, which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective software except that actions taken by the service provider at database level of Loan Origination System were not logged as per the System and Organisation Controls (SOC2) Type 2 report. As informed to us, during the year, there was no request by the Bank to the service provider to access the database of Loan Origination System.

Further, for the periods where audit trail (edit log) feature was enabled and operated throughout the year for the respective accounting software, we did not come across any instance of the audit trail feature being tampered with during the course of our audit.

Pursuant to the requirements of Rule 3(1) of the Companies (Accounts) Rules, 2014 and as required under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014, the audit trail has been preserved by the Bank in compliance with the applicable statutory requirements for record retention except for the matter stated above and logs were retained for the period commencing from June 13, 2023, July 9, 2023 and February 1, 2024 for digital gold loan, people soft HRMS and bullion precious metal software, respectively.

Kalyaniwalla & Mistry LLP

Chartered Accountants

Firm Regn. No. 104607W/W100166

Anil A. Kulkarni

Partner

Membership No.047576

Date: May 19, 2025

Place: Karur

UDIN: 25047576BMKXJI4224

Varma & Varma

Chartered Accountants

Firm Regn. No. 004532S

Vivek Krishna Govind

Partner

Membership No. 208259

Date: May 19, 2025

Place: Karur

UDIN: 25208259BMOINK2351

Annexure “A”

To the Independent Auditor’s Report

(Referred to in paragraph 14(g) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date on the Financial Statements of The Karur Vysya Bank Limited for the year ended March 31, 2025)

Report on the Internal Financial Controls with reference to Financial Statements

We have audited the internal financial controls with reference to financial statements of The Karur Vysya Bank Limited (“the Bank”) as of March 31, 2025, in conjunction with our audit of the financial statements of the Bank for the year ended on that date which includes internal financial controls with reference to financial statements of the Bank’s branches including processing centres.

Management’s Responsibility for Internal Financial Controls

The Bank’s management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Bank considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Bank’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Banking Regulation Act, 1949 and the circulars and guidelines issued by the RBI.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Bank’s internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the ICAI and the Standards on Auditing (SAs) issued by the ICAI, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal financial controls based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the branch auditors, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Bank’s internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with reference to Financial Statements

A Bank’s internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Bank’s internal financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Bank; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Bank are being made only in accordance with authorisations of management and directors of the Bank; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Bank’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility

Annexure “A” (Contd.)

To the Independent Auditor’s Report

of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the statutory branch auditors referred to in the Other Matters paragraph of our report on the audit of the financial statements, the Bank has, in all material respects,

adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at March 31, 2025, based on the criteria for internal control with reference to financial statements established by the Bank considering the essential components of internal control stated in the “Guidance Note on Audit of Internal Financial Controls Over Financial Reporting” issued by the ICAI.

Other Matters

Our aforesaid report insofar as it relates to the operating effectiveness of internal financial controls with reference to financial statements of 971 branches including processing centres is based on the corresponding reports of the respective statutory branch auditors of those branches including processing centres.

Our opinion is not modified in respect of this matter.

Kalyaniwalla & Mistry LLP

Chartered Accountants

Firm Regn. No. 104607W/W100166

Varma & Varma

Chartered Accountants

Firm Regn. No. 004532S

Anil A. Kulkarni

Partner

Membership No.047576

Date: May 19, 2025

Place: Karur

UDIN: 25047576BMKXJI4224

Vivek Krishna Govind

Partner

Membership No. 208259

Date: May 19, 2025

Place: Karur

UDIN: 25208259BMOINK2351

Balance Sheet

as at March 31, 2025

		(₹ 000's omitted)	
	SCHEDULE	AS AT 31.03.2025	AS AT 31.03.2024
CAPITAL & LIABILITIES			
Capital	1	161 02 49	160 87 54
Reserves and Surplus	2	11768 51 83	9879 19 78
Deposits	3	102077 99 01	89112 72 32
Borrowings	4	1216 98 23	2478 35 02
Other Liabilities and Provisions	5	4142 90 21	3822 11 19
TOTAL		119367 41 77	105453 25 85
ASSETS			
Cash and Balances with			
Reserve Bank of India	6	7354 18 75	5587 92 57
Balance with Banks and Money			
at call and short notice	7	452 53 32	70 63 65
Investments	8	23831 25 45	22343 52 48
Advances	9	84004 53 63	73667 48 23
Fixed Assets	10	490 17 29	432 88 09
Other Assets	11	3234 73 33	3350 80 83
TOTAL		119367 41 77	105453 25 85
Contingent Liabilities	12	13222 54 21	13187 45 47
Bills for collection		3143 24 31	3278 29 82
Significant Accounting Policies	17		
Notes on Accounts	18		

The schedules referred to above form an integral part of Balance Sheet.

**DR. MEENA
HEMCHANDRA**

Non-executive
Independent (Part-time)
Chairperson

DIN: 05337181

**CHINNASAMY
GANESAN**

Audit Committee
Chairman

DIN: 07615862

B. RAMESH BABU

Managing Director
& C E O

DIN: 06900325

J. NATARAJAN

Executive
Director

DIN: 02710776

**SANKAR
BALABHADRAPATRUNI**

Executive Director

DIN: 08846754

RAMSHANKAR R

Chief Financial
Officer

M. SRINIVASA RAO

Company Secretary

As per our report of even date

For Kalyaniwalla & Mistry LLP
Chartered Accountants
FRN: 104607W/W100166

For Varma & Varma
Chartered Accountants
FRN:004532S

Anil A. Kulkarni

Partner
M. No. 047576

Vivek Krishna Govind

Partner
M. No. 208259

Place : Karur
Date : May 19, 2025

Profit and Loss Account

for the year ended March 31, 2025

(₹ 000's omitted)

	SCHEDULE	Year ended 31.03.2025	Year ended 31.03.2024
I INCOME			
Interest earned	13	9678 04 02	8213 16 35
Other Income	14	1829 55 22	1649 46 61
TOTAL		11507 59 24	9862 62 96
II EXPENDITURE			
Interest expended	15	5418 11 66	4394 74 16
Operating expenses	16	2877 14 72	2638 75 00
Provisions and Contingencies		1270 69 19	1224 33 02
TOTAL		9565 95 57	8257 82 18
III PROFIT			
Net Profit (before exceptional item)		1941 63 67	1604 80 78
Net Profit		1941 63 67	1604 80 78
Profit brought forward from previous year		203 34 34	163 20 86
TOTAL		2144 98 01	1768 01 64
IV APPROPRIATIONS			
Transfer to Statutory Reserve		485 50 00	401 30 00
Transfer to Capital Reserve		21 90	85 20
Transfer to Revenue & Other Reserves		1055 00 00	715 00 00
Transfer to Investment Reserve		Nil	142 90 00
Transfer to Investment Fluctuation Reserve		120 00 00	74 11 00
Transfer to Special Reserve U/s 36(1)(viii) of IT Act, 1961		70 00 00	70 00 00
Dividend (paid for the financial year 2023-24/2022-23)		193 13 41	160 51 10
		1923 85 31	1564 67 30
Balance carried over to balance sheet		221 12 70	203 34 34
TOTAL		2144 98 01	1768 01 64
Basic Earnings Per Share	(in ₹)	24.13	19.99
Diluted Earnings Per Share	(in ₹)	24.12	19.97

The schedules referred to above form an integral part of Profit and Loss account

**DR. MEENA
HEMCHANDRA**

Non-executive
Independent (Part-time)
Chairperson

DIN: 05337181

**CHINNASAMY
GANESAN**

Audit Committee
Chairman

DIN: 07615862

B. RAMESH BABU

Managing Director
& C E O

DIN: 06900325

J. NATARAJAN

Executive
Director

DIN: 02710776

**SANKAR
BALABHADRAPATRUNI**

Executive Director

DIN: 08846754

RAMSHANKAR R

Chief Financial
Officer

M. SRINIVASA RAO

Company Secretary

As per our report of even date

For Kalyaniwalla & Mistry LLP
Chartered Accountants
FRN: 104607W/W100166

For Varma & Varma
Chartered Accountants
FRN: 0045325

Anil A. Kulkarni

Partner
M. No. 047576

Vivek Krishna Govind

Partner
M. No. 208259

Place : Karur

Date : May 19, 2025

Schedules

SCHEDULE 1 - CAPITAL

	(₹ 000's omitted)	
	AS AT 31.03.2025	AS AT 31.03.2024
Authorised Capital		
100,00,00,000 / (100,00,00,000) Equity shares of Rs. 2/- each	200 00 00	200 00 00
Issued Capital		
80,50,42,932 / (80,27,19,397) Equity shares of Rs. 2/- each	161 00 86	160 54 39
Add: 6,80,540 / (23,23,535) Equity shares of Rs.2/- each under ESOS 2011 & 2018 allotted.	13 61	46 47
	161 14 47	161 00 86
Subscribed & Paid up Capital		
80,43,76,998 / (80,20,53,463) Equity shares of Rs.2/- each	160 87 54	160 41 07
Add: 6,80,540 / (23,23,535) Equity shares of Rs.2/- each under ESOS 2011 & 2018 allotted. 61,019 Equity shares of Rs.2/-each under Rights issue 2017. 6,102 Equity shares of Rs.2/- each under Bonus 2018.	14 95	46 47
	161 02 49	160 87 54

SCHEDULE 2 - RESERVES AND SURPLUS

	(₹ 000's omitted)	
	AS AT 31.03.2025	AS AT 31.03.2024
I Statutory Reserve		
Opening Balance	2703 29 31	2301 99 31
Add: Addition during the year	485 50 00	401 30 00
TOTAL	3188 79 31	2703 29 31
II Capital Reserve		
Opening Balance	436 59 74	435 74 54
Add: Addition during the year	21 90	85 20
TOTAL	436 81 64	436 59 74
III Share Premium		
Opening Balance	2084 90 38	2075 63 63
Add: Additions during the year	4 26 81	9 26 75
TOTAL	2089 17 19	2084 90 38
IV Revenue and Other Reserves		
a) General Reserve		
Opening Balance	3570 07 16	2855 03 43
Add: Addition during the year	1055 00 00	715 00 00
Add: Depreciation on investment transferred	58 05 87	Nil
Add: Transfer from Investment reserve	202 92 00	Nil
Add: Lapsed ESOS reserve transferred	59 74	3 73
TOTAL	4886 64 77	3570 07 16
b) AFS Reserve		
As per last Balance Sheet	Nil	Nil
Add: Additions during the year	78 02 88	Nil
TOTAL	78 02 88	Nil

Schedules

(₹ 000's omitted)

	AS AT 31.03.2025	AS AT 31.03.2024
c) Investment Reserve		
Opening Balance	202 92 00	60 02 00
Add: Addition during the year	Nil	142 90 00
Less: Deduction during the year	(202 92 00)	Nil
TOTAL	Nil	202 92 00
d) Investment Fluctuation Reserve		
Opening Balance	148 86 60	74 75 60
Add: Addition during the year	120 00 00	74 11 00
TOTAL	268 86 60	148 86 60
e) Special Reserve U/s 36(1) (viii) of Income Tax Act, 1961		
Opening Balance	525 00 00	455 00 00
Add: Addition during the year	70 00 00	70 00 00
TOTAL	595 00 00	525 00 00
f) Employee Stock Option		
Opening Balance	4 20 25	2 24 92
Add: Addition during the year	2 74 89	3 41 37
Less: Lapsed ESOS transferred to General Reserve	(59 74)	(3 73)
Less: Shares allotted during the year transferred to Share Premium	(2 28 66)	(1 42 31)
TOTAL	4 06 74	4 20 25
V Balance in Profit and Loss account	221 12 70	203 34 34
TOTAL I, II, III, IV & V	11768 51 83	9879 19 78

SCHEDULE 3 - DEPOSITS

(₹ 000's omitted)

	AS AT 31.03.2025	AS AT 31.03.2024
A I. Demand Deposits :		
i) From Banks	6 18 85	7 08 15
ii) From Others	8346 74 09	8276 31 10
TOTAL	8352 92 94	8283 39 25
II. Savings Bank Deposits	19478 83 92	18801 66 49
III. Term Deposits		
i) From Banks	35 25 00	665 25 00
ii) From Others	74210 97 15	61362 41 58
TOTAL	74246 22 15	62027 66 58
TOTAL I, II & III	102077 99 01	89112 72 32
B Deposits of Branches :		
i) In India	102077 99 01	89112 72 32
ii) Outside India	Nil	Nil
TOTAL	102077 99 01	89112 72 32

Schedules

SCHEDULE 4 - BORROWINGS

	(₹ 000's omitted)	
	AS AT 31.03.2025	AS AT 31.03.2024
I Borrowings in India		
i) Reserve Bank of India	Nil	Nil
ii) Other Banks	Nil	Nil
iii) Other Institutions and Agencies	1173 98 10	1017 05 70
iv) Subordinated debt - bonds	Nil	Nil
TOTAL	1173 98 10	1017 05 70
II Borrowings outside India	43 00 13	1461 29 32
TOTAL I & II	1216 98 23	2478 35 02
Secured Borrowings included in I and II above	40 95 99	714 87 30

SCHEDULE 5 - OTHER LIABILITIES AND PROVISIONS

	(₹ 000's omitted)	
	AS AT 31.03.2025	AS AT 31.03.2024
I Bills Payable	512 18 34	543 51 82
II Inter-Office Adjustments (Net)	62 27	82 73
III Interest Accrued	590 43 85	513 27 53
IV Others (including provisions)	3039 65 75	2764 49 11
	4142 90 21	3822 11 19

SCHEDULE 6 - CASH AND BALANCES WITH RESERVE BANK OF INDIA

	(₹ 000's omitted)	
	AS AT 31.03.2025	AS AT 31.03.2024
I Cash in Hand (Including Foreign Currency Notes)	665 63 28	778 58 60
II Balances with Reserve Bank of India		
(a) in Current Account	3783 55 47	4034 33 97
(b) in Other Accounts	2905 00 00	775 00 00
	7354 18 75	5587 92 57

SCHEDULE 7 - BALANCES WITH BANKS AND MONEY AT CALL & SHORT NOTICE

	(₹ 000's omitted)	
	AS AT 31.03.2025	AS AT 31.03.2024
I In India		
i) Balances with Banks :		
(a) In Current Accounts	8 23 00	21 20 05
(b) In Other Deposit Accounts	48 89	43 19
ii) Money at Call and Short Notice		
(a) With Banks	Nil	Nil
(b) With Other Institutions	Nil	Nil
TOTAL	8 71 89	21 63 24

Schedules

(₹ 000's omitted)

	AS AT 31.03.2025	AS AT 31.03.2024
II Outside India		
(a) In Current Accounts	66 70 99	49 00 41
(b) In Other Deposit Accounts	377 10 44	Nil
(c) Money at call and short notice	Nil	Nil
TOTAL	443 81 43	49 00 41
TOTAL I & II	452 53 32	70 63 65

SCHEDULE 8 - INVESTMENTS

(₹ 000's omitted)

	AS AT 31.03.2025	AS AT 31.03.2024
I Investments in India	24205 83 50	22840 14 88
Less : Provision for Investment Depreciation & NPI	(374 88 37)	(496 92 00)
TOTAL	23830 95 13	22343 22 88
Break-up		
i) Government Securities	22255 21 91	19339 65 73
ii) Other Approved Securities	Nil	Nil
iii) Shares	148 52 09	125 96 45
iv) Debentures and Bonds	625 71 81	1303 07 34
v) Subsidiaries and Joint Ventures	Nil	Nil
vi) Others (includes Security Receipts, Mutual Funds, CDs and CP)	801 49 32	1574 53 36
	23830 95 13	22343 22 88
II Investments outside India		
i) Government Securities (including local authorities)	Nil	Nil
ii) Subsidiaries and/or joint ventures abroad	Nil	Nil
iii) Other Investments (Shares - net of Depreciation)	30 32	29 60
	30 32	29 60
TOTAL I & II	23831 25 45	22343 52 48

SCHEDULE 9 - ADVANCES (Net of Provisions)

(₹ 000's omitted)

	AS AT 31.03.2025	AS AT 31.03.2024
A i) Bills purchased and discounted	1296 67 15	1695 82 49
ii) Cash Credits, Overdrafts and Loans repayable on demand	45557 92 25	38382 58 85
iii) Term Loans	37149 94 23	33589 06 89
TOTAL	84004 53 63	73667 48 23
B i) Secured by tangible assets	80765 70 00	70394 02 19
ii) Covered by Bank / Government guarantees	1440 40 13	1577 57 41
iii) Unsecured	1798 43 50	1695 88 63
TOTAL	84004 53 63	73667 48 23

Schedules

(₹ 000's omitted)		
	AS AT 31.03.2025	AS AT 31.03.2024
C I Advances in India		
i) Priority Sector	34940 63 59	29585 56 84
ii) Public Sector	736 81 36	858 57 90
iii) Banks	Nil	Nil
iv) Others	48327 08 68	43223 33 49
TOTAL	84004 53 63	73667 48 23
II Advances outside India		
i) Due from banks	Nil	Nil
ii) Due from others	Nil	Nil
a) Bills purchased and discounted	Nil	Nil
b) Syndicated loans	Nil	Nil
c) Others	Nil	Nil
TOTAL	Nil	Nil
TOTAL CI & CII	84004 53 63	73667 48 23

SCHEDULE 10 - FIXED ASSETS

(₹ 000's omitted)		
	AS AT 31.03.2025	AS AT 31.03.2024
I Premises :	288 61 69	287 42 76
At cost as on 31 st March of the preceding year	98 10	1 91 41
Add : Addition during the year		
	289 59 79	289 34 17
Less: Deduction during the year	Nil	(72 48)
	289 59 79	288 61 69
Less : Depreciation to date	(101 44 12)	(95 09 39)
TOTAL	188 15 67	193 52 30
II Premises under construction	33 83	7 08
III Capital Work-in-Progress	38 69 45	20 38 66
IV Other Fixed Assets (including Furniture & Fixtures) :		
At cost as on 31 st March of the preceding year	1502 94 92	1409 07 92
Add : Addition during the year	151 77 62	94 11 50
	1654 72 54	1503 19 42
Less: Deduction during the year	(59 63)	(24 50)
	1654 12 91	1502 94 92
Less : Depreciation to date	(1391 14 57)	(1284 04 87)
	262 98 34	218 90 05
TOTAL I, II, III & IV	490 17 29	432 88 09

Schedules

SCHEDULE 11 - OTHER ASSETS

(₹ 000's omitted)

	AS AT 31.03.2025	AS AT 31.03.2024
I Inter Office Adjustments (Net)	Nil	Nil
II Interest Accrued	1753 64 58	1479 25 06
III Tax paid in advance / Tax deducted at source (Net)	Nil	Nil
IV Stationery and Stamps	4 29 04	4 02 02
V Non Banking Assets acquired in satisfaction of claims	37 88 09	37 88 09
VI Others	1438 91 62	1829 65 66
TOTAL	3234 73 33	3350 80 83

SCHEDULE 12 - CONTINGENT LIABILITIES

(₹ 000's omitted)

	AS AT 31.03.2025	AS AT 31.03.2024
I Claims against the Bank not acknowledged as debts	45 37 71	47 73 80
II Liability for party paid investments	Nil	Nil
III Liability on account of outstanding forward exchange contracts	7337 30 88	7660 91 83
IV Guarantees given on behalf of constituents		
(a) In India	3973 57 57	3161 25 62
(b) Outside India	Nil	Nil
V Acceptances, Endorsements and other Obligations	896 15 32	889 12 00
VI Other items for which the Bank is contingently liable [@]	970 12 73	1428 42 22
TOTAL	13222 54 21	13187 45 47

[@] Includes transfer to DEAF of Rs. 248 69 94 (Previous Year of Rs. 224 43 94)

SCHEDULE 13 - INTEREST EARNED

(₹ 000's omitted)

	Year ended 31.03.2025	Year ended 31.03.2024
I Interest / discount on advances/bills	8007 65 39	6851 05 07
II Income on Investments	1622 46 69	1331 01 02
III Interest on balances with Reserve Bank of India & other inter-bank funds	20 11 96	22 05 05
IV Others	27 79 98	9 05 21
TOTAL	9678 04 02	8213 16 35

SCHEDULE 14 - OTHER INCOME

(₹ 000's omitted)

	Year ended 31.03.2025	Year ended 31.03.2024
I Commission, Exchange and Brokerage	964 64 01	858 94 20
II Profit on sale of investments	88 66 51	42 26 34
Less: Loss on sale of investments	(20 30 30)	(2 50 25)
Less: Depreciation on investments	Nil	254 60 90
III Profit on revaluation of investments	Nil	Nil
Less: Loss on revaluation of investments	Nil	Nil

Schedules

	(₹ 000's omitted)	
	Year ended 31.03.2025	Year ended 31.03.2024
IV Profit on sale of land, buildings and other assets	3 32 40	7 83 05
Less: Loss on sale of land, buildings and other assets	(26 08)	Nil
V Profit on exchange transactions	24005 29 01	442 09 50
Less: Loss on exchange transactions	(23972 74 97)	(410 94 67)
VI Income earned by way of dividends, etc. from subsidiaries/companies and/or joint ventures abroad/in India	Nil	Nil
VII Miscellaneous Income *	760 94 64	457 17 54
TOTAL	1829 55 22	1649 46 61

* Includes Recovery from technically written off accounts of Rs. 5294071 (Previous year Rs. 3410697)

SCHEDULE 15 - INTEREST EXPENDED

	(₹ 000's omitted)	
	Year ended 31.03.2025	Year ended 31.03.2024
I Interest on Deposits	5237 11 65	4225 05 36
II Interest on Reserve Bank of India / Inter-bank borrowings	28 47 50	74 04 17
III Others	152 52 51	95 64 63
TOTAL	5418 11 66	4394 74 16

SCHEDULE 16 - OPERATING EXPENSES

	(₹ 000's omitted)	
	Year ended 31.03.2025	Year ended 31.03.2024
I Payments to and Provisions for employees	1449 21 42	1461 03 28
II Rent, Taxes and Lighting	257 03 58	224 67 86
III Printing and Stationery	18 78 23	18 43 85
IV Advertisement and Publicity	7 82 08	5 28 96
V Depreciation on bank's property	113 73 77	100 25 76
VI Directors' fees, allowances and expenses	3 63 73	2 67 42
VII Auditors' fees and expenses (including branch auditors)	4 05 09	4 15 09
VIII Law Charges	1 42 49	1 35 30
IX Postages, Telegrams, Telephones, etc.	28 86 88	25 03 63
X Repairs and Maintenance	107 10 90	101 09 14
XI Insurance	124 39 61	107 24 06
XII Other Expenditure	761 06 94	587 50 65
TOTAL	2877 14 72	2638 75 00

SCHEDULE 17 - SIGNIFICANT ACCOUNTING POLICIES

A. BACKGROUND

The Karur Vysya Bank Limited ('the Bank') was incorporated in Karur, Tamil Nadu, India is a publicly held banking

company governed by the Banking Regulation Act, 1949, the Companies Act, 2013 and other applicable Acts / Regulations and is engaged in providing a wide range of banking and financial services including commercial banking and treasury operations.

Schedules

B. BASIS OF PREPARATION

The financial statements are prepared following the going concern concept, on historical cost basis and conform to the Generally Accepted Accounting Principles (GAAP) in India which encompasses applicable statutory provisions, regulatory prescriptions and extant disclosure norms prescribed by the Reserve Bank of India (RBI) from time to time, notified Accounting Standards (AS) issued under Section 133 of the Companies Act, 2013, read together with Companies (Accounting Standards) Rules, 2021 and current practices prevailing in the banking industry in India. The accounting policies adopted in the preparation of financial statements are consistent with those followed in the previous year except in case of valuation of investments.

Use of Estimates

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities including contingent liabilities as of the date of the financial statement and the reported income and expenses during the reported period. The Management believes that the estimates and assumptions used in the preparation of the financial statements are prudent and reasonable. Actual results could differ from these estimates. The differences, if any, between estimates and actual will be dealt appropriately prospectively in the current and future periods.

C. PRINCIPAL ACCOUNTING POLICIES

1. Revenue Recognition

Income and Expenditure are generally accounted on accrual basis, except otherwise stated.

Interest/other charges from loans, advances and investments other than on non-performing assets, are recognized on accrual basis. Interest income on non-performing advances (NPA)/ investments (NPI), income from funded interest term loan accounts (FITL) are recognized upon realisation, as per prudential norms prescribed by RBI.

The policy of income recognition shall be objective and based on the record of recovery. No interest will be taken into income account on any NPA or NPI. This will apply to Government guaranteed accounts

also. However, interest on advances against Term Deposits, National Savings Certificates (NSCs), Indira Vikas Patras (IVPs), Kisan Vikas Patras (KVPs) and life policies will be taken to income account on the due date, provided adequate margin is available in the accounts.

Accounting for recoveries made in NPA

Recoveries made in NPA are appropriated in the order of charges, interest and principal dues unless otherwise agreed to with the borrower in a different sequence; in cases where the borrower requires the recovery to be appropriated in a different sequence, the same is undertaken accordingly. In respect of One Time Settlement accounts, the recoveries are first adjusted to principal balance.

In compromise settlement cases / sale to Asset Reconstruction Companies (ARC), sacrifice on settlement is accounted at the time of closure of account.

Commission on bank guarantees / letters of credit, locker rent, annual fee on cards, commission on bancassurance and third party products, premium on sale of Priority Sector Lending Certificate and Commission received on Government Agency Business are accounted on receipt basis. Processing / other fees collected on loans approved / disbursed, along with related loan acquisition costs are recognised at inception / renewal of the facility. Dividend income and interest on income tax refund is recognised when the right to receive payment is established. Stationery and security items are charged to the Profit and Loss Account on consumption basis.

Bank has a loyalty program which seeks to recognise and reward customers based on their relationship with the Bank. Under the program, eligible customers are granted loyalty points, redeemable in future, subject to certain conditions. The Bank estimates the liability based on actuarial valuations for the expense in the Profit and Loss Account.

Goods & Service Tax input credit is accounted for in the books within the time limit prescribed under CGST Rules, 2017, as amended.

Schedules

2. Investments

Classification and Valuation of Bank's Investments is carried out in accordance with the extant RBI guidelines and Fixed Income Money Market and Derivatives Association ('FIMMDA') and Financial Benchmark Private Limited ('FBIL') guidelines respectively, prescribed in this regard from time to time.

All investments shall be categorized as stipulated by RBI guidelines viz. i) Held to Maturity (HTM), ii) Available for Sale (AFS), iii) Fair Value through Profit and Loss (FVTPL). Held for Trading (HFT) shall be a separate investment Sub category within FVTPL.

All the investments will be presented in the Balance Sheet as per the regulatory guidelines viz., (i) Government Securities, (ii) Other Approved Securities, (iii) Shares, (iv) Debentures & Bonds, (v) Subsidiaries and / or Joint Ventures and (vi) Others- Units of Mutual Funds, Certificate of Deposits, Commercial Paper, Security Receipts and other investments, in accordance with RBI guidelines.

Investments made outside India are classified under three categories- (i) Government Securities (including local authorities), (ii) Subsidiaries and / or Joint Ventures abroad and (iii) Other Investments.

The category of the investment shall be decided by the bank before or at the time of acquisition.

HTM Securities

Securities that fulfil the following conditions shall be classified by the bank under HTM:

- (i) The securities acquired with the intention and objective of holding it to maturity, i.e., the financial assets are held with an objective to collect the contractual cash flows.
- (ii) The contractual terms of the security give rise to cash flows that are solely payments of principal and interest on principal outstanding ('SPPI criterion') on specified dates.

SLR & NSLR securities can be acquired in HTM subject to fulfilling the above-mentioned Criterion and other RBI guidelines. Any discount or premium on acquisition

of debt securities under HTM shall be amortised over the remaining life of the instrument. The amortized amount is netted with the interest received on investment account and it shall be reflected in 'Income on Investments' of Schedule 13.

Securities held in HTM shall be carried at cost and shall not be marked to market (MTM) after initial recognition.

AFS Securities:

Securities that fulfil the following conditions shall be classified by the bank under AFS:

- (i) The securities acquired with an objective that is achieved by both collecting contractual cash flows and selling securities; and
- (ii) The contractual terms of the security meet the 'SPPI criterion'. AFS securities shall inter-alia include debt securities held for asset liability management (ALM) purposes that meet the SPPI criterion where the bank's intent is flexible with respect to holding to maturity or selling before maturity. Further, on initial recognition, bank may make an irrevocable election to classify an equity instrument that is not held with the objective of trading/short term resale/profit from short term price movements/ locking in arbitrage profits under AFS.

Any discount or premium on the acquisition of SLR/ Non-SLR debt securities under AFS shall be amortised over the remaining life of the instrument and it shall be reflected in 'Income on Investments' of Schedule 13.

The securities held in AFS shall be fair valued at least on a quarterly basis. The valuation gains and losses across all performing investments, irrespective of classification held under AFS shall be aggregated. The net appreciation or depreciation shall be directly credited or debited to a reserve named AFS Reserve without routing through the Profit & Loss Account.

FVTPL (Non HFT) Securities:

Securities that fulfil the following conditions shall be classified by the bank under FVTPL :

Schedules

Securities that do not qualify for inclusion in HTM or AFS shall be classified under FVTPL. Securities that do not meet SPPI criteria would need to be classified under FVTPL. Based on the nature of the transaction and existing RBI guidelines Bank will classify the category as FVTPL.

Any discount or premium on the acquisition of debt securities under FVTPL shall be amortised over the remaining life of the instrument. The amortized amount is netted with the interest received on investment account and shall be reflected in Schedule 13 'Income on Investments'.

The securities held in FVTPL shall be fair valued at least on a quarterly basis and the net gain or loss arising on such valuation shall be directly credited or debited to the Profit and Loss Account.

FVTPL (HFT) Securities

Securities that fulfil the following conditions shall be classified by the bank under FVTPL (HFT):

Any instrument that are held for one or more of the following purposes shall be designated as a HFT and these instruments shall not have any legal impediment against selling or fully hedging it:

(a) short-term resale (b) profiting from short-term price movements (c) locking in arbitrage profits (d) hedging risks that arise from instruments meeting (a), (b) or (c) above (e) listed equities and any other instruments that fulfils the conditions of RBI guidelines shall be classified under HFT a sub-category of FVTPL.

Securities held in HFT shall be fair valued on a daily basis and the net gain or loss arising on such valuation shall be directly credited or debited to the Profit and Loss Account.

Initial Recognition:

All investments shall be measured at fair value on initial recognition. Unless facts and circumstances suggest that the fair value is materially different from the acquisition cost, it shall be presumed that the acquisition cost is the fair value.

Day 1 Gain/ Losses:

Day 1 Gain/ Losses arising due to difference between fair value and acquisition cost on the date of initial recognition are accounted as under:

- a. Day 1 gain/ loss on level 1/ level 2 instruments shall be recognized in the Profit and Loss Account, under Schedule 14: 'Other Income' within the subhead 'Profit on revaluation of investments' or 'Loss on revaluation of investments', as the case may be.
- b. Day 1 gains arising from Level 3 investments shall be deferred. In the case of debt instruments, the Day 1 gain shall be amortized on a straight-line basis up to the maturity date (or earliest call date for perpetual instruments), while for unquoted equity instruments, the gain shall be set aside as a liability until the security is listed or derecognized.
- c. Day 1 loss arising from Level 3 investments shall be recognized immediately.

Transfer of Securities between categories:

Transfer of Securities between categories are accounted as per the RBI Guidelines. Banks shall not reclassify investments between categories (viz. HTM, AFS and FVTPL 17) without the approval of their Board of Directors. Further, reclassification shall also require the prior approval of the Department of Supervision (DoS), RBI.

Transfer of Scrip from HTM to AFS is made at fair value. Any gain or loss arising from a difference between the revised carrying value and the previous carrying value shall be recognised in AFS-Reserve.

Transfer of Scrip from HTM to FVTPL is made at fair value. Any gain or loss arising from a difference between the revised carrying value and the previous carrying value shall be recognised in the Profit and Loss Account under Item (III): 'Profit on revaluation of investments' under Schedule 14: 'Other Income'.

Transfer of Scrip from AFS to HTM is made at fair value. The cumulative gain/loss previously recognised in the AFS Reserve shall be withdrawn therefrom and

Schedules

adjusted against the fair value of the investments at the reclassification date to arrive at the revised carrying value.

Transfer of Scrip from AFS to FVTPL is made at fair value. The cumulative gain or loss previously recognised in AFS Reserve shall be withdrawn therefrom and recognised in the Profit and Loss Account, under Item (III): 'Profit on revaluation of investments' under Schedule 14: 'Other Income'.

Transfer of Scrip from FVTPL to HTM and AFS is made at carrying value. The carrying amount representing the fair value at the reclassification date remains unchanged.

Valuation Process:

The Bank follows settlement date method of accounting for purchase / sale of investments, and weighted average cost method for determining cost and accounting of profit on sale of investments.

Bank shall recognize the income as per the RBI guidelines based on the nature of the instrument.

Brokerage, commission and securities transaction tax (STT) etc., pertaining to investment, paid at the time of acquisition are charged to the Profit and Loss Account. Broken period interest on debt instruments and Government securities is treated as a revenue item

The fair value of quoted government securities which qualify for determining the Statutory Liquidity Ratio included in the AFS and FVTPL including sub category HFT is computed as per the prices published by the FBIL.

Special bonds such as DICOM bonds, Uday Bonds, etc. that does not qualify for SLR are valued at the prices published by FBIL or as per extant FIMMDA / RBI Guidelines.

Traded bonds investments are valued based on the trade / quotes on the recognized stock exchanges, or prices / yields published by a Primary Dealers Association of India (PDAI) jointly with FIMMDA / FBI, periodically.

In case of unquoted bonds, debentures and preference shares where interest/dividend is received regularly

(i.e. not overdue beyond 90 days), the market price is derived based on the Yield to Maturity (YTM) for Government Securities as published by FIMMDA / PDAI and suitably marked up for credit risk applicable to the credit rating of the instrument. The matrix for credit risk mark-up for each category and credit ratings along with residual maturity issued by FIMMDA/FBIL are adopted for this purpose.

Valuation of listed equity shares shall be done at the closing price published by NSE, BSE (whichever is lower). Equity shares, for which current quotations are not available or where the shares are not quoted on the stock exchanges, are valued at break-up value (without considering revaluation reserves, if any) which is ascertained from the company's latest balance sheet. In case the latest balance sheet is not available, or is more than 18 months old, the shares are valued at Re. 1/- per company.

Treasury Bills, Commercial Paper and Certificate of Deposits, being discounted instruments, are valued at carrying cost.

Units of mutual funds are valued at the latest repurchase price/ Net Asset Value (NAV) declared by the mutual fund.

Units of Alternative Investment Fund (AIF) are valued in accordance with the RBI Guidelines. Units of AIF are marked to market based on the NAV provided by the AIF based on the latest financial statements.

Security Receipts are valued at NAV provided by the issuing ARC from time to time. Additional provision required, if any, is made as per RBI guidelines, based on the age of the underlying non-performing asset sold to the ARC.

other investments shall be valued as per the regulatory guidelines based on the nature/type of the instrument.

Non-Performing Investments are identified and valued based on RBI guidelines.

Investment in Security Receipts which are not redeemed as at the end of the resolution period (i.e., five years or eight years as the case may be) shall be treated as loss asset in the books and provided for.

Schedules

Sale / Redemption of Investments

Sale of Investments from HTM

Any profit or loss on the sale of investments in HTM shall be recognised in the Profit and loss account under Schedule 14 of 'Other Income'.

The profit on sale of an investment in HTM shall be appropriated from the Profit and Loss Account to the 'Capital Reserve Account'. The amount so appropriated shall be net of taxes and the amount required to be transferred to Statutory Reserve.

Sale of Investments from AFS

Upon sale or maturity of a debt instrument in AFS category, the accumulated gain/ loss for that security in the AFS-Reserve shall be transferred from the AFS Reserve and recognized in the Profit and Loss Account (under Profit on sale of Investments Schedule 14-Other Income).

In the case of equity instruments designated under AFS at the time of initial recognition, any gain or loss on sale of such investments shall not be transferred from AFS-Reserve to the Profit and Loss Account. Instead, such gain or loss shall be transferred from AFS-Reserve to the Capital Reserve.

Sale of Investments from FVTPL & FVTPL-(HFT)

Upon sale or maturity of any instrument in FVTPL & FVTPL-(HFT) category the net gain or loss arising on such valuation shall be directly credited or debited to the Profit and Loss Account.

Short sales

Short sale transactions, including 'notional' short sale, are undertaken in Government securities as per RBI guidelines. The short sales positions are reflected in 'Securities Short Sold (SSS)' A/c and categorized under HFT category. These positions are marked-to-market along with other securities under HFT portfolio and resultant Mark-to-Market (MTM) gains / losses are accounted for as per RBI guidelines.

Investment Fluctuation Reserve

As per the RBI guidelines, the Bank is required to create an Investment Fluctuation Reserve (IFR) until the amount of IFR is at least two per cent of the AFS

and FVTPL (including HFT) portfolio, on a continuing basis, by transferring to the IFR an amount not less than the lower of the following:

- i. Net profit on sale of investments during the year.
- ii. Net profit for the year, less mandatory appropriations.

Further, the Banks shall, be permitted to draw down the balance available in IFR in excess of two percent of its AFS and FVTPL (including HFT) portfolio, for credit to the balance of profit/loss as disclosed in the profit and loss account at the end of any accounting year.

In the event the balance in the IFR is less than two percent of the AFS and FVTPL (including HFT) investment portfolio, a draw down shall be permitted subject to the following conditions:

- i. The drawn down amount is used only for meeting the minimum CET 1/Tier 1 capital requirements by way of appropriation to free reserves or reducing the balance of loss.
- ii. The amount drawn down shall not be more than the extent the MTM provisions/losses during the aforesaid year exceed the net profit on sale of investments during that year

Repurchase (Repo) and Reverse Repurchase (Reverse Repo) transactions

Repo and reverse repo transactions in Government Securities and corporate debt securities including those conducted under the Liquidity Adjustment Facility (LAF) and Marginal Standby Facility (MSF) with RBI are accounted as collateralized borrowing and lending respectively. Borrowing cost on repo transactions is accounted as interest expense and revenue on reverse repo transactions is accounted as interest income.

3. Advances

Advances, including bullion/metal loans, are classified into performing and non-performing assets (NPAs) and provisions are made as per the prudential norms prescribed by RBI. Advances stated in the balance sheet are net of provisions, claims received from credit guarantee institutions and recoveries pending appropriation and held in sundry/suspense account.

Schedules

Interest on non-performing advances is transferred to an unrealized interest account and not recognized in the Profit and Loss Account until received. Amounts recovered in written off accounts is recognised as income; provisions no longer considered necessary based on the current status of the asset, is reversed to the Profit and Loss Account.

In respect of restructured/rescheduled assets, provisions are made in accordance with RBI guidelines, including diminution in the fair value of the assets to be provided on restructuring, as applicable. In respect of loans and advances accounts subjected to restructuring, the asset classification is as per extant RBI guidelines.

Acquisition and transfer of loan exposure is undertaken as per extant RBI guidelines.

Term reverse repo of original tenor greater than 14 days will be classified under Advances.

Provision for Unhedged Foreign Currency Exposure of borrower entities is made considering their unhedged exposure to the Bank.

Useful life of the assets (except Computers, including servers, network equipments and software, are depreciated under SLM at the rate of 33.33%) has been estimated in line with Schedule II of the Companies Act, 2013, as determined by the Management, as under and depreciation is provided for as under --

Class of Asset	Useful life	Method
	(years)	
a. BUILDING	58	WDV
b. PLANT & MACHINERY		SLM
ATM, Cash Deposit Machine, Cash Dispenser, Bunch Note Recyclers, Cash / Currency Sorting Machine, Air-conditioner / Air Coolers, Generator, general electrical works and other plant & machinery etc.	10	
Safe Deposit Lockers, Safe / Strong Room Door / Cage, Wind Mill	15	
c. FURNITURE & FIXTURES		
Furniture & Fixtures at bank premises (owned)	10	
Improvements at leased premises	10 years or lease period whichever is less.	
Furniture & Fixtures at staff quarters / guest house	5	
Electric & Electronic items, cellular / mobile phones etc.	3	
d. MOTOR VEHICLES	8	
e. COMPUTERS (including software, servers, network equipments)	3	

Provision for standard assets, is made in accordance with the guidelines and at levels stipulated by RBI from time to time.

4. Fixed Assets

Premises and other fixed assets are accounted for at historical cost as reduced by accumulated depreciation, amortisation and impairment loss, if any. The cost includes cost of purchase and all expenditure such as site preparation, installation cost, expenditure incurred for development of software, professional fees and GST (net of ITC). Subsequent expenditure incurred on the assets already in use are capitalised only when it increases the future benefits from such assets or their functioning capacity.

Capital work-in-progress includes cost of fixed assets that are not ready for their intended use.

5. Depreciation

Depreciation on Fixed Assets is provided on Straight Line Method (SLM) in respect of all fixed assets other than buildings which are depreciated on Written Down Value (WDV) method.

Schedules

Depreciation on assets purchased and sold during the year is recognised on a pro-rata basis from the date of purchase/till the date of sale. Assets purchased less than Rs.5000/- will be debited in operating expenses and will not be capitalised.

In case of Non Banking assets, it is shown separately in the Balance sheet under other assets as per RBI guidelines. Hence, as the assets are not utilised for the business purposes, depreciation will not be charged.

6. Foreign Exchange Transactions

As per the guidelines of Foreign Exchange Dealers Association of India (FEDAI) and the requirements of AS-11 – The Effects of Changes in Foreign Exchange Rates, all foreign currency monetary assets and monetary liabilities like Nostro balances, Foreign Currency Non-Resident deposits, Resident Foreign Currency deposit, Pre and Post Shipment Credit in Foreign Currency and Foreign Currency Term Loans are valued at the closing rates announced by FEDAI as at the Balance Sheet date and the resultant revaluation profit or loss, as the case may be, is taken to in the Profit and Loss Account.

Forward contracts (excluding investment swaps) and other forward maturity items like cheques/bills purchased and negotiated are valued at the appropriate Financial Benchmark India Private Limited FIBIL rates and the resultant profit or loss is discounted using FBIL Mumbai Interbank Offered Rate Overnight Index Swap curve (MIBOR-OIS curve). Foreign exchange investment swaps against foreign currency deposits / borrowings are valued at the contracted rates and the premium/discount thereon is recognised in the profit and loss account on accrual basis.

Non-fund based assets like Guarantees, Letters of Credit, Acceptances, Endorsements and other obligations in foreign currencies are translated at closing rates notified by FEDAI at the Balance Sheet date.

7. Bullion Business

The Bank imports, on a back-to-back basis, consignments of bullion, including precious metal

bars, for sale to its clients. The price quoted to the customer is based on price quoted by the supplier. The difference between the price paid by the customer and the cost of bullion is accounted under other income.

The Bank also borrows and lends bullion in accordance with RBI guidelines, which is treated as borrowings & lending and interest paid / received is accounted on an accrual basis.

Metal Loan Advances are valued based on the prevailing market rate and foreign exchange rates as on the date of Balance Sheet.

8. Derivatives

Interest rate swaps pertaining to trading position and which are outstanding as on balance sheet date are marked to market and net appreciation is ignored and net depreciation is recognized in the Profit & Loss Account. Foreign currency options and swaps are accounted in accordance with the guidelines issued by FEDAI.

9. Proposed Dividend

In terms of Accounting Standard (AS) 4 “Contingencies and Events occurring after the Balance Sheet date”, proposed dividend or dividend declared after balance sheet date is not shown as ‘other liability’ in the Balance Sheet instead a note on the same will be included in the financial statement. Such proposed dividend will be appropriated from the ‘Reserves & Surplus’ only after the approval of the shareholders.

10. Employee Benefits

Short-Term Employee Benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits and recognized in the period in which the employee renders the related service. The Bank recognizes the undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered, as a liability (accrued expense) after deducting any amount already paid.

Schedules

Long-term Employee Benefits

a. Post-Employment Benefits

a1. Defined Contribution Plan

The following benefits provided to the employees of the Bank are classified as Defined Contribution Plan.

Provident Fund - Employees covered under provident fund scheme are entitled for retirement benefit in the form of provident fund. Aggregate contributions along with interest thereon are paid on retirement, death, incapacitation, or termination of employment. Both the employee and the Bank contribute at specific rates of the salary to the provident fund account maintained with the Karur Vysya Bank Limited Employees' Provident Fund Trust. The contribution made by the Bank to the Trust, administered by the trustees, is charged to the Profit and Loss account.

New Pension Scheme (NPS) - In respect of employees who are covered under NPS, the Bank contributes certain percentage of the sum of basic salary and dearness allowance of employees to the aforesaid scheme, which is managed and administered by pension fund management companies and regulated by Pension Fund Regulatory and Development Authority (PFRDA). NPS contributions are recognised in the Profit and Loss Account in the period in which they accrue. The Bank has no liability other than its contribution, and recognises such contributions as an expense in the year incurred.

a2. Defined Benefit Plan

The defined benefit obligations recognized in the Balance Sheet represent the present value of the obligation to its employees as reduced by the fair value of the plan assets, if applicable. Any defined benefit asset (negative defined benefit obligations resulting from this calculation) is recognized representing the present value of available refunds and reductions in future contributions of the plan.

All expenses represented by current service cost, past service cost, if any and net interest on the defined benefit liability / asset together with the re-measurements of the net benefit liability / asset comprising of actuarial gains and losses and return on the plan assets (excluding the amount included in the net interest on the net defined benefit liability / asset) are recognized in the Profit and Loss Account.

Gratuity - All employees of the Bank are entitled for gratuity benefit. The Bank makes contributions to The Karur Vysya Bank Employees' Gratuity Fund Trust, which is administered and managed by the Trustees whose funds are managed by insurance companies. Liabilities with regard to the gratuity plan are determined by an independent actuary as on the Balance Sheet date, based upon which, the Bank contributes all the ascertained liabilities to the said Trust. The contribution is made by the Bank to the said Trust. The actuarial calculations entails assumptions about demographics, early retirement, salary increases and interest rates.

Pension Fund - Employees covered under pension scheme are entitled to get pension benefits. The Bank contributes at specific rates of the salary to the Karur Vysya Bank Limited Pension Trust set up by the Bank and administered by the Trustee. Additional amount being the liability shortfall as ascertained by an independent actuary, contributed to the said Trust, is determined on actuarial basis on projected unit credit method as on the Balance Sheet date. The contribution is made by the Bank to the Trust. At the time of retirement or death of the pension eligible employee, the pension trust purchases annuity from insurance company out of the contributions made by the Bank. Employees covered by the pension plan are not eligible for employers' contribution under the provident fund plan.

Other Long Term Employee Benefits

Compensated absences, comprising of Medical Leave Privilege Leave and Un-availed Casual Leave are recognized when they accrue to the employees. These are not expected to occur wholly within twelve

Schedules

months after the end of the period in which the employees render the related services. These liabilities are determined by an independent actuary as on the Balance Sheet date using the Projected Unit Credit Method. Liability towards compensated absences is unfunded.

Employee Share Based Payments

The Bank's Employee Stock Options Schemes (ESOS) are in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2021 ('SEBI share-based employee benefits regulation'). The Scheme provides for grant of options on equity shares to its employees including its Key Managerial Personnel / Material Risk Takers, to acquire the equity shares of the bank that vest in a graded manner and that are to be exercised within a specified period.

Hitherto (till 31st March 2021), in accordance with the SEBI share-based employee benefits regulation and the Guidance note on accounting for employee share-based payments, issued by the Institute of Chartered Accountants of India the cost of equity settled transactions is measured using the intrinsic value method. The intrinsic value, being the excess, if any, of the fair market price of the share under ESOS over the exercise price of the option is recognised as deferred employee compensation with a credit to Employees' Stock Option outstanding account. The fair market price is the latest available closing price, preceding the date of grant of the option, on the stock exchange on which the shares of the Bank are listed.

Effective from 1st April 2021, consequent to the RBI's clarification dated August 30, 2021 on Guidelines on compensation to Whole Time Directors / Chief Executive Officers / Material Risk Takers and Control Function Staff which advised the banks to fair value share-linked instruments on the date of grant using Black-Scholes Model, the Bank has changed its accounting policy from intrinsic value method to fair value method for all employee stock options granted after March 31, 2021. The Fair Value of the stock-based compensation is estimated on the date of grant using Black-Scholes model.

The deferred employee compensation cost is amortised on a straight line basis over the vesting period of the option. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the number of equity instruments that are outstanding.

The options that do not vest because of failure to satisfy vesting conditions are reversed by a credit to employee compensated expense in 'Payment to and provision for employee cost' equal to the amortised portion of value of lapsed portion. In respect of the options which expire unexercised the balance standing to the credit of Employees' stock option outstanding account is transferred to 'General Reserve'. The options granted are also subject to clawback clause wherein under circumstances specified at the time of grant of employee stock option the option grantee shall relinquish any benefit that accrued to or return any benefit that is received to the Bank.

Where the terms of an equity-settled award are modified, the minimum expense recognised in 'Payments to and provision for employees' is the expenses as if the terms had not been modified. An additional expense is recognised for any modification which increases the total intrinsic value of the share based payment arrangement or is otherwise beneficial to the employee as re-measured as at the date of modification

11. Segment Reporting

The Bank recognises the business segment as the primary reporting segment and geographical segment as the secondary reporting segment, in accordance with RBI guidelines and in compliance with AS 17.

Business Segment is classified into (a) Treasury (b) Corporate and Wholesale Banking, (c) Retail Banking * and (d) Other Banking Operations.

* Retail banking is sub-divided into (i) Digital Banking and (ii) Other Retail Banking segments. The business involving digital banking products acquired by Digital Banking Units (DBUs) or existing digital banking

Schedules

products would qualify to be clubbed under 'Digital Banking' Segment.

12. Earnings per Share

Basic Earnings per Share is calculated by dividing the net profit or loss for the year attributable to the equity share-holders by the weighted average number of equity shares outstanding during the year.

Diluted Earnings per Share is computed by using the weighted average number of equity shares and dilutive potential equity share outstanding as at the year end.

13. Income Tax

Income Tax expense comprises of current tax provision made after due consideration of the judicial pronouncements and legal opinion (i.e. the amount of tax for the period determined in accordance with the Income Tax Act, 1961, the rules framed thereunder and considering the material principles set out in Income Computation and Disclosure Standards) and the net change in the deferred tax asset or liability during the year.

Deferred income taxes recognizes timing differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realize the assets. Deferred Tax Liabilities are recognized fully in the year of accrual.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date.

14. Impairment of Assets

The Bank assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. Impairment loss, if any, is provided in the Profit and Loss Account to the extent the carrying amount of assets exceeds their estimated recoverable amount. In case the asset is carried at revalued amount, any impairment loss of the revalued asset is treated as a

reduction in revaluation to the extent a revaluation reserve is available for that asset.

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Profit and Loss Account, to the extent the amount was previously charged to the Profit and Loss Account. In case of revalued assets such reversal is not recognised.

15. Provisions and Contingent Liabilities

A provision is recognised when there is a present obligation as a result of past event, and there is a probability of an outflow of resources that will be required to settle the obligation and in respect of which a reliable estimate can be made. Provisions are determined based on the Management's best estimate required to settle the obligation as at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

In case where the available information indicates that the loss on the contingency is reasonably possible but the amount of loss cannot be reasonably estimated, a disclosure is made in the financial statements. In case of remote possibility, neither provision nor disclosure is made in the financial statement.

Contingent Assets are neither recognized nor disclosed in the financial statements since this may result in the recognition of income that may never be realized.

16. Country risk

In addition to the provisions required to be held according to the asset classification status, provisions are also required to be made towards country-wise net funded exposure on foreign exchange transactions exceeding the threshold limits (other than for home country). Provision will be made where the net funded exposure of any country is 1% or more of the Bank's total funded assets.

Further, till such time internal rating systems are developed by the Bank, the seven-category

Schedules

classification followed by Export Credit Guarantee Corporation of India Ltd. (ECGC) will be utilised for the purpose of classification of country risk exposures viz., countries will be classified into seven risk categories namely insignificant (A1), low (A2), moderately low (B1), moderate (B2), moderately high (C1), high (C2) and very high (D).

17. Corporate Social Responsibility

Expenditure towards corporate social responsibility, in accordance with Companies Act, 2013 is recognised in the Profit and Loss Account.

18. Operating Lease

Leases where all the risks and rewards of ownership are retained by the lessor are classified as 'Operating lease'. Operating lease payments are recognised as an expense in the Profit and Loss Account as per the lease terms. Initial direct costs in respect of operating leases such as legal costs, brokerage costs etc., are recognised as expense immediately in the Profit and Loss Account.

19. Net Profit

The net profit disclosed in the Profit and Loss Account is after providing for :

- Provision for taxes, standard assets and non-performing assets;
- Provision for depreciation on investments,
- Provision for employee benefits; and
- Other usual and necessary provisions

SCHEDULE 18 – NOTES ON ACCOUNTS FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

The schedule provides disclosure for the year ended 31st March 2025 (with comparative position of previous year, wherever applicable) as per Reserve Bank of India's (RBI) Master Circular on Disclosure in Financial Statements.

(Amounts given herein are denominated in Rupees crore unless specified otherwise)

1. Capital Ratio (CRAR) – Basel III

a. Composition of Regulatory Capital

(Rs. crore)

SN	Particulars	As at	
		Mar. 31, 2025	Mar. 31, 2024
1	Common Equity Tier 1 capital (CET 1)	11,343.99	9,448.35
2	Additional Tier 1 capital	Nil	Nil
3	Tier 1 capital (1+2)	11,343.99	9,448.35
4	Tier 2 capital	697.00	743.17
5	Total capital (3+4)	12,040.99	10,191.52
6	Total Risk Weighted Assets (RWAs)	66,260.82	61,124.54
7	Common Equity Tier 1 capital ratio (%)	17.12	15.46
8	Tier 1 capital ratio (%)	17.12	15.46
9	Tier 2 capital ratio (%)	1.05	1.21
10	Total Capital ratio (CRAR) (%)	18.17	16.67
11	Leverage Ratio (Basel III) (%)	9.14	8.55
12	Percentage of the shareholding of		
	a) Government of India	Nil	
	b) State Government		
	c) Sponsor Banks		

Schedules

SN	Particulars	As at	
		Mar. 31, 2025	Mar. 31, 2024
13	Amount of equity capital raised during the year *	0.15	0.46
14	Amount of non-equity Tier 1 capital raised during the year of which (Basel II or Basel III compliant)	Nil	
	- PNCPS		
	- PDI		
15	Amount of Tier 2 capital raised during the year of which (Basel II or Basel III compliant)	Nil	
	- Debt capital instruments		
	- Preference share capital instruments		
	- Perpetual cumulative preference shares (PCPS)		
	- Redeemable non-cumulative preference shares (RNCPS)		
	- Redeemable cumulative preference shares (RCPS)		

* - includes 747661 shares (248568 shares under ESOS on compensation of key managerial personnel) of face value Rs. 2/- each allotted to employees under ESOS during the year ended 31.03.2025 (2323535 shares of face value of Rs. 2/- each allotted to employees under ESOS during the previous year).

b. Draw down from Reserves

During the year, there has been no draw down from the reserves to the Profit & Loss account.

Basel III disclosures

In accordance with RBI circular DOR.CAP.REC.4/21.06.201/2024-25 dated 01st April 2024, read together with RBI circular DBR.No.BP.BC.1/21.06.201/2015-16 dated 1st July 2015, Banks are required to make Pillar 3 disclosures under Basel III capital regulations. Accordingly, necessary disclosures have been made available on the Bank's website - <https://www.kvb.co.in/about-us/disclosures/pillar-III-disclosures/>. These disclosures have not been subjected to audit by the Joint Statutory Central Auditors.

1.1 Tier II Capital

During the year ended 31st March 2025, the Bank did not raise any subordinated debt bonds qualifying for Tier II capital.

1.2 Proposed Dividend

The Board of Directors have recommended a dividend of 130% i.e. Rs.2.60 per equity share of Rs. 2.00 each for the year 2024-25 (Previous year 120%-Rs.2.40 per equity share), subject to the approval of the shareholders at the ensuing Annual General Meeting.

In accordance with Accounting Standards 4 - Contingencies and Events Occurring after the Balance Sheet date notified under the Companies (Accounting Standards) Rules 2021, the proposed dividend has not been shown as an appropriation from the Profit and Loss account for the year ended 31st March 2025 and correspondingly not reported under Other Liabilities and Provisions as at 31st March 2025. However, capital adequacy ratio has been computed by reducing the proposed dividend.

Schedules

2. Asset Liability Management

2a. Maturity pattern of certain items of assets and liabilities

Particulars	Deposits		Gross Advances		Gross Investments		Borrowings		Foreign Currency Assets		Foreign Currency Liabilities	
	2024-25	2023-24	2024-25	2023-24	2024-25	2023-24	2024-25	2023-24	2024-25	2023-24	2024-25	2023-24
	(Rs. crore)											
1 day	480.19	120.17	2,729.50	2,329.75	4054.30	3,893.62	2.04	42.16	89.72	71.27	167.70	95.76
2 to 7 days	1,171.04	1,028.75	687.92	663.73	2357.88	511.33	1.71	68.37	46.75	9.64	5.26	69.46
8 to 14 days	866.21	998.11	436.42	629.51	1948.58	315.35	0.85	11.81	310.71	24.76	2.58	13.31
15 to 30 days	2,003.43	1,652.55	1,800.30	1,844.51	771.95	888.67	20.48	606.20	103.05	63.20	46.77	637.50
31 days to 2 months	3,337.00	3,603.62	3,096.56	2,654.57	731.39	664.60	17.92	297.52	253.21	140.68	29.65	310.16
Over 2 months and up to 3 months	4,770.06	3,902.16	3,246.60	3,210.27	714.10	978.25	0.00	111.01	132.27	188.66	16.22	126.36
Over 3 months and up to 6 months	6,798.82	6,988.33	8,387.03	8,791.76	2,139.08	1,410.49	370.00	366.15	91.86	78.79	78.82	423.51
Over 6 months and up to 1 year	14,169.45	12,350.40	13,327.77	8,932.76	4,783.73	2,957.00	100.64	10.87	2.78	2.43	305.35	255.21
Over 1 year and up to 3 years	21,282.86	18,683.69	29,266.91	27,348.57	3,667.45	3,765.88	703.34	964.26	9.84	25.09	594.64	517.65
Over 3 years and up to 5 years	15,276.39	13,955.47	5,449.70	4,753.20	1,384.28	2,483.07	0.00	Nil	35.88	20.76	27.24	104.41
Over 5 years	31,922.54	25,829.47	16,061.85	13,264.59	1653.89	4,943.70	0.00	Nil	41.95	96.13	0.09	0.00
Total	102,077.99	89,112.72	84,490.56	74,423.22	24,206.63	22,811.96	1216.98	2,478.35	1,118.02	721.41	1,274.32	2,553.33

The above data has been compiled on the basis of the guidelines of RBI and certain assumptions made by management and have been relied upon by joint statutory central auditors.

Schedules

2b. Liquidity Coverage Ratio (LCR)

i. Qualitative disclosure

Pursuant to RBI guidelines on implementation of Basel III framework applicable to banks in India with effect from 1st January 2015, measurement of LCR by Bank is undertaken for stress testing. LCR promotes short term resilience of banks to potential liquidity disruptions by ensuring that they have sufficient high quality liquid assets (HQLAs) to survive an acute stress scenario lasting for 30 days. As per extant regulatory guidelines, the minimum LCR to be maintained by banks is specified at 100%.

i.a Objective

LCR standard aims to ensure that a bank maintains an adequate level of unencumbered HQLAs that can be converted into cash to meet its liquidity needs for a 30 calendar day time horizon under a significantly severe liquidity stress scenario specified by supervisors. At a minimum, the stock of liquid assets should enable the bank to survive until day 30 of the stress scenario, by which time it is assumed that appropriate corrective actions can be taken.

Bank has consistently maintained LCR above 100% during FY 2024-25 (as well as during FY 2023-24) i.e. at levels higher than the required regulatory minimum level, on an ongoing basis.

i.b Composition of HQLA

- Cash in hand
- Excess CRR balance as on that particular day
- Excess Government Securities in excess of minimum SLR requirement
- Government Securities within the mandatory SLR requirement to the extent allowed by RBI under MSF (presently to the extent of 2% of NDTL as allowed for MSF)
- Facility to avail liquidity for liquidity coverage ratio at 15% of NDTL
- AAA rated bonds and AA- & above and marketable securities representing claims guaranteed by sovereigns having risk weights higher than 20% but not higher than 50%
- Common equity shares not issued by the bank or any of its affiliated entities and included in NSE CNX Nifty and / or S&P BSE Sensex indices.

Schedules

ii. Quantitative disclosure

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

(Rs. crore)

Particulars	Quarter ended March 31, 2025		Quarter ended December 31, 2024		Quarter ended September 30, 2024		Quarter ended June 30, 2024		Quarter ended March 31, 2024	
	Total	Weighted Value (average)	Total	Weighted Value (average)	Total	Weighted Value (average)	Total	Weighted Value (average)	Total	Weighted Value (average)
High Quality Liquid Assets										
1 Total High Quality Liquid Assets (HQLA)		21,064.24		20,355.65		20,164.23		20,427.66		19,632.84
Cash Outflows										
2 Retail deposits and deposits from small business customers, of which:										
(i) Stable deposits	4,801.58	240.08	4,971.69	248.58	4,719.79	235.99	4,966.94	248.35	4,821.74	241.09
(ii) Less stable deposits	55,019.54	5,501.95	53,840.75	5,384.08	53,128.72	5,312.87	53,300.14	5,330.01	52,386.14	5,238.61
3 Unsecured wholesale funding, of which:	24,035.97	11,771.52	23,093.17	11,070.98	22,585.68	10,673.55	14,076.17	5,569.74	11,205.90	3,840.96
(i) Operational deposits (all counterparties)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(ii) Non-operational deposits (all counterparties)	24,035.97	11,771.52	23,093.17	11,070.98	22,585.68	10,673.55	14,076.17	5,569.74	11,205.90	3,840.96
(iii) Unsecured debt	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4 Secured wholesale funding		0.00		0.00		0.00		0.00		0.00
5 Additional requirements, of which	7,652.45	1,858.14	7,440.10	1,493.74	7,356.28	1,587.27	6,807.35	1,231.62	6,703.07	1,248.04
(i) Outflows related to derivative exposures and other collateral requirements	132.66	132.66	53.32	53.32	27.82	27.82	19.77	19.77	22.64	22.64
(ii) Outflows related to loss of funding on debt products	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(iii) Credit and liquidity facilities	7,519.79	1,725.48	7,386.78	1,440.42	7,328.46	1,559.45	6,787.58	1,211.85	6,680.43	1,225.40
6 Other contractual funding obligations	845.77	845.77	712.13	712.13	1,034.12	1,034.12	119.30	119.30	217.53	217.53
7 Other contingent funding obligations	4,601.97	138.06	4,175.66	125.27	4,137.54	124.13	710.27	21.31	43.66	1.31
8 Total Cash Outflows	20,355.52		19,034.78		18,967.93		12,520.33		10,787.54	
Cash Inflows										
9 Secured lending (e.g. reverse repos)	0.00	0.00	6.24	0.00	22.34	0.00	89.24	0.00	15.30	0.00
10 Inflows from fully performing exposures	5,117.72	3,464.08	4,899.14	3,208.92	4,979.53	3,232.09	2,724.29	1,459.31	2,532.11	1,348.49
11 Other cash inflows	138.22	138.22	57.86	57.86	30.86	30.86	22.83	22.83	25.15	25.15
12 Total Cash Inflows	5,255.94	3,602.30	4,963.24	3,266.78	5,032.73	3,262.95	2,836.36	1,482.14	2,572.56	1,373.64
13 TOTAL HQLA		21,064.24		20,355.65		20,164.23		20,427.66		19,632.84
14 Total Net Cash Outflows (8-12)		16,753.22		15,768.00		15,704.98		11,038.19		9,413.90
15 Liquidity Coverage Ratio (%)		125.73%		129.09%		128.39%		185.06%		208.55%

Note – LCR data has been calculated based on simple average of all daily observations over the previous quarter. The above data has been furnished by the management. These disclosures have not been subject to audit by the joint statutory central auditors.

Schedules

The following table sets forth the daily average of un-weighted and weighted values for all the quarters in FY 2023-24

(Rs. crore)

Particulars	Quarter ended March 31, 2024			Quarter ended December 31, 2023			Quarter ended September 30, 2023			Quarter ended June 30, 2023			Quarter ended March 31, 2023		
	Total Unweighted Value (average)	Weighted Value (average)	Total Unweighted Value (average)	Total Unweighted Value (average)	Weighted Value (average)	Total Unweighted Value (average)	Total Unweighted Value (average)	Weighted Value (average)	Total Unweighted Value (average)	Total Unweighted Value (average)	Weighted Value (average)	Total Unweighted Value (average)	Total Unweighted Value (average)	Weighted Value (average)	Total Unweighted Value (average)
High Quality Liquid Assets															
1 Total High Quality Liquid Assets (HQLA)		19,632.84		19,026.26		18,352.72		17,507.63							16,975.30
Cash Outflows															
2 Retail deposits and deposits from small business customers, of which:	57,207.88	5,479.70	55,849.90	5,042.69	54,782.86	4,274.99	53,309.56	4,140.63							4,038.01
(i) Stable deposits	4,821.74	241.09	10,846.01	542.30	24,065.99	1,203.30	23,806.48	1,190.32							1,171.34
(ii) Less stable deposits	52,386.14	5,238.61	45,003.85	4,500.39	30,716.87	3,071.69	29,503.08	2,950.31							2,866.67
3 Unsecured wholesale funding, of which:	11,205.90	3,840.96	10,243.68	3,221.02	10,068.61	3,167.94	9,150.07	2,552.82							2,637.26
(i) Operational deposits (all counterparties)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00							0.00
(ii) Non-operational deposits (all counterparties)	11,205.90	3,840.96	10,243.68	3,221.02	10,068.61	3,167.94	9,150.07	2,552.82							2,637.26
(iii) Unsecured debt	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00							0.00
4 Secured wholesale funding		0.00		0.00		0.00		0.00							0.00
5 Additional requirements, of which	6,703.07	1,248.04	6,585.43	1,265.21	6,354.75	1,222.36	6,266.38	1,216.94							1,247.68
(i) Outflows related to derivative exposures and other collateral requirements	22.64	22.64	16.31	16.31	22.65	22.65	24.49	24.49							36.13
(ii) Outflows related to loss of funding on debt products	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00							0.00
(iii) Credit and liquidity facilities	6,680.43	1,225.40	6,569.12	1,248.90	6,332.10	1,199.71	6,241.89	1,192.45							1,211.55
6 Other contractual funding obligations	217.53	217.53	24.42	24.42	23.11	23.11	21.62	21.62							42.85
7 Other contingent funding obligations	43.66	1.31	44.09	1.32	45.08	1.35	45.00	1.35							1.19
8 Total Cash Outflows		10,787.54		9,554.66		8,689.75		7,933.36							7,966.99
Cash Inflows															
9 Secured lending (e.g. reverse repos)	15.30	0.00	4.95	0.00	46.75	0.00	53.01	0.00							0.00
10 Inflows from fully performing exposures	2,532.11	1,348.49	2,204.22	1,211.40	2,241.07	1,302.86	2,434.79	1,421.47							1,348.40
11 Other cash inflows	25.15	25.15	18.80	18.80	26.71	26.71	28.97	28.97							36.76
12 Total Cash Inflows	2,572.56	1,373.64	2,227.97	1,230.20	2,314.52	1,329.57	2,516.77	1,450.44							1,385.16
13 TOTAL HQLA		19,632.84		19,026.26		18,352.72		17,507.63							16,975.30
14 Total Net Cash Outflows (8-12)		9,413.90		8,324.46		7,360.18		6,482.92							6,581.83
15 Liquidity Coverage Ratio (%)		208.55%		228.56%		249.35%		270.06%							257.91%

Note – LCR data has been calculated based on simple average of all daily observations over the previous quarter. The above data has been furnished by the management. These disclosures have not been subject to audit by the joint statutory central auditors.

Schedules

2c. Net Stable Funding Ratio (NSFR)

Qualitative disclosure

NSFR = Amount of available stable funding (ASF) ÷ amount of required stable funding (RSF).

NSFR indicates that the Bank maintains a stable funding profile in relation to the composition of its assets and off-balance sheet activities and promotes funding stability i.e. resilience over a longer-term time horizon by requiring banks to fund their activities with more stable sources of funding, on an on-going basis.

ASF is defined as the portion of capital and liabilities, expected to be reliable over the time horizon considered by NSFR, which extends to one year. RSF is a function of the liquidity characteristics and residual maturity of various assets (including off-balance sheet exposures) held. RBI has mandated that minimum NSFR of 100% is to be maintained with effect from October 01, 2021.

NSFR standard is structured to:

- a) Ensure that investment banking inventories, off-balance sheet exposures, securitization pipelines and other assets and activities are funded with at-least a minimum amount of stable liabilities;
- b) Avoid over-reliance on wholesale funding during times of buoyant market liquidity;
- c) Counterbalance the cliff-effects of the liquidity coverage ratio approach;
- d) Offset incentives for institutions to fund their stock of liquid assets with short-term funds that mature just outside the supervisory defined horizon for LCR; and
- e) Require stable funding for all illiquid assets and securities held, including those held in HFT/AFS i.e. reckon illiquidity and not the assumed execution turnover period.

The following assumptions are used by RBI in the calibration of NSFR :

- Longer-term liabilities are assumed to be more stable than short-term liabilities;
- Short-term (maturing in less than one year) deposits provided by retail customers and funding provided by small business customers are behaviorally more stable than wholesale funding of the same maturity from other counterparties;
- For the sake of continuity and resilience of credit creation, stable funding for some proportion of lending to the real economy is required;
- Banks may seek to roll over a significant proportion of maturing loans to preserve customer relationships;
- Short-dated assets (maturing in less than one year) require a smaller proportion of stable funding because these could be allowed to mature without rolling-over;
- Unencumbered, high-quality assets that can be securitized or traded or used as collateral to secure additional funding, do not need to be wholly financed with stable funding; and
- At least a small portion of the potential calls on liquidity arising from off-balance sheet commitments and contingent funding obligations need to be met by stable funding.

NSFR is measured on a quarterly basis and advanced techniques such as stress testing, sensitivity analysis etc. are conducted periodically to assess the impact of various contingencies.

Schedules

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

Particulars	As on 31.03.2025						As on 31.12.2024			
	Unweighted value by Residual Maturity			Weighted Value			Unweighted value by Residual Maturity			Weighted Value
	No Maturity	< 6 months	> 1 year	No Maturity	< 6 months	> 1 year	No Maturity	< 6 months	> 1 year	
ASF Item										
1 Capital (2+3)	11,929.54	-	-	-	11,929.54	-	11,391.67	-	-	11,391.67
2 Regulatory capital	11,929.54	-	-	-	11,929.54	-	11,391.67	-	-	11,391.67
3 Other capital instruments	-	-	-	-	-	-	-	-	-	-
4 Retail deposits and deposits from small business customers (5+6)	-	-	58,871.81	-	53,234.43	-	-	58,404.31	-	52,752.62
5 Stable deposits	-	-	4,995.90	-	4,746.11	-	-	3,775.04	-	3,586.28
6 Less stable deposits	-	-	53,875.91	-	48,488.32	-	-	54,629.27	-	49,166.34
7 Wholesale funding (8+9)	15,052.66	6,740.70	6,725.25	15,907.42	24,534.30	14,364.56	14,364.56	6,480.35	5,362.98	23,521.16
8 Operational deposits	-	-	-	-	-	-	-	-	-	-
9 Other wholesale funding	15,052.66	6,740.70	6,725.25	15,907.42	24,534.30	14,364.56	14,364.56	6,480.35	5,362.98	23,521.16
10 Other liabilities (11+12)	6,134.24	-	-	-	-	7,106.65	7,106.65	-	-	-
11 NSFR derivative liabilities	-	-	-	-	-	-	-	-	-	-
12 All other liabilities and equity not included in the above categories	6,134.24	-	-	-	-	7,106.65	7,106.65	-	-	-
13 Total ASF (1+4+7+10)					89,698.27					87,665.45
RSF Item										
14 Total NSFR high-quality liquid assets (HQLA)	-	-	-	-	-	-	-	-	-	-
15 Deposits held at other financial institutions for operational purposes	-	-	-	-	-	-	-	-	-	-
16 Performing loans and securities (17+18+19+21+23)	44.67	27,912.19	20,242.58	36,919.54	54,610.80	54.70	54.70	30,484.76	18344.54	53995.33
17 Performing loans to financial institutions secured by Level 1 HQLA	-	-	-	-	-	-	-	-	-	-
18 Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	-	573.78	306.84	4,193.00	4,432.49	-	-	393.86	124.68	4,287.08

Schedules

Particulars	As on 31.03.2025					As on 31.12.2024				
	Unweighted value by Residual Maturity					Unweighted value by Residual Maturity				
	No Maturity	< 6 months	6 months to < 1 year	> 1 year	Value	No Maturity	< 6 months	6 months to < 1 year	> 1 year	Value
19 Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks, and PSEs, of which:	-	27,336.40	19,299.41	25,647.94	44,891.40	-	28,106.31	17,716.29	25,140.16	43,934.42
20 With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	305.53	60.37	1,136.24	921.51	-	368.41	91.76	1,730.08	1,354.63
21 Performing residential mortgages, of which:	-	2.01	6.32	7,047.87	4,903.20	-	1.77	6.08	6,990.16	4,848.05
22 With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	2.01	6.32	5,458.26	3,552.03	-	1.77	6.08	5,487.53	3,570.82
23 Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	44.67	-	630.01	30.73	383.71	54.70	1,982.82	497.49	333.12	925.78
24 Other assets (25+26+27+28+29)	36,243.94	-	-	-	7,789.34	33,707.81	-	-	-	7,901.93
25 Physical traded commodities, including gold	-	-	-	-	-	-	-	-	-	-
26 Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs	342.25	-	-	-	290.91	340.43	-	-	-	289.36
27 NSFR derivative assets	3.28	-	-	-	3.28	14.05	-	-	-	14.05
28 NSFR derivative liabilities before deduction of variation margin posted	-	-	-	-	-	-	-	-	-	-
29 All other assets not included in the above categories	35,898.41	-	-	-	7,495.15	33,353.33	-	-	-	7,598.52
30 Off-balance sheet items	12,349.43	-	-	-	520.77	11,173.73	-	-	-	470.23
31 Total RSF (14+15+16+24+30)					62,920.91					62,367.49
32 NSFR (%)					142.56%					140.56%

(Rs.crore)

Particulars	As on 30.09.2024						As on 30.06.2024					
	Unweighted value by Residual Maturity			Weighted Value			Unweighted value by Residual Maturity			Weighted Value		
	No Maturity	< 6 months	> 1 year	No Maturity	< 6 months	> 1 year	No Maturity	< 6 months	> 1 year	No Maturity	< 6 months	> 1 year
ASF Item												
1 Capital (2+3)	10,900.69	-	-	-	10,900.69	-	10,585.45	-	-	-	10,585.45	-
2 Regulatory capital	10,900.69	-	-	-	10,900.69	-	10,585.45	-	-	-	10,585.45	-
3 Other capital instruments	-	-	-	-	-	-	-	-	-	-	-	-
4 Retail deposits and deposits from small business customers (5+6)	-	-	58,782.78	-	53,147.30	-	-	-	55,378.23	-	50,106.69	-
5 Stable deposits	-	-	4,856.00	-	4,613.20	-	-	-	5,325.67	-	5,059.38	-
6 Less stable deposits	-	-	53,926.78	-	48,534.10	-	-	-	50,052.56	-	45,047.31	-
7 Wholesale funding (8+9)	10,505.52	6,196.20	4,705.31	17,066.69	23,951.40	11,266.62	5,786.61	4,910.29	17,125.74	23,807.70	-	-
8 Operational deposits	-	-	-	-	-	-	-	-	-	-	-	-
9 Other wholesale funding	10,505.52	6,196.20	4,705.31	17,066.69	23,951.40	11,266.62	5,786.61	4,910.29	17,125.74	23,807.70	-	-
10 Other liabilities (11+12)	6,786.29	-	-	-	-	-	6,119.98	-	-	-	-	-
11 NSFR derivative liabilities	-	-	-	-	-	-	-	-	-	-	-	-
12 All other liabilities and equity not included in the above categories	6,786.29	-	-	-	-	-	6,119.98	-	-	-	-	-
13 Total ASF (1+4+7+10)												
RSF Item												
14 Total NSFR high-quality liquid assets (HQLA)	-	-	-	-	-	-	-	-	-	-	-	-
15 Deposits held at other financial institutions for operational purposes	-	100.55	-	-	100.55	-	-	-	-	-	-	-
16 Performing loans and securities (17+18+19+21+23)	35.58	29,340.66	17,593.88	35,893.39	52,352.74	43.64	15,390.20	10,256.31	53,808.64	57,394.84	-	-
17 Performing loans to financial institutions secured by Level 1 HQLA	-	-	-	-	-	-	-	-	-	-	-	-
18 Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	-	2,599.19	244.63	4,864.35	5,376.54	-	367.50	77.82	3,296.74	3,390.78	-	-

Schedules

Particulars	As on 30.09.2024					As on 30.06.2024				
	Unweighted value by Residual Maturity				Weighted Value	Unweighted value by Residual Maturity				Weighted Value
	No Maturity	< 6 months	6 months to < 1 year	> 1 year		No Maturity	< 6 months	6 months to < 1 year	> 1 year	
19 Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks, and PSEs, of which:	-	26,739.66	1,7343.32	24,265.67	42,280.68	-	14,206.76	9408.34	43,468.84	48,551.16
20 With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	158.82	90.16	1,933.17	1,381.05	-	94.97	23.44	223.00	204.15
21 Performing residential mortgages, of which:	-	1.81	5.93	6,731.91	4,633.82	-	2.12	4.89	6,501.72	4,450.97
22 With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	1.81	5.93	5,460.83	3,553.41	-	2.12	4.89	5,394.96	3,510.22
23 Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	35.58	-	-	31.46	61.70	43.64	813.82	765.26	541.34	1,001.93
24 Other assets (25+26+27+28+29)	32,724.66	-	-	-	8,174.76	31,676.14	-	-	-	10,593.49
25 Physical traded commodities, including gold	-	-	-	-	-	-	-	-	-	-
26 Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs	339.89	-	-	-	288.91	332.60	-	-	-	282.71
27 NSFR derivative assets	1.53	-	-	-	1.53	3.88	-	-	-	3.88
28 NSFR derivative liabilities before deduction of variation margin posted	-	-	-	-	-	-	-	-	-	-
29 All other assets not included in the above categories	32,383.24	-	-	-	7,884.32	31,339.66	-	-	-	10,306.90
30 Off-balance sheet items	10,876.56	-	-	-	462.12	6,288.39	-	-	-	314.42
31 Total RSF (14+15+16+24+30)					61,090.17					68,302.75
32 NSFR (%)					144.05					123.71

Schedules

(Rs.crore)

Particulars	As on 31.03.2024						As on 31.12.2023			
	Unweighted value by Residual Maturity			Weighted Value	Unweighted value by Residual Maturity			Weighted Value	Unweighted value by Residual Maturity	
	No Maturity	< 6 months	> 1 year		No Maturity	< 6 months	> 1 year		< 6 months	> 1 year
ASF Item										
1 Capital (2+3)	8,435.27	-	-	8,435.27	9,578.93	-	487.00	-	9,578.93	-
2 Regulatory capital	8,435.27	-	-	8,435.27	9,578.93	-	-	-	9,578.93	-
3 Other capital instruments	-	-	-	-	-	-	487.00	-	-	-
4 Retail deposits and deposits from small business customers (5+6)	-	-	64,216.23	58,063.72	-	-	57,057.85	-	51,595.09	-
5 Stable deposits	-	-	5,382.39	5,113.27	-	-	4,860.67	-	4,617.64	-
6 Less stable deposits	-	-	58,833.84	52,950.45	-	-	52,197.18	-	46,977.45	-
7 Wholesale funding (8+9)	10,572.22	3,074.25	2,640.96	11,091.58	9,253.35	5,614.31	4,077.42	12,170.00	19,053.11	-
8 Operational deposits	-	-	-	-	-	-	-	-	-	-
9 Other wholesale funding	10,572.22	3,074.25	2,640.96	11,091.58	9,253.35	5,614.31	4,077.42	12,170.00	19,053.11	-
10 Other liabilities (11+12)	7,411.18	-	-	-	5,902.31	-	-	-	-	-
11 NSFR derivative liabilities	-	-	-	-	-	-	-	-	-	-
12 All other liabilities and equity not included in the above categories	7,411.18	-	-	-	5,902.31	-	-	-	-	-
13 Total ASF (1+4+7+10)				84,517.61					80,227.13	
RSF Item										
14 Total NSFR high-quality liquid assets (HQLA)	-	-	-	-	-	-	-	-	-	-
15 Deposits held at other financial institutions for operational purposes	-	-	-	-	-	200.00	-	-	200.00	-
16 Performing loans and securities (17+18+19+21+23)	56.97	36,129.14	14,465.72	32,670.82	34.68	9,698.94	13,267.94	50,835.33	53,573.26	-
17 Performing loans to financial institutions secured by Level 1 HQLA	-	-	-	-	-	-	-	-	-	-
18 Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	-	972.37	741.02	2,866.41	-	779.27	105.98	3,955.71	4,125.59	-
19 Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks, and PSEs, of which:	-	28,389.29	13,064.19	28,512.27	-	8,247.61	13,109.69	40,002.07	44,503.37	-

Schedules

Particulars	As on 31.03.2024						As on 31.12.2023					
	Unweighted value by Residual Maturity						Unweighted value by Residual Maturity					
	No Maturity	< 6 months	6 months to < 1 year	> 1 year	Weighted Value		No Maturity	< 6 months	6 months to < 1 year	> 1 year	Weighted Value	
20 With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	747.00	112.43	1,358.92	1,313.01		-	1,996.42	832.30	2,142.91	2,807.25	
21 Performing residential mortgages, of which:												
22 With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	5,949.95	5.35	335.05	3,198.11		-	2.01	5.72	6,113.11	4,141.27	
23 Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	56.97	817.53	655.16	957.09	1,312.17		34.68	670.04	46.55	764.44	803.03	
24 Other assets (25+26+27+28+29)	28,116.52	-	-	-	6,762.95		32,926.49	-	-	-	9,984.66	
25 Physical traded commodities, including gold	-	-	-	-	-		-	-	-	-	-	
26 Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs	339.80	-	-	-	288.83		338.72	-	-	-	287.91	
27 NSFR derivative assets	2.19	-	-	-	2.19		1.34	-	-	-	1.34	
28 NSFR derivative liabilities before deduction of variation margin posted	-	-	-	-	-		-	-	-	-	-	
29 All other assets not included in the above categories	27,774.53	-	-	-	6,471.93		32,586.43	-	-	-	9,695.41	
30 Off-balance sheet items	6,439.50	-	-	-	321.97		5,858.71	-	-	-	267.15	
31 Total RSF (14+15+16+24+30)					59,927.60						64,025.07	
32 NSFR (%)					141.03%						125.31%	

Schedules

(Rs.crore)

Particulars	As on 30.09.2023						As on 30.06.2023					
	Unweighted value by Residual Maturity			Weighted Value			Unweighted value by Residual Maturity			Weighted Value		
	No Maturity	< 6 months	> 1 year	No Maturity	< 6 months	> 1 year	No Maturity	< 6 months	> 1 year	No Maturity	< 6 months	> 1 year
ASF Item												
1 Capital (2+3)	8,675.90	-	487.00	-	8,675.90	-	8,944.06	-	487.00	-	8,944.06	-
2 Regulatory capital	8,675.90	-	-	-	8,675.90	-	8,944.06	-	-	-	8,944.06	-
3 Other capital instruments	-	-	487.00	-	-	-	-	-	487.00	-	-	-
4 Retail deposits and deposits from small business customers (5+6)	-	-	55,510.16	-	51,183.49	-	-	-	50,762.79	-	46,849.08	-
5 Stable deposits	-	-	24,486.87	-	23,262.53	-	-	-	23,251.34	-	22,088.77	-
6 Less stable deposits	-	-	31,023.29	-	27,920.96	-	-	-	27,511.45	-	24,760.31	-
7 Wholesale funding (8+9)	7,163.22	4,683.20	5,134.81	12,679.67	19,096.24	5,377.69	5,377.69	3,928.11	5,321.81	16,881.79	21,937.88	-
8 Operational deposits	-	-	-	-	-	-	-	-	-	-	-	-
9 Other wholesale funding	7,163.22	4,683.20	5,134.81	12,679.67	19,096.24	5,377.69	5,377.69	3,928.11	5,321.81	16,881.79	21,937.88	-
10 Other liabilities (11+12)	4,938.69	-	-	-	-	-	4,763.07	-	-	-	-	-
11 NSFR derivative liabilities	-	-	-	-	-	-	-	-	-	-	-	-
12 All other liabilities and equity not included in the above categories	4,938.69	-	-	-	-	-	4,763.07	-	-	-	-	-
13 Total ASF (1+4+7+10)											77,731.02	
RSF Item												
14 Total NSFR high-quality liquid assets (HQLA)	-	-	-	-	-	-	-	-	-	-	-	-
15 Deposits held at other financial institutions for operational purposes	-	241.00	-	-	241.00	-	-	238.15	-	-	238.15	-
16 Performing loans and securities (17+18+19+21+23)	39.19	13,579.56	8,606.85	49,487.82	51,998.57	39.19	12,781.40	9,840.04	46,016.55	49,716.98		
17 Performing loans to financial institutions secured by Level 1 HQLA	-	-	-	-	-	-	-	-	-	-	-	-
18 Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	-	113.10	28.05	3,919.03	3,950.02	-	868.37	493.98	3,597.39	3,974.64		
19 Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks, and PSEs, of which:	-	12,478.44	8,432.24	38,241.70	42,658.83	-	11,624.96	8,587.85	35,803.10	40,095.04		

Schedules

Particulars	As on 30.09.2023					As on 30.06.2023				
	Unweighted value by Residual Maturity					Unweighted value by Residual Maturity				
	No Maturity	< 6 months	6 months to < 1 year	> 1 year	Weighted Value	No Maturity	< 6 months	6 months to < 1 year	> 1 year	Weighted Value
20 With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	253.48	273.56	7,710.78	5,275.53	-	1,142.68	303.38	2,966.82	2,651.46
21 Performing residential mortgages, of which:	-	2.08	5.54	5,927.02	3,947.96	-	2.06	7.67	5,729.59	3,823.92
22 With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	2.08	5.54	5,469.08	3,558.72	-	2.06	5.68	5,255.49	3,419.93
23 Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	39.19	985.93	141.02	1,400.06	1,441.76	39.19	286.01	750.54	886.49	1,823.38
24 Other assets (25+26+27+28+29)	27,806.93	-	-	-	6,433.58	27,063.47	-	-	-	5,944.21
25 Physical traded commodities, including gold	-	-	-	-	-	-	-	-	-	-
26 Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs	346.00	-	-	-	294.10	349.13	-	-	-	296.76
27 NSFR derivative assets	2.74	-	-	-	2.74	4.65	-	-	-	4.65
28 NSFR derivative liabilities before deduction of variation margin posted	-	-	-	-	-	-	-	-	-	-
29 All other assets not included in the above categories	27,458.19	-	-	-	6,136.74	26,709.68	-	-	-	5,642.80
30 Off-balance sheet items	5,342.95	-	-	-	267.15	5,793.09	-	-	-	289.65
31 Total RSF (14+15+16+24+30)					58,940.30					56,188.99
32 NSFR (%)					133.96%					138.34%

Schedules

(Rs. crore)

Particulars	Investments in India						Investments outside India			Total Investments	
	Government Securities	Other Approved Securities	Shares	Debentures and Bonds	Subsidiaries and/or joint ventures	Others	Total Investments in India	Government securities (including local authorities)	Subsidiaries and/or joint ventures		Others
As on 31.03.2024											
Held to Maturity (HTM)											
Gross	17,211.32	0.00	8.30	15.94	0.00	0.00	17,235.56	0.00	0.00	0.00	17,235.56
Less: Provision for NPI	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net	17,211.32	0.00	8.30	15.94	0.00	0.00	17,235.56	0.00	0.00	0.00	17,235.56
Available for Sale (AFS)											
Gross	2,128.34	0.00	186.91	1,336.38	0.00	1,530.26	5,181.89	0.00	0.00	0.30	5,182.19
Less: Provision for depreciation and NPI#	0.00	0.00	69.24	49.25	0.00	378.43	496.92	0.00	0.00	0.00	496.92
Net	2,128.34	0.00	117.67	1287.13	0.00	1,151.83	4,684.97	0.00	0.00	0.30	4,685.27
Held for Trading (HFT)											
Gross	0.00	0.00	0.00	0.00	0.00	422.70	422.70	0.00	0.00	0.00	422.70
Less: Provision for depreciation and NPI#	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net	0.00	0.00	0.00	0.00	0.00	422.70	422.70	0.00	0.00	0.00	422.70
Total Investments											
Gross	19,339.66	0.00	195.21	1,352.32	0.00	1,952.96	22,840.15	0.00	0.00	0.30	22,840.45
Less: Provision for NPI	0.00	0.00	60.15	38.00	0.00	253.33	351.48	0.00	0.00	0.00	351.48
Less: Provision for depreciation	0.00	0.00	9.09	11.25	0.00	125.10	145.44	0.00	0.00	0.00	145.44
Net	19,339.66	0.00	125.97	1,303.07	0.00	1,574.53	22,343.23	0.00	0.00	0.30	22,343.53

Note: \$ Including provision towards non-performing investments Mark to Market depreciation/appreciation

* Fair value through Profit & Loss (including HFT) are included under Held for Trading Classification for the purpose of this disclosures.

Including provision towards non-performing investments Mark to Market depreciation on investments and provision for diminution in the value of investments.

Schedules

3.2 Movement of provision for Depreciation, NPI and Investment Fluctuation Reserve (IFR)

(Rs. crore)

Particulars	2024-25	2023-24
(1) Depreciation on investments		
i. Opening balance	145.44	400.05
ii. Add: Provisions made during the year	0	0
iii. Less: Write-off/ write-back of excess provisions/transferred to General Reserve during the year	145.44	254.61
iv. Closing balance	Nil	145.44
(2) Provision for Non-Performing Investments		
i. Opening balance	351.48	203.35
ii. Add: Provisions made during the year	30	168.17
iii. Less: Write-off/ write-back of excess provisions during the year	6.6	20.04
iv. Closing balance	374.88	351.48
(3) Investment Fluctuation Reserve (IFR)		
i. Opening Balance	148.87	74.76
ii. Add: Amount transferred during the year	120	74.11
iii. Less: Drawdown	0	0
iv. Closing Balance	268.87	148.87
(4) Closing balance in IFR as a % of closing balance of investments in AFS and FVTPL (including HFT/current category)	5.82%	2.66%

3.3 Sale and transfers to / from Held to Maturity (HTM) Category

During the year (as well as during the previous year), sale of securities from HTM category does not exceed 5% of the book value of investments held in HTM category at the beginning of the year. The market and book value of SLR investments held in HTM category as on 31st March 2025 is Rs. 19,383.62 crore and Rs.19,194.16 crore respectively (Rs. 17,031.63 crore and Rs. 17,211.32 crore respectively during the previous year), and shows a mark to market appreciation of Rs.189.46 crore (mark to market depreciation of Rs. 179.69 crore during the previous year).

3.4 Non-SLR Investment Portfolio

i) Non performing Non-SLR investments

(Rs. crore)

Particulars	2024-25	2023-24
Opening balance	358.10	216.70
Additions during the year	30.00	168.18
Reductions during the year	(13.22)	(26.78)
Closing balance	374.88	358.10
Total provisions held	374.88	351.48

Schedules

ii) Issuer composition of Non-SLR investments

(Rs. crore)

S. N.	Issuer	Amount	Extent of			
			Private Placement	Below Investment Grade securities	Unrated Securities	Unlisted Securities
1	2	3	4	5	6	7
As at Mar. 31, 2025						
i	PSUs	381.69	164.86		Nil	Nil
ii	Fls	418.41	267.51		7.38	23.32
iii	Banks	560.64	535.82		Nil	Nil
iv	Private Corporates	273.96	92.72		21.59	26.59
v	Subsidiaries / Joint Ventures	Nil	Nil		Nil	Nil
vi	Others *	341.57	249.7		249.7	249.7
	Sub Total	1,976.27	1,310.61		278.67	299.61
	Less: Provision for depreciation on investments	-				
	Less: Provision for non performing investments	374.88				
	Total	1,601.39	1,310.61		278.67	299.61
As at Mar. 31, 2024						
i	PSUs	1,022.29	198.91	Nil	Nil	Nil
ii	Fls	780.14	275.87		7.38	7.38
iii	Banks	1,035.12	515.22		Nil	Nil
iv	Private Corporates	182.98	46.99		21.99	26.99
v	Subsidiaries / Joint Ventures	Nil	Nil		Nil	Nil
vi	Others *	480.26	378.43		253.33	378.43
	Sub Total	3,500.79	1,415.42		282.7	412.8
	Less: Provision for depreciation on investments	145.44				
	Less: Provision for non performing investments	351.48				
	Total	3,003.87	1,415.42	Nil	282.7	412.8

* 1. Amounts reported under columns 4, 5, 6 and 7 above are not mutually exclusive; 2. Others include Security Receipts of Rs. 249.70 crore and units of Mutual Funds of Rs. 91.87 crore (Previous Year Rs. 378.43 crore and Rs. 101.83 crore respectively)

3.5 Repo Transactions (in face value terms) & Market value terms

(Rs. crore)

Particulars (in Face value terms)	Outstanding during FY						Outstanding as on	
	Minimum		Maximum		Daily Average		Mar. 31, 2025	Mar. 31, 2024
	2024-25	2023-24	2024-25	2023-24	2024-25	2023-24		
1. Securities sold under RBI Repo								
a. Government Securities	32.64	37.69	1186.55	580.50	81.93	28.37	Nil	Nil
b. Corporate Debt Securities	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
2. Securities purchased under RBI Reverse Repo								
a. Government Securities	471.86	143.98	1054.488	672.84	4.18	8.82	Nil	Nil
b. Corporate Debt Securities	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
3. Securities sold under Market Repo								
a. Government Securities	15.00	5.00	1641.00	1617.00	579.62	550.34	Nil	40.00
b. Corporate Debt Securities	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Schedules

Particulars (in Face value terms)	Outstanding during FY						Outstanding as on	
	Minimum		Maximum		Daily Average		Mar. 31, 2025	Mar. 31, 2024
	2024-25	2023-24	2024-25	2023-24	2024-25	2023-24		
4. Securities purchased under Market Reverse Repo								
a. Government Securities	200.00	235.00	534.00	839.00	5.53	7.07	Nil	Nil
b. Corporate Debt Securities	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
5. Securities sold under Tri-Party Repo								
a. Government Securities	42.12	3.01	2790.12	1400.43	731.78	167.61	Nil	Nil
b. Corporate Debt Securities	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
6. Securities purchased under Tri-Party Reverse Repo								
a. Government Securities	50.77	32.38	541.14	343.73	8.51	6.94	Nil	Nil
b. Corporate Debt Securities	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Repo Transactions (Market value terms) * (Rs. Crore)								
1. Securities sold under RBI Repo								
a. Government Securities	33.40	38.04	1207.82	586.31	84.15	28.68	Nil	Nil
b. Corporate Debt Securities	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
2. Securities purchased under RBI Reverse Repo								
a. Government Securities	440.34	146.66	985.79	642.23	3.91	8.50	Nil	Nil
b. Corporate Debt Securities	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
3. Securities sold under Market Repo								
a. Government Securities	15.45	4.97	1653.16	1591.20	583.96	546.95	Nil	41.38
b. Corporate Debt Securities	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
4. Securities purchased under Market Reverse Repo								
a. Government Securities	204.11	241.60	538.41	860.23	5.58	7.22	Nil	Nil
b. Corporate Debt Securities	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
5. Securities sold under Tri-Party Repo								
a. Government Securities	42.15	2.90	2768.50	1359.20	725.96	162.61	Nil	Nil
b. Corporate Debt Securities	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
6. Securities purchased under Tri-Party Reverse Repo								
a. Government Securities	50.00	32.00	522.00	342.50	8.36	6.85	Nil	Nil
b. Corporate Debt Securities	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

* Market value is determined based on the closing prices published by FBIL on respective dates.

3.6 Transfer to Capital Reserve

Net profit on sale of securities includes profit of Rs. 0.39 crore on sale of securities from HTM category (Rs. 1.52 during the previous year). As per RBI guidelines, an amount of Rs. 0.22 crore (after netting of taxes and transfer to Statutory Reserve) is transferred to Capital Reserve for the year ended 31.03.2025 (Rs. 0.85 during the previous year).

3.7 SLR investments under HTM category

The percentage of SLR investment under HTM category as on 31st March 2025 was 19.36% of Demand and Time Liability of the Bank (previous year 19.26%) which is within permissible limit as per RBI guidelines.

3.8 Interest income on investment is net of amortization expenses of Rs. 85.28 crore (Rs. 103.62 crore during previous year).

Schedules

3.9 Government securities lending (GSL) transactions (in Market value terms) (as per the RBI circular vide RBI/2023-24/97 FMRD.DIRD.No.05/14.03.061/2023-2024 dated 27.12.2023)

(Rs. crore)

Particulars	Outstanding during FY						Total Volume of transactions during the FY		Outstanding as on	
	Minimum		Maximum		Daily Average					
	24-25	23-24	24-25	23-24	24-25	23-24	24-25	23-24	Mar. 31, 2025	Mar. 31, 2024
Securities lent through GSL transactions	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Securities borrowed through GSL transactions	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Securities placed as collateral under GSL transactions	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Securities received as collateral under GSL transactions	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

3.10 There has been no change in the accounting policy except with respect to 'Investments' to comply with the Reserve Bank of India Master Direction on Classification, Valuation and Operation of Investment Portfolio of Commercial Banks (Directions) 2023 dated September 12, 2023 ('Master Direction') which is effective from April 01, 2024 read with the frequently asked questions issued by the Fixed Income Money Market and Derivatives Association of India ('FIMMDA').

Accordingly, the investment of the Bank as at April 01, 2024 have been reclassified, wherever required and valued in accordance with the requirement of said Master Direction and transitional adjustment on account of 'Available For Sale' (AFS) portfolio and other securities has been adjusted in AFS reserve and opening General reserve to the extent of Rs.23.01 crore and Rs.260.98 crore (which includes reversal of provision for depreciation of Rs.58.06 crore and transfer of Investment Reserve of Rs.202.92 crore) respectively. Thus, corresponding year ended figures in respect of March 31, 2024 are not comparable. The impact on account of this change in the accounting policy is not material for the quarter and year ended March 31, 2025.

All investments purchased and sold during the year ended March 31, 2025 are done in compliance with the requirements of the master direction & revised accounting policy. In compliance with Master Directions, the valuation gains and losses for the year ended March 31, 2025 across all performing investment held under AFS is aggregated and the net gain amounting to Rs.55.02 crore (net of tax) has been directly credited to AFS Reserve. The securities held in Fair Value through Profit and Loss ('FVTPL') and Held for Trade ('HFT') are fair valued and valuation losses (net) for the year ended March 31, 2025 amounting to Rs.5.02 crore arising on such valuation have been charged to the Profit and Loss.

Schedules

4. Advances and Asset Quality

4.1 Classification of advances and provisions held

Particulars	As on 31.03.2025						As on 31.03.2024						(Rs. crore)
	Total Standard	NPAs			Total	Total Standard	Sub-Std.	NPAs		Total NPA	Total		
		Sub-Std.	Doubtful	Loss				Doubtful	Loss				
a. Gross Standard Advances and Non Performing Advances (NPAs)													
Opening Balance	73,381.58	383.74	346.31	311.59	1,041.64	74,423.22	62,709.94	318.60	884.53	255.02	1,458.15	64,168.09	
Add: Additions during the year					481.85						499.23		
Less: Reductions during the year*					881.69						915.74		
Closing Balance	83,848.76	273.30	161.27	207.23	641.80	84,490.56	73,381.58	383.74	346.31	311.59	1,041.64	74,423.22	
*Reductions in Gross NPAs due to :					881.69	881.69					915.74	915.74	
i. Upgradation					22.87	22.87					28.12	28.12	
ii. Recoveries (excluding recoveries from upgraded accounts)					162.24	162.24					233.59	233.59	
iii. Technical/ Prudential Write-offs					551.59	551.59					650.94	650.94	
iv. Write-offs other than those under (iii) above					144.99	144.99					3.09	3.09	
b. Provisions (excluding Floating provisions)													
Opening balance	284.39	106.41	313.41	310.60	730.42	1,014.81	239.65	83.93	618.05	254.81	956.79	1,196.44	
Add: Fresh provisions made during the year					523.77						534.68		
Less: Excess provision reversed/ write-off loans					779.95						761.05		
Closing balance	324.34	116.85	151.15	206.24	474.24	798.58	284.39	106.41	313.41	310.60	730.42	1,014.81	
c. Net NPAs													
Opening balance		277.34	31.76	0.77	297.97			234.67	263.84	Nil	468.15		
Add: Fresh additions during the year					-41.92*						-35.80*		
Less: Reductions during the year					89.84						134.39		
Closing balance		156.46	8.98	0.77	166.21			277.34	31.76	0.77	297.97~		

Schedules

Particulars	As on 31.03.2025					As on 31.03.2024				
	Total Standard	NPAs			Total	Total Standard	NPAs			Total
		Sub-Std.	Doubtful	Loss			Sub-Std.	Doubtful	Loss	
d. Floating provisions#										
Opening Balance					100.00					0.00
Add: Additional provisions made during the year					Nil					100.00
Less: Amount drawn down during the year					Nil					Nil
Closing balance					100.00					100.00
e. Technical / Prudential Write-offs (TWO) and the recoveries made there on										
Opening balance					4,747.96					4,495.90
Add : TWO during the year					551.59					650.94
Less: Recoveries in previous TWO accounts during the year (including write-offs)					734.77					398.88
Closing Balance					4,564.78					4,747.96

* Addition to provision is more than addition to GNPA due to application of ageing;

~ Net of other provisions, claims received/settled amounting to Rs. Nil (Rs.11.90 crore during previous year).

Floating provision is not netted off from advances and is considered for Tier-II capital.

4.1.1 Gross and Net NPA Ratios

Ratios	2024-25	2023-24
Gross NPA to Gross Advances (%)	0.76	1.40
Net NPA to Net Advances (%)	0.20	0.40
Provision coverage ratio (%)	96.81	94.85

Schedules

4.2 Sector-wise Advances and Gross NPAs

S N	Sector	As on Mar. 31, 2025			As on Mar. 31, 2024			(Rs. crore)
		Outstanding Total Advances	Gross NPAs	% of Gross NPAs to Total Advances in that sector	Outstanding Total Advances	Gross NPA s	% of Gross NPAs to Total Advances in that sector	
A	Priority Sector							
1	Agriculture and allied activities of which:	15,117.76	54.67	0.36	12,553.86	74.92	0.60	
	a Food and cash crops	9,408.64	19.86	0.21	9,156.45	37.57	0.41	
	b Plantation Crops	4,353.96	0.68	0.02	1,438.21	3.56	0.25	
2	Industries eligible under priority sector of which:	10,994.51	95.04	0.86	10,030.72	184.42	1.84	
	a Food processing others	1,924.99	25.66	1.33	1,778.47	16.73	0.94	
	b Textiles	3,227.13	13.85	0.43	3,428.63	51.30	1.50	
3	Services of which:	8,254.78	101.27	1.23	6,820.48	77.66	1.14	
	a Wholesale and retail trade	6,292.46	79.30	1.26	5,189.71	53.09	1.02	
	b Transport Storage and Communications	882.43	14.90	1.69	773.29	6.60	0.85	
4	Personal Loans of which:	758.89	38.03	5.01	882.55	67.14	7.61	
	a Housing loans other than staff	675.67	8.64	1.28	788.99	30.34	3.85	
	Subtotal (A)	35,125.94	289.01	0.82	30,287.61	404.14	1.33	
B	Non Priority Sector							
1	Agriculture and allied activities of which:	5,637.98	3.08	0.05	4,859.95	3.89	0.08	
	a Food and cash crops	3,459.65	2.22	0.06	3,567.86	2.41	0.07	
	b Plantation Crops	1,838.09	0.37	0.02	597.12	0.00	0.00	
2	Industry of which:	7,428.38	73.47	0.99	7,192.68	159.60	2.22	
	a Infrastructure	1,661.08	3.92	0.24	1,757.61	14.65	0.83	
	b Textile	1,654.01	6.64	0.40	1,535.23	30.72	2.00	
	c Gems&Jewellery	1,148.53	41.64	3.63	1,259.18	62.97	5.00	
3	Services of which:	15,777.83	125.58	0.80	15,647.06	200.19	1.28	
	a Wholesale and retail trade	4,025.80	79.46	1.97	4,704.04	109.24	2.32	
	b Real estate renting and business activities	6,295.94	20.44	0.32	5,458.43	37.60	0.69	
	c Financial intermediation	3,027.45	0.28	0.01	3,557.95	1.81	0.05	
4	Personal Loans of which:	20,520.43	150.66	0.73	16,435.92	273.82	1.67	
	a Housing loans other than staff	6,396.21	25.09	0.39	5,596.11	82.13	1.47	
	b Personal loan others	9,985.97	107.30	1.07	6,594.70	143.77	2.18	
	Subtotal (B)	49,364.62	352.79	0.71	44,135.61	637.50	1.44	
	Total (A+B)	84,490.56	641.80	0.76	74,423.22	1,041.64	1.40	

Classification into sector as above has been done based on the Bank's internal norms which have been relied upon by the auditors.

Schedules

4.3 Overseas Asset, NPAs and Revenue

(Rs. crore)

Particulars	2024-25	2023-24
Total Assets	444.12	49.30
Total NPAs	Nil	Nil
Total Revenue	8.13	10.93

4.4 Particulars of Resolution Plan

a. Details of stressed asset accounts covered under RP are as under:

(Rs. crore)

Particulars	Mar. 31, 2025		Mar. 31, 2024	
	No.	Amount*	No.	Amount*
Accounts covered under RP# of above, accounts where RP –	6	310.28	6	364.51
a. implemented	Nil	Nil	Nil	Nil
b. implementation period is yet to be completed	Nil	Nil	Nil	Nil
c. not implemented within stipulated timelines	5	266.64	5	320.87
d. not applicable (account under CIRP/NCLT)	1	43.64	1	43.64

As on 31st March 2025, for above accounts bank holds provision of Rs. 20.31 crore for non fund facilities (Previous year Rs. 20.13 crores). Fund loan facilities of Rs.252.24 crore (Previous year Rs. 301.38 crore) were Technically written off.

* Amount includes outstanding of Fund and Non-Fund limits.

Also includes Technically written off accounts.

Disclosures in respect of accounts where the resolution period was extended during the year ended 31st March 2021 (as per RBI circular DOR.No.BP.BC.72/21.04.048/2019-20 dated 23rd May 2020 and DOR.No.BP.BC.62/21.04.048/2020-21 dated 17th April 2020):

Particulars #	Mar. 31, 2025	Mar. 31, 2024
No. of accounts in respect of which resolution period was extended	2	2
Amount outstanding as on 31 st March (Rs. Crore)	111.30	160.02

#These accounts are Technically written off accounts

Schedules

b. Details of resolution plan implemented under the Resolution Framework for COVID-19 related stress

(RBI circular 1. DOR.No.BP.BC/3/21.04.048/2020-21 dated 6th August 2020 (Resolution Framework 1.0) and 2. DOR.STR.REC.11/21.04.048/2021-22 dated 5th May 2021 (Resolution Framework 2.0) "Covid-19 Related Stress of Individuals and Small businesses")

Position for the half-year ended 30th September 2024

(Rs. crore)

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half-year (31.03.2024)	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A), amount written off during the half-year	Of (A), amount paid by the borrowers during the half-year ¹	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year (30.09.2024)
	A	B	C	D	E
Personal Loans	334.71	4.35	-	28.12	306.61
Corporate persons*	129.96	-	-	15.86	115.13
Of which MSMEs	-	-	-	-	-
Others	17.84	7.75	-	1.61	9.10
Total	482.51	12.10	-	45.59	430.84

*As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

¹ Represents Net Movement in Balances

Position for the half-year ended 31st March 2025

(Rs. crore)

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half-year (30.09.2024)	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A), amount written off during the half-year	Of (A), amount paid by the borrowers during the half-year ¹	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year (31.03.2025)
	A	B	C	D	E
Personal Loans	306.61	6.51	-	35.72	267.02
Corporate persons*	115.13	-	-	13.02	102.37
Of which MSMEs	-	-	-	-	-
Others	9.10	-	-	1.02	11.70
Total	430.84	6.51	-	49.76	381.09

*As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

¹ Represents Net Movement in Balances

Schedules

4.5 a. Disclosure on restructured accounts

(Rs. crore)

Particulars		Agriculture and allied activities		Corporate (excluding MSME)		MSME		Retail (excl. agriculture & MSME)		Total *	
		24-25	23-24	24-25	23-24	24-25	23-24	24-25	23-24	24-25	23-24
Standard	No. of borrowers	2	1	0	1	121	164	1433	1774	1556	1940
	Gross Amount	1.09	0.01	0.00	3.82	261.6	370	274.46	340.93	537.15	714.76
	Provisions held	0.11	0	0.00	0.38	22.82	32.38	27.44	34.09	50.37	66.85
Sub-standard	No. of borrowers	0	0.00	1	0	7	17	39	98	47	115
	Gross Amount	0.00	0.00	0.00	0.00	0.86	15.85	7.45	23.13	8.31	38.98
	Provisions held	0.00	0	0.00	0.00	0.86	8.65	4.18	6.05	5.04	14.7
Doubtful	No. of borrowers	0	1	0	1	9	31	58	192	67	225
	Gross Amount	0.00	0.43	0.00	17.17	5.05	29.7	3.51	34.94	8.56	82.24
	Provisions held	0.00	0.43	0.00	17.17	4.46	27.65	3.5	30.44	7.96	75.69
Loss	No. of borrowers	2	2	1	1	11	15	250	322	264	340
	Gross Amount	0.02	0.02	7.9	7.9	0.5	4.72	7.45	18.25	15.87	30.89
	Provisions held	0.02	0.02	7.9	7.9	0.5	3.6	7.45	18.25	15.87	29.77
Total	No. of borrowers	4	4	2	3	148	227	1780	2386	1934	2620
	Gross Amount	1.11	0.46	7.9	28.90	268.01	420.27	292.87	417.25	569.89	866.89
	Provisions held	0.13	0.45	7.9	25.46	28.64	72.28	42.57	88.83	79.24	187.01

*Note: The above disclosure includes accounts restructured under Covid-19 Resolution Framework 1.0 and 2.0.

b. Restructuring of MSME Accounts

As per guidelines issued by RBI vide circulars DOR.No.BP.BC/4/21.04.048/2020-21 dated 6th August 2020 and DOR.No.BP.BC.34/21.04.048/2019-20 dated 11th February 2020, on "Micro, Small and Medium Enterprise (MSME) sector – Restructuring of Advances", the details of restructured MSME accounts is as under:

Year ended	No. of Borrowers	Amount (Rs. Crore)
Mar. 31, 2025	68	67.47
Mar. 31, 2024	112	101.90

4.6 Divergence in asset classification and provisioning

No disclosure on divergence in asset classification and provisioning for NPAs is required with respect to RBI's supervisory process for the year ended March 31, 2023, based on the conditions mentioned in RBI circular No. RBI/2022-23/130 DOR.ACC.REC.No.74/21.04.018/2022-23 dated October 11, 2022. The Bank is awaiting receipt of inspection report from RBI for the year ended 31.03.2024.

Schedules

4.7 Transfer of loan exposure

- a. Details of loans not in default acquired through assignment during the year (Rs. crore)

Particulars	Acquired from			
	SCBs, RRBs, UCBs, StCBs, DCCBs, AIFIs, SFBs and NBFCs (incl. HFCs)		ARCs	
	2024-25	2023-24	2024-25	2023-24
Aggregate principal outstanding of loans acquired	165.78	223.30		
Aggregate consideration paid	149.20	200.97		
Weighted average residual tenor of loans acquired	Ranging between 96.22 to 136.58 months	Ranging between 19.70 to 112.95 months	Nil	Nil
Coverage of tangible security	Ranging between 252% to 333%	Ranging between 168% to 224%		
Retention of beneficial economic interest by the transferor	10%	10%		
Rating wise distribution of loans acquired	Not applicable*	Not applicable*		

* Loans acquired are under non-corporate category

- b. Details of loans in default transferred during the year

(Rs. crore)

Particulars	To ARCs		To Permitted transferees		To other transferees	
	2024-25	2023-24	24-25	23-24	24-25	23-24
No. of accounts	1	2				
Aggregate principal outstanding of loans transferred	53.31	40.65				
Weighted average residual tenor of the loans transferred	0	0				
Net book value of loans transferred (at the time of transfer)	0	0	Nil	Nil	Nil	Nil
Aggregate consideration	6.01	8.87				
Additional consideration realized in respect of accounts transferred in earlier years	0	0				
Excess provisions were reversed to the Profit & Loss Account on account of sale of NPAs.	6.01	8.87				

- c. The Bank has neither transferred any stressed (SMA) loans and loans not in default during FY 2024-25; nor has acquired any stressed loans / loans classified as NPA during the FY 2024-25 (also during previous year).

Schedules

4.8 Provision towards frauds

(Rs. crore)

SN	Particulars	2024-25	2023-24
A	Number of frauds reported during the year	26	29
B	Amount involved	65.32	28.04
C	Amount recovered / adjusted	0.24	1.58
D	Amount of interest reversal on NPA	14.23	1.14
E	Balance outstanding as on 31 st March (Refer note below)	50.85	25.32~
F	Provisions held in respect of item 'E' above	6.11	4.23
G	Quantum of un-amortised provision, if any, debited to 'Other Reserves' at the end of the year	Nil	Nil

Note ~ technically written off accounts of Rs.44.74 crores (Rs. 21.09 crore for previous year).

4.9 Disclosure of material items as required under RBI Circular DOR.ACC.REC.No.91/21.04.018/2022-23 dated 13th December 2022

(Rs. crore)

Particulars	2024-25	2023-24
Total Income	11,507.59	9,862.63
1% of the above	115.08	98.63
Items under 'Miscellaneous Income' under Schedule 14- other Income exceeding 1% of total income		
a). Recovery from Written off accounts	529.41	341.07
Items under 'Other Expenditure' under Schedule 16 – Operating expenses exceeding 1% of total income	Nil	Nil
Total Assets	1,19,367.42	1,05,453.26
1% of the above	1,193.67	1,054.53
Items under Schedule 5(IV)- Other Liabilities and Provisions- "Others (including provisions)" exceeding 1% of total assets	Nil	Nil
Items under Schedule 11(VI) – Other Assets- "Others" exceeding 1% of total assets	Nil	Nil

5. Exposures

5.1 Exposure to Real Estate Sector

(Rs. crore)

Category	2024-25	2023-24
a) Direct exposure		
(i) Residential Mortgages (including non-fund based (NFB) limits) –		
Lendings fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	7,729.62	7,097.65
(ii) Commercial Real Estate (including non-fund based (NFB) limits) –		
Lendings secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.)	6,284.83	5,202.20
(iii) Investments in Mortgage Backed Securities (MBS) and other securitized exposures –		
a. Residential,	Nil	Nil
b. Commercial Real Estate.	Nil	Nil
b) Indirect Exposure		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs).	542.54	700.00
Total Exposure to Real Estate Sector	14,556.99	12,999.85

Schedules

5.2 Exposure to Capital Market

(Rs. crore)

Particulars	2024-25	2023-24
1. Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	208.68	161.79
2. Advances against shares/bonds/ debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	Nil	Nil
3. Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	0.20	0.20
4. Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares/convertible bonds/convertible debentures/units of equity oriented mutual funds does not fully cover the advances;	Nil	Nil
5. Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	288.91	223.24
6. Loans sanctioned to corporates against the security of shares / bonds/debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	Nil	Nil
7. Bridge loans to companies against expected equity flows/issues;	Nil	Nil
8. Underwriting commitments taken up by the banks in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds;	Nil	Nil
9. Financing to stockbrokers for margin trading;	Nil	Nil
10. All exposures to Venture Capital Funds (both registered and unregistered)	Nil	Nil
Total Exposure to Capital Market	497.79	385.23

5.3 Risk Category wise Country Exposure

(Rs. crore)

Risk Category	2024-25		2023-24	
	Exposure (net)	Provision held	Exposure (net)	Provision held
Insignificant	238.06		160.79	
Low	292.28		83.13	
Moderately Low	16.23		107.96	
Moderate	58.23		0.25	
Moderately High	0.12	Nil	5.71	Nil
High	1.39		0.12	
Very High	0.13		5.76	
Restricted	Nil		Nil	
Off-credit	Nil		Nil	
Total	606.44	Nil	363.72	Nil

The net funded exposure of the bank in respect of foreign exchange transactions with each country is within 1% of the total assets of the Bank and hence no provision is required in terms of RBI guidelines (same for previous year).

5.4 Unsecured Advances

(Rs. crore)

Risk Category	As on March 31	
	2025	2024
Total Unsecured advances of the Bank (Gross)	1,877.71	1,860.30
Out of the above, amount of advances for which intangible securities such as charge over the rights, licenses, authority etc. have been taken as securities	Nil	Nil
Estimated value of such intangible securities	Nil	Nil

Schedules

5.5 Factoring Exposures

Bank undertakes factoring, including factoring through TReDS (Trade Receivable Discounting System) platform. TReDS transactions are undertaken across various platforms viz., RXIL (Receivables Exchange of India Limited), M1Xchange and Invoicemart (A.Treds). Receivables of rated large corporates and that of MSME units from corporates are financed through factoring. Finance extended through factoring form part of advances portfolio of the Bank, and the position of factoring exposure is given below:

(Rs. crore)

Particulars	2024-25	2023-24
TReDS	-	5.00
Factoring	274.00	380.20
Total	274.00	385.20

5.6 Intra Group Exposures - The bank has no intra group exposures on 31.03.2025 and 31.03.2024.

5.7 Unhedged foreign currency exposure (UFCE)

Bank has a laid down Credit Policy, specifying that in respect of foreign currency loan exposure above USD Two million, hedging is to be insisted upon; its waiver shall be considered on merits, on a case to case basis, and after ensuring obtention of a minimum cash margin of 5% on the exposure towards exchange rate fluctuation risk. In case of foreign currency loan extended to finance exports, considering the availability of natural hedge, hedging of risks may not be insisted upon. For foreign currency exposure of Corporate Borrowers, hedging is to be insisted upon in respect of exposures exceeding the thresholds specified. UFCE shall exclude items which are effective hedge of each other. Natural hedges and financial hedges already made shall be excluded for arriving at the UFCE.

Bank shall make incremental provisioning and capital provisioning as under, as prescribed by RBI, and shall adopt the provisioning and capital provisioning requirements of RBI in respect of those entities on which total exposure of the Banking system is above Rs. 50 crore. Bank shall follow the RBI guidelines in respect of smaller entities (i.e. total exposure of the Banking system is at Rs. 50 crore or less) and shall make an incremental provisioning of 10 bps over and above the extant standard asset provisioning for the unhedged exposure. In case of consortium/MBA lending, Bank shall make provisioning on the pro rata exposure of

our Bank, provided the borrower is having foreign exchange business relationship with the Bank. Bank holds a provision of Rs. 3.79 crore as on 31.03.2025 (Previous year Rs. 6.99 crore) towards UFCE of its clients.

5.8 Details of Single Borrower Limit (SBL), Group Borrower Limit (GBL) exceeded by the bank.

The Bank has not exceeded the prudential credit exposure limits in respect of Single Borrower Limit and Group Borrower Limit (not exceeded the same for previous year).

6. Concentration of business

(Rs. crore)

Particulars	2024-25	2023-24
a. Concentration of Deposits		
Total deposits of Twenty Largest Deposits	11,850.06	8,949.75
% of above to Total Deposits	11.61%	10.04%
b. Concentration of Advances		
Total Advances to Twenty Largest Borrowers	3879.03	3,875.29
% of above to Total Advances	3.78%	4.22%
c. Concentration of Exposures		
Total Exposures to Twenty Largest Borrowers / Customers	3949.46	3,970.98
% of above to Total Exposure	3.81%	4.24%
d. Concentration of NPAs		
Total Exposure to top twenty NPA Accounts	195.60	255.86
% of above to total Gross NPAs	30.48%	24.56%

Schedules

7. Derivatives

(Rs. crore)

Particulars	Mar. 31, 2025	Mar. 31, 2024
7.1 Forward Rate Agreement/Interest Rate Swap		
1. The notional principal of swap agreements		
2. Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements		
3. Collateral required by the bank upon entering into swaps	Nil	Nil
4. Concentration of credit risk arising from the swaps		
5. The fair value of the swap book		
7.2 Exchange Traded Interest Rate Derivatives		
1. Notional principal amount of exchange traded interest rate derivatives undertaken during the year (instrument wise)		
2. Notional principal amount of exchange traded interest rate derivatives outstanding as on 31 st March 2024 (instrument wise)		
3. Notional principal amount of exchange traded interest rate derivatives outstanding and not "highly effective" (instrument wise)	Nil	Nil
4. Mark-to-market value of exchange traded interest rate derivatives outstanding and not "highly effective" (instrument wise)		

7.3 Disclosures on risk exposure in derivatives

Qualitative Disclosure

Structure, Organisation, Scope, Nature of risk management in derivatives

Dealing in derivatives is centralized in the integrated Treasury of the Bank. Treasury is segregated into three functional areas i.e., front office, mid office and back office.

Derivative transactions are entered into by the front office; mid office conducts an independent check of the transactions entered into by the front office and ensures compliance with various internal and regulatory guidelines. Back Office undertakes activities such as confirmation, settlement, accounting, risk monitoring and reporting.

Rupee derivative deals are executed for hedging or for trading. The risk in the derivatives portfolio is monitored by assessing the MTM position of the portfolio on a daily basis and the impact on account of probable market movements. The overall portfolio is operated within the risk limit fixed by the Bank. Forex derivative deals are offered to clients on back-to-back basis. The outstanding deals are marked to market on monthly basis. The MTM values are informed to the clients every month and margin topped up where required. Banks have been permitted to adopt the Current

Exposure Method for measurement of Credit Exposure of Derivative products as per extant RBI guidelines.

The Board reviews the risk profile of the outstanding portfolio at regular intervals.

Accounting

Accounting policies for derivatives adopted by the Bank are as per RBI guidelines. Hedge swaps are accounted for like a hedge of the asset or liability. The income / expense on hedge swaps are accounted on accrual basis except where swap transactions whose underlying is subjected to MTM. Such hedge swaps are marked to market on a monthly basis and the gain / losses are recorded as an adjustment to the designated asset / liability. The non-hedge swaps are marked to market every month and the MTM losses in the basket are accounted in the books while MTM profits are ignored.

Collateral Security

As per market practice, no collateral security is insisted for the contracts with counter parties like Banks / PDs etc. For deals with corporate clients, appropriate collateral security / margin etc. are stipulated whenever considered necessary.

Schedules

Credit Risk Mitigation

Most of the deals are contracted with Banks / major PDs / highly rated clients and no default risk is anticipated on the deals with them.

The market making and the proprietary trading activities in derivatives are governed by the Integrated Treasury policy of the Bank, which lays down the position limits, stop loss limits as well as other risk limits. As far as forex derivatives are concerned, they are undertaken on back-to-back basis only.

Risk monitoring on derivatives portfolio is done on a daily basis. The Bank measures and monitors risk using Price Value of a Basis Point (PVBP) approach. Risk reporting on derivatives forms an integral part of the management information system and the marked to market position and the PVBP of the derivatives portfolio is reported on a daily basis to the top management.

Risk monitoring on forex derivatives is done on a monthly basis. It is reported to the top management and related clients on monthly basis.

Quantitative Disclosure

(Rs. crore)

Particulars	Mar. 31, 2025		Mar. 31, 2024	
	Currency Derivatives	Interest rate Derivatives	Currency Derivatives	Interest rate Derivatives
1. Derivatives (Notional Principal Amount)				
a) For hedging				
b) For trading	Nil		Nil	
2. Marked to Market Positions				
a) Asset (+)				
b) Liability (-)	Nil		Nil	
3. Credit Exposure (Note:1)				
4. Likely impact of one percentage change in interest rate (100*PV01)				
a) on hedging derivatives				
b) on trading derivatives	Nil		Nil	
5. Maximum and Minimum of 100*PV01 observed during the year				
a) on hedging				
b) on trading	Nil		Nil	

Note: There are no derivative transactions undertaken during the year (also no derivative transactions undertaken during previous year), other than Forward Forex Contracts. Bank does not have any open position in the Derivative instruments in trading book as on 31st March 2025 (also as on 31st March 2024).

7.4 Credit default swaps

The bank has not undertaken any Credit Default Swaps during FY 2024-25 and FY 2023-24.

Schedules

8. Disclosures relating to Securitisation

The bank has not sponsored any SPE/SPVs, including off balance sheet SPVs (which are required to be consolidated as per accounting norms) during FY 2024-25 and FY 2023-24.

(Rs. crore)

SN	Particulars	2024-25		2023-24	
		Number	Amount	Number	Amount
1	No. of SPEs sponsored by the Bank for securitisation transactions				
2	Total amount of securitised assets as per the books of the SPVs sponsored by the bank				
3	Total amount of exposures retained by the bank to comply with MMR as on the date of balance sheet				
	a) Off-balance sheet exposures				
	i. First Loss				
	ii. Others				
	b) On-balance sheet exposures				
	i. First Loss				
	ii. Others				
4	Amount of exposures to securitisation transactions other than MMR				
	a) Off-balance sheet exposures	Nil		Nil	
	i. Exposures to own securitisations				
	1. First Loss				
	2. Others				
	ii. Exposures to third party securitisations				
	1. First Loss				
	2. Others				
	b) On-balance sheet exposures				
	i. Exposures to own securitisations				
	1. First Loss				
	2. Others				
	ii. Exposures to third party securitisations				
	1. First Loss				
	2. Others				
5	Sale consideration received for the securitized assets and gain/loss on sale on account of securitization				
6	Form and quantum (outstanding value) of services provided by way of liquidity support, post-securitisation asset servicing, etc.				
7	Performance of facility provided – viz. credit enhancement, liquidity support, servicing agent etc.				
	a. Amount paid				
	b. Repayment received	Nil		Nil	
	c. Outstanding amount				
8	Average default rate of portfolios observed in the past				
9	Amount and number of additional/top-up loan given on same underlying asset				
10	Investor complaints				
	a. Directly/Indirectly received				
	b. Complaints outstanding				

Schedules

8.1 Position of Security Receipts and Recovery Ratings thereof

a. Details of book value of Investments in Security Receipts

(Rs.Crore)

Particulars	2024-25	2023-24
i. Backed by NPAs sold by the bank as underlying	249.70	378.43
ii. Backed by NPAs sold by other banks / financial institutions / non-banking financial companies as underlying	Nil	Nil
Total	249.70	378.43

b. Recovery ratings assigned for Security Receipts

(Rs.Crore)

Rating Scale	Book Value	
	2024-25	2023-24
R1	-	Nil
RR1	-	64.41
RR2	-	59.73
RR3	-	Nil
RR4	-	Nil
Unrated	-	0.96
Unrated* (Rating Withdrawn)	249.70	253.33
Total	249.70	378.43

* As per RBI guidelines, rating is not applicable after eight years.

c. Age wise classification of Security Receipts

(Rs. crore)

Particulars	SRs issued					
	Within past 5 years		More than 5 years ago but within past 8 years		More than 8 years ago ~	
	2024-25	2023-24	2024-25	2023-24	2024-25	2023-24
1 Book value of SRs backed by NPAs sold by the bank as underlying	121.25*	125.10	Nil	Nil	249.70	253.33
Provision held	*	125.10	Nil	Nil	249.70	253.33
2 Book value of SRs backed by NPAs sold by other banks / financial institutions /non-banking financial companies as underlying			Nil			
Provision held			Nil			
Gross Book value	121.25*	125.10	Nil	Nil	249.70	253.33
Total provision held against above	-	125.10	Nil	Nil	249.70	253.33
Net Book Value	1	Nil	Nil	Nil	Nil	Nil

~SRs ageing more than 8 years have been classified as loss assets in investment books

* As per RBI Master directions RBI/DOR/2023-24/104 DOR.MRG.36/21.04.141/2023-24 on September 12, 2023 with effect from 01.04.2024. Master Direction - Classification, Valuation and Operation of Investment, Portfolio of Commercial Banks (Directions),2023, Bank has fair valued the Security Receipts which are in standard category to ₹1/-. As on 01.04.2024, the total amount fair valued on transitions stands at 125.10Cr and during the Financial Year 2024-25, there was 11.27Cr fresh security receipts allotted to bank on account of various CDR measures. As on 31.03.2025, the net recoveries in the Security receipts under Non-NPI category was 15.12Cr and Security receipts outstanding stands at 121.25Cr were also fair valued to ₹1/-.

Schedules

Acquisition of Securities due to conversion of Debt:

During the Financial Year 2024-25, Bank has been allotted with INVITs & SR's under Debt settlement plan.

- Bank has been allotted 1,12,710 (Units) Security Receipts with face value of Rs. 1,000/- each under debt settlement plan in respect of two borrower account.
- Bank has been allotted 30,00,000 (Units) Invit's with face value of Rs.100/- each, under debt settlement plan in respect of one borrower account.
- An amount of Rs.30.35 Crore held in Share & Application Money awaiting allotment of securities under debt settlement plan in respect of one borrower account.

9. Off-balance sheet SPVs sponsored (which are required to be consolidated as per accounting norms)

The bank has not sponsored any off-balance sheet SPVs as on 31st March 2025 and 31st March 2024.

10. Transfers to Depositor Education and Awareness Fund (DEA Fund)

As per RBI guidelines, the credit balance in accounts which have not been operated upon for a period of ten years or any deposit or any amount remaining unclaimed for a period exceeding ten years is transferred to DEAF.

(Rs. crore)		
Particulars	2024-25	2023-24
Opening balance	224.44	210.59
Add : Amounts transferred during the year	34.89	36.07
Less : Amounts reimbursed towards claims paid	10.63	22.22
Closing balance	248.70	224.44

The closing balance of the amount transferred to DEA fund, as disclosed above, are also included under 'Schedule 12 – Contingent Liabilities- other items for which the bank is contingently liable'.

11. Disclosure on complaints

- Disclosure on complaints received from customers and Banking Ombudsman (OBO)

SN	Particulars	2024-25	2023-24
A. Complaints received by the bank from its customers			
1	Number of complaints pending at beginning of the year	176	255
2	Number of complaints received during the year	6377	5557
3	Number of complaints disposed during the year	6316	5636
3.1	Of which, number of complaints rejected by the bank	3621	2500
4	Number of complaints pending at the end of the year	237	176
B. Maintainable complaints received by the bank from OBOs			
5	Number of maintainable complaints received by the bank from OBOs	381#	463*
5.1	Of 5, number of complaints resolved in favour of the bank by BOs	141	183
5.2	Of 5, number of complaints resolved through conciliation / mediation / advisories issued by BOs	240	280
5.3	Of 5, number of complaints resolved after passing of Awards by BOs against the bank	Nil	Nil
6	Number of Awards unimplemented within the stipulated time (other than those appealed)	Nil	Nil

Note: Maintainable complaints refer to complaints on the grounds specifically mentioned in Integrated Ombudsman Scheme, 2021 and covered within the ambit of the Scheme.

13 complaints were received and the same were reported in the previous FY 23-24 but the said complaints were resolved by RBI during FY 24-25 and advised us to include the same as maintainable complaints for FY 24-25.

* 8 complaints were received and the same were reported in the previous FY 22-23 but the said complaints were resolved by RBI during Apr 23 and May 23 and advised us to include the same as maintainable complaints for FY 23-24.

Schedules

b) Top five grounds of complaints received 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
2024-25					
Internet/Mobile/Electronic Banking	75	3007	57.35	189	0
Loans and advances	57	1138	(28.38)	15	0
ATM/Debit cards	5	254	100.00	8	0
Account opening/ Difficulty in operation of accounts	7	188	(14.16)	4	0
Levy of charges without prior notice/ excessive charges/foreclosure charges	0	79	46.30	1	0
Others	32	1711	3.26	20	0
Total	176	6377	14.75	237	0
2023-24					
Internet/Mobile/Electronic Banking	53	1911	85.71	75	0
Loans and advances	176	1589	(20.15)	57	3
Account opening/ Difficulty in operation of accounts	2	219	114.71	7	0
ATM/Debit cards	2	127	(20.13)	5	0
Levy of charges without prior notice/ excessive charges/foreclosure charges	6	54	(48.57)	0	0
Others	16	1657	58.56	32	0
Total	255	5557	25.44	176	3

Note: The above data has been compiled on the basis of RBI guidelines by the management and have been relied upon by auditors.

12. Disclosure of penalties imposed by RBI

During the year RBI has levied the following penalties –

- Rs. 0.08 crore penalty imposed by RBI for non-compliance with certain directions issued by RBI on 'Loan System for Delivery of Bank Credit'.
- Rs. 0.02 crore emanating out of deficiencies found while processing the currency notes remitted by the Bank, Rs. 0.004 crore for the deficiencies found in the branch incognito visit by RBI and Rs. 0.007 crore for the deficiencies found in the ATM cash outs (Previous year Rs. 0.03 crore).

13. Disclosures on Remuneration

Qualitative Disclosure

a. Information relating to the composition and mandate of the Nomination and Remuneration Committee (NRC)

As on 31st March 2025, the Nomination & Remuneration Committee (NRC) of the Board consists of three Independent Directors. Further as per requirement of RBI guidelines a member of Risk Management Committee of the Board is also made member in NRC. The Composition complies with RBI guidelines, provisions of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 ('SEBI LODR').

Schedules

The mandate of Nomination and Remuneration Committee includes:

- a. To formulate criteria for determining qualifications, positive attributes and independence of a director, in terms of fit and proper criteria issued by the RBI from time to time.
- b. To devise policy on Board Diversity, and policy on Appointment and Succession Planning for Directors.
- c. To formulate/review criteria for evaluation of performance of Chairman, Independent Directors, Board of Directors, Committees of Board.
- d. To recommend persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the board of directors their appointment and removal.
- e. To frame/review Compensation Policy towards ensuring effective alignment between remuneration and risk. Directors and Senior Management Personnel shall be part of the Compensation Policy.
- f. To review and recommend to the board, all remuneration, in whatever form, payable to Directors & senior management.
- g. To formulate the criteria for variable pay and fix the thresholds for applying malus & clawback on the grant of variable pay payable to MD & CEO/ WTD.
- h. To consider grant of stock options to employees, administer and supervise the Employee Stock Option Plans in conformity with statutory provisions and guidelines.
- i. To provide inputs, if required, to Board for making disclosures regarding policies, appointments, remuneration etc. of Directors and Senior Management personnel in the Annual Reports/ Directors Reports/ Financial Statements etc. as may be required by the regulations from time to time.
- j. To perform any other functions or duties as stipulated by the Companies Act, RBI, SEBI, Stock Exchanges and any other regulatory authority or under any applicable laws as may be prescribed from time to time.

b. Information relating to the design and structure of remuneration processes and the key features and objectives of remuneration policy

The Bank has Board approved Compensation Policy in terms of the RBI guidelines, provisions of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 ('SEBI LODR'). The Compensation Policy of the Bank covers the compensation payable to all the employees including the MD&CEO/ WTD, Key Managerial Personnel, Material Risk Takers, Control Function Staff as per the guidelines of RBI and also fee payable including fixed remuneration to Non- Executive Directors/ Independent Directors. Nomination and Remuneration Committee (NRC) of the Bank oversees the framing, review and implementation of compensation policy on behalf of the Board of Directors. Further as per requirement of RBI guidelines a member of Risk Management Committee of the Board is also a member in order to consider risk related aspects in remuneration structures.

In terms of RBI Guidelines and Compensation Policy of the Bank the position of Managing Director & CEO and Executive Directors are identified as Material Risk Taker (MRT). The compensation payable to MRTs is divided into fixed and variable components. Non-Executive Directors/ Independent Directors are paid sitting Fees for attending Board/ Committee meetings. Part-time (Non-Executive) Chairperson is entitled for honorarium, as approved by Reserve Bank of India and Shareholders of the Bank. In terms of RBI circulars and as approved by the shareholders vide postal ballot resolution dated July 16, 2024, Non-Executive Directors of the Bank including Independent directors (Other than Non-Executive (Part-time) Chairperson) are eligible for fixed compensation to the tune of 0.2% of the profit available for distribution subject to a maximum of Rs.20 Lakhs for each Director per annum with effect from FY 2024-25, for a period of three (3) years. The said fixed compensation payable shall be in proportion to the tenure of the Directors on the Board during the year.

Remuneration to employees (other than MRTs) is defined by the IBA pay scale / CTC pay structure, both of which are approved by the Board. The IBA pay scale is an industry standard across all PSBs and old generation private banks, while the CTC pay structure specific to KVB has been formulated on the basis of comparative industry practices.

Schedules

The objective is to suitably compensate every employee as per his position in the organization so as to adequately recognize his contributions.

Objective of the Compensation policy is to align the compensation with prudent risk taking;

- Compensation must be adjusted for all types of risks
- Compensation outcomes must be symmetric with risk outcomes
- Compensation pay-out schedules must be sensitive to the time horizon of risks
- The proportion of cash, equity and other forms of compensation must be consistent with risk alignment.

c. Description of the ways in which current and future risks are taken into account in the remuneration processes. It should include the nature and type of the key measures used to take account of these risks

With respect MRTs the clauses of Compensation Policy adopted by the Bank address the issues pertaining to current and future risks. While current risks are factored in fixed pay, the future risks are factored in variable pay. The variable pay shall be based on predefined KPIs having a wide variety of measures related to Governance, Internal Controls, appropriate risk management practices and adherence to Compliance, etc. as set out by NRC. This risk adjustment factors in both quantitative and qualitative elements. The Policy effectively aligns the compensation with prudent risk taking and shall be symmetrical with risk outcomes as well as sensitive to the time horizon of risk. Further in adherence to FSB implementation standards & RBI Guidelines, variable pay has deferral arrangements. In the event of negative outcomes & misconduct risk, the deferred compensation shall be subjected to malus and claw back arrangements in tune with the RBI guidelines.

The remuneration (other than MRTs) as per IBA / CTC package is position / designation specific and not necessarily risk specific. However, there are sufficient systems and procedures in place in the Bank (including KVB Officer Employees, Conduct Regulations and Discipline & Appeal Regulations, and also Malus / Claw back clauses in the employment contracts wherever applicable and continuous monitoring / auditing etc) to ensure risk mitigation and prevention.

Board of Directors of the Bank through NRC shall exercise oversight & effective governance over the framing and implementing the Compensation policy.

d. Description of the ways in which the Bank seeks to link performance during a performance measurement period with levels of remuneration

Bank follows a performance-based remuneration, which motivates and rewards high performers who strengthen long-term customer relations, and generate income and shareholder value. The Bank while designing the compensation structure ensures that there is a proper balance between fixed pay and variable pay. Bank ensures that variable pay shall relate to the performance. The variable pay could be in cash, stock linked instruments or a mix of both.

While fixing the Variable Pay, performance parameters under financial and non-financial areas of operations are assessed. The financial performance of the bank is factored while determining the amount of variable remuneration to be paid. Variable Pay shall be fixed on the basis of performance matrix broadly categorized as a) Bank as a whole, b) Business Unit, c) Individual, based on the quantitative and qualitative criteria. The quantitative criteria shall relate to the performance of the Bank and certain qualitative factors taking into account the, Governance Measures, Cost to Income Ratio, Internal controls, appropriate risk management practices and adherence to compliance, etc as set out by NRC.

In the event of subdued or negative financial performance of the bank and or the relevant line of business in any year, having misconduct, the deferred compensation shall be subjected to malus and claw back arrangements in tune with the RBI guidelines.

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

As per the Compensation Policy, Variable pay is eligible on the achievement of certain business/compliance targets fixed by the management. The structuring of remuneration in case of MD & CEO/WTD shall be subject to the approval of RBI.

Deferral arrangements for variable pay in case of MD & CEO/WTD and other employees who are MRTs and Control

Schedules

Function Staff, in adherence to FSB implementation standards shall be;

a minimum of 60% of the total variable pay shall be under deferral arrangements.

If cash component of variable pay equals or exceeds Rs.25.00 Lakhs, then at least 50% of the cash bonus shall be deferred.

The deferral period shall be a minimum of three years applicable to both cash and non-cash components of the variable pay. Deferred remuneration shall either vest fully at the end of the deferral period or be spread out over the course of the deferral period. The first such vesting shall be not before one year from the commencement of the deferral period. The vesting shall be no faster than on a pro-rata basis. Additionally, vesting, shall not take place more frequently than on a yearly basis, to ensure a proper assessment of risks before the application of ex-post adjustments.

Subject to bank's ESOP schemes, NRC at its discretion may specify a retention period after the vesting of stock linked instruments which have been awarded as variable pay during which they cannot be sold or accessed.

In cases where the compensation by way of share linked, instruments is not permitted by law / regulations, the entire variable pay can be in cash, subject to deferral /vesting / malus-clawback norms.

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

Variable pay is purely based on performance and is measured through KPIs. Bank ensures that the compensation structure is comprehensive and considers both, qualitative and quantitative performance measures. The variable pay would be in the form of cash & non-cash components (in the form of Share linked instruments).

Bank has two Employees Stock Option Schemes viz; KVB ESOS 2011 and KVB ESOS 2018. NRC may grant stock options under the Employees Stock Options Schemes from time to time in terms of SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (Erstwhile SEBI (Share Based Employee Benefits) Regulations, 2014).

In case of other employees Bank also subscribes to different forms of variable pay such as performance linked incentives, Ex-gratia for other employees, non-cash incentives, Bonus, any other incentives by whatever name called having the similar features. The Bank shall not grant any severance pay (other than the terminal benefits and gratuity as per the provisions). Bank shall not provide any facility or funds or permit to insure or hedge his/her compensation structure to offset the risk alignment effects embedded in the compensation package.

Quantitative Disclosures:

Particulars	2024-25	2023-24
a) Number of meetings held by the Nomination & Remuneration Committee during the financial year and remuneration paid to its members.	10 Meetings and remuneration of Rs. 0.16 Crore	14 meetings and remuneration of Rs.0.23 Crore
b) Number of employees having received a variable remuneration award during the financial year (see note 'b' below)	2	2
c) Number and total amount of sign-on/joining bonus made during the financial year	Nil	Nil
d) Details of severance pay, in addition to accrued benefits, if any	Nil	Nil
e) Total amount of outstanding deferred remuneration, split into cash, types of share-linked instruments and other forms	a. Cash- Rs.96,72,153/- b. Non-cash – 1,58,772 ESOPs	a. Cash- Rs.59,04,348/- b. Non-Cash- 2,11,348 ESOPs

Schedules

Particulars		2024-25	2023-24
f) Total amount of deferred remuneration paid out in the financial year	a.	Cash- Rs. 26,90,056/-	a. Cash- Rs. 16,15,821/-
	b.	Non-Cash- 1,16,271 ESOPs	b. Non-Cash- 81,935 ESOPs
g) Breakdown of amount of remuneration awards for the financial year to show fixed and variable, deferred and non-deferred (Refer note below)	1.	Fixed Pay Rs. 3,10,61,755/-	1. Fixed Pay Rs. 2,51,10,244/-
	2.	Variable Pay: Rs. 2,58,31,445/-	2. Variable Pay: Rs. 1,86,69,322/-
h) Total amount of outstanding deferred remuneration and retained remuneration exposed to ex post explicit and / or implicit adjustments		Nil	Nil
i) Total amount of reductions during the financial year due to ex-post explicit adjustments		Nil	Nil
j) Total amount of reductions during the financial year due to ex-post implicit adjustments		Nil	Nil
k) Number of MRTs identified (see note 'a' below)		3	2
l) Number of cases where malus has been exercised		Nil	Nil
m) Number of cases where clawback has been exercised		Nil	Nil
n) Number of cases where both malus and clawback has been exercised		Nil	Nil
o) The mean pay for the Bank as a whole(excluding sub-staff) and the deviation of the pay of each of its WTDs from the mean pay	Mean Pay	Rs. 12,27,414	Rs. 9,76,640
	Deviation of the pay*		
	For MD&CEO	34.17X	31.27X
	For Shri J. Natarajan, ED	18.23X	-
	(Appointed as ED from 22.05.2024)	0.47X	-
	For Shri Sankar Balabhadrapatruni, ED (Appointed as ED from 12.03.2025)		

* - Deviation from Mean Pay of the Bank, in respect of MD &CEO and Executive Director Shri. J.Natarajan, compensation has seen a significant change due to the following reasons:

- The revision in remuneration (both fixed and variable) paid to MD&CEO during the FY 2024-25 has been considered and the increase compared to previous FY 2023-24 is because of variable pay payments i.e. cash component of FY 23-24, deferral cash component of FY 20-21, 21-22, 22-23, Exercise of non-cash component of variable pay (ESOS) pertaining to FY 20-21, 21-22, 22-23 and perquisites as per Income Tax act,1961.
- The remuneration (fixed and variable) paid to ED during the FY 2024-25 has been considered and the increase compared to previous FY 2023-24 is because of variable pay payments i.e. cash component of FY 23-24, exercise of non-cash component of variable pay (ESOS) pertaining to FY 20-21, 21-22, 22-23 (during which time he served as the President) and perquisites as per Income Tax act,1961.

Schedules

Note – a. Details of fixed remuneration paid:

SN	Name	Period	Designation	Amount (Rs.)*
1	Mr. B. Ramesh Babu	2024-25	MD & CEO (MRT)	2,17,13,625
2	Mr. J. Natarajan	2024-25	ED (MRT)	87,65,798
3	Mr. Shankar Balabhadrapatruni (Appointed as ED from 12.03.2025)	2024-25	ED (MRT)	5,82,332
	Total			3,10,61,755
1	Mr. B. Ramesh Babu	2023-24	MD & CEO (MRT)	1,79,52,656
2	Mr. J. Natarajan	2023-24	President (MRT)	71,57,587
	Total			2,51,10,243

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

b. Details of Variable Pay pertaining to FY 2023-24 granted during the FY 2024-25:

SN	Name	Variable Pay (Rs.)	Cash (Rs.)	Share linked remuneration (ESOPs)
1	Mr. B. Ramesh Babu, MD&CEO (MRT)	1,91,00,000	95,50,000 (Upfront 47.75 Lacs + 15.91 Lacs each deferred over a period of 3 years)	47,097 options to be vested in the ratio of 33:33:34
2	Mr. J. Natarajan, President (MRT)	67,31,445	33,65,722 (Upfront 16.82 Lacs + 5.60 Lacs each deferred over a period of 3 years)	16,598 options to be vested in the ratio of 33:33:34
	Total	2,58,31,445		

- RBI vide letter dated 19th June, 2024 has approved variable pay to Mr. B Ramesh Babu, MD & CEO for performance period FY 2023-24, which was paid during the year ended 31st, March 2025.
- RBI vide letter dated 16.05.2024 has approved the appointment of Shri J Natarajan as Executive Director for a period of one year effective from date of taking charge, Board in its meeting held on 22.05.2024 has appointed Shri J Natarajan as Executive Director and he has taken charge on the same day. The variable pay above mentioned pertains to the performance period FY 2023-24 for the role of President being Material Risk Taker
- Position of MD & CEO and Executive Director are identified as Material Risk Takers in the Bank. As on March 31, 2025 Bank has two Executive Directors Viz; Shri J Natarajan & Shri Sankar Balabhadrapatruni.

13.1 Remuneration (including sitting fees, profit related commission and Honorarium) paid to non-executive directors during the year is Rs 2.45 Crore (previous year Rs. 2.57 Crore).

13.2 Stock options

The Bank has formulated and adopted Employee Stock Option Schemes to provide a platform to employees for participating in the ownership of the Bank and in its long-term growth. The Bank uses stock options as a compensation tool to attract and retain critical talent and encourage employees to align individual performances with that of the Banks' objectives. Currently, the Bank has the following Schemes in compliance with the provisions of SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021:

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

Schedules

The grants made under the said schemes are in accordance with SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (Erstwhile SEBI (Share Based Employee Benefits) Regulations, 2014).

Stock option activity under the KVB ESOS 2011 & KVB ESOS 2018 Schemes for the year ended 31 March, 2025 is set out below:

(in numbers)

Particulars	Status of options granted during				
	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
KVB-ESOS 2011 SCHEME					
Outstanding at the beginning of the year i.e. as on 01.04.2024	6,35,972	Nil	Nil	Nil	Nil
Granted during the year (Note 3)	Nil	Nil	Nil	Nil	Nil
Vested during the year (Note 1)	Nil	Nil	Nil	Nil	Nil
Exercised during the year	3,44,403	Nil	Nil	Nil	Nil
Lapsed/ forfeited/ cancelled (Nos.) (Note 2)	38,971	Nil	Nil	Nil	Nil
Outstanding as on March 31, 2025	2,52,598	Nil	Nil	Nil	Nil
KVB-ESOS 2018 SCHEME					
Outstanding at the beginning of the year i.e. as on 01.04.2024	86,900	49362	2,94,787	1,97,775	-
Granted during the year (Note 3)	Nil	Nil	Nil	Nil	1,12,755
Vested during the year (Note 1)	Nil	49362	1,47,374	51,832	Nil
Exercised during the year *	67,900	49362	1,47,374	51,832	Nil
Lapsed/ forfeited/ cancelled (Nos.) (Note 2)	Nil	Nil	40,030	42,258	Nil
Outstanding as on March 31, 2025	19,000	Nil	1,07,383	1,03,685	1,12,755

Note:

1. Vesting eligibility under these schemes are purely based on achievement of performance matrix. The vesting period shall be under deferral arrangement upto three years from the date of grant, however minimum vesting period of one year is mandatory.
2. Details outstanding as on April 01, 2024 pertains to options granted during previous years viz; FY 2020-21, 2021-22, 2022-23 and 2023-24.
3. Based on the eligibility conditions during the year 1,21,259 options (ESOS 2011 scheme – 38,971 options and ESOS 2018 scheme – 82,288 options) were lapsed, and the said options were added back to the Employee Stock Option pools.
4. The Bank has granted 63,695 options of face value Rs 2/- each to Material Risk Takers (MRTs) - MD & CEO and Executive Director (for his performance in the role of President) under KVB ESOS 2018 scheme during the year. In terms of RBI Guidelines on Compensation Policy, the said grant is part of their variable pay non-cash component for the performance assessment period of FY 2023-24. Further Bank has also granted 49,060 options of face value Rs 2/- each to Senior Management under KVB ESOS 2018 scheme during the year as a part of their non-cash component for the performance assessment period of FY 2023-24. The vesting period shall be under deferral arrangement of three years from the date of grant.

Schedules

14. Other Disclosures

14.1 Business Ratios

Particulars	2024-25	2023-24
1. Interest Income as a percentage to Working Funds (%)	8.59	8.34
2. Non-interest income as a percentage to Working Funds (%)	1.62	1.69
3. Cost of Deposits (%)	5.61	5.19
4. Net Interest Margin (%)	4.09	4.19
5. Operating Profit as a percentage to Working Funds (%)	2.85	2.88
6. Return on Assets (%)	1.72	1.63
7. Business (Deposits plus Advances) per employee (Rs. crore)	18.91	18.00
8. Profit per employee (Rs. crore)	0.20	0.18

Working Funds are based on average of total assets as reported to RBI in Form X during the year; Employee productivity ratios are based on actual number of employees at the end of the year.

14.2 Income from Bancassurance business

SN	Fee/Remuneration from sale of	2024-25*	2023-24*
1	Life Insurance Products	100.89	59.50
2	Non-Life Insurance Products	27.13	15.56
3	Health Insurance Products	9.65	6.95
	Total	137.67	82.01

* exclusive of GST.

14.3 Income from marketing and distribution

SN	Fee/Remuneration from sale of	2024-25*	2023-24*
A	Mutual fund products	1.23	1.10
	Total (A)	1.23	1.10
B	Other products		
1	Demat & Trading	1.37	1.45
2	Co-branded Credit Card	0.57	0.95
3	PMJJBY Scheme	0.06	0.01
4	PMSBY Scheme	0.01	0.00

SN	Fee/Remuneration from sale of	2024-25*	2023-24*
5	Sovereign Gold Bond Scheme	0.00	0.82
6	Atal Pension Yojana	0.08	0.08
7	National Pension Scheme	0.04	0.01
	Total (B)	2.13	3.32
	Total (A+B)	3.36	4.42

* exclusive of GST

14.4 Priority Sector Lending Certificates sold/purchased during the year

Particulars	2024-25	2023-24
PSLC purchased during the year		
1. Agriculture	Nil	Nil
2. SF/MF		
3. Micro Finance		
4. General		
Total		
PSLC sold during the year		
1. Agriculture	Nil	Nil
2. SF/MF		
3. Micro Finance		
4. General		
Total		

14.5 Provisions and Contingencies

Break-up of 'Provision and Contingencies' shown under the 'Expenditure' head in Profit & Loss Account

Provision for	2024-25	2023-24
Standard Assets	39.95	44.74
Bad & Doubtful Debts	440.40	427.66
Non Performing Investments	23.40	148.14
Fraud (other than advances)	(0.07)	0.13
Floating provision	0.00	100.00
Restructured accounts including COVID-19 restructuring, Food Credit	(16.99)	(24.10)
Additional provision for accounts covered under Resolution Plan	0.18	(5.01)
Unhedged Foreign Currency Exposure	(3.20)	Nil
Other Provisions, including credit provisions, prov. for claims	137.93	37.39
Income Tax	621.15	465.68
Deferred Tax (Net)	27.94	29.70
Total	1,270.69	1,224.33

Schedules

14.5.1 Movement of Floating Provision/Counter Cyclical Buffer

(Rs. crore)

Particulars	2024-25*	2023-24*
Floating Provision at the beginning of the year	100.00	Nil
Floating Provision made during the year	Nil	100.00
Amount transferred to counter cyclical buffer as per RBI guidelines	Nil	Nil
Amount transferred to provision for NPAs during the year	Nil	Nil
Floating Provision at the end of the year	100.00	100.00

*Floating provision is not netted off from advances and is considered for Tier-II capital.

14.5.2 Provisions on Standard Assets, Food Credit

(Rs. crore)

Provisions for	2024-25	2023-24
1. Standard Assets	324.34	284.39
2. Food Credit (Punjab State Government) *	5.05	5.47

* Provision @ 5% of outstanding food credit availed by Punjab State Government, vide RBI circular DBR.BP.No.3992/21.04.048/2016-17 dated 03rd Oct 2016.

14.6 Status with regard to IndAS Implementation

Ministry of Corporate Affairs (MCA), Government of India, notified the Companies (Indian Accounting Standards) Rules, 2015 on February 16, 2015. Vide press release dated 18th January 2016, MCA notified the roadmap for implementation of Indian Accounting Standards (IndAS) (converging with the Internal Financial Reporting Standards (IFRS)) for Scheduled Commercial Banks (SCBs) excluding Regional Rural Banks, Non-Banking Financial Companies and Insurance Companies. Accordingly, RBI, vide circular DBR.BP.BC.No.76/21.07.001/2015-16 dated 11th February 2016, advised SCBs to follow IndAS from 1st April 2018, subject to guidelines / directions to be issued in this regard.

RBI initially deferred IndAS implementation by SCBs to 1st April 2019; subsequently, vide circular DBR.BP.BC.No.29/21.07.001/2018-19 dated 22nd March 2019, implementation of IndAS by SCBs has been deferred till

further notice. RBI has not issued any further notification on implementation of IndAS by SCBs during the financial year 2024-25.

In compliance to the RBI circular dated 11th February 2016, the status of IndAS implementation is given below:

Proforma IndAS statements have to be submitted to RBI on half-yearly basis with effect from FY 2021-22; accordingly, proforma IndAS statements for the half-year ended 30th September 2024 have been prepared and submitted to RBI. Bank has evaluated IndAS solution offered by various vendors. Bank had selected the software vendor for IndAS evaluation and implementation and UAT testing is under process.

14.7 DICGC Insurance Premium paid

(Rs. crore)

SN	Particulars	2024-25	2023-24
1	Amount of DICGC insurance premium paid	132.18	113.98
2	Arrears in payment of DICGC premium, if any	Nil	Nil

14.8 Disclosure on amortisation of expenditure on account of enhancement in family pension of employees of banks.

The revision in family pension payable to employees of the Bank covered under 11th Bipartite Settlement and Joint Note dated 11th November 2020 was quantified on 26th August 2021; the Bank opted to amortize the additional liability of Rs. 80.26 crore based on actuarial valuation during the three quarters of financial year 2021-22 equally, and the same has been accordingly expensed to Profit & Loss account in the previous financial year 2021-22 itself.

14.9 Disclosure requirement as per Accounting Standards (AS)

In compliance with the guidelines issued by the RBI regarding disclosure requirements of the various Accounting Standards, the following information is disclosed:

- a. There are no material prior period income and expenditure included in the Profit & Loss account, which requires a disclosure as per AS-5.

For the preparation of these financial statements, the bank has followed the same accounting policies and generally accepted practices adopted for the preparation of audited financial statements for the year ended 31st March 2025.

Schedules

b. Revenue Recognition (AS-9)

Bank recognises revenue on accrual basis, as per details given in item C.1 of the Significant Accounting Policy of the Bank (Schedule 17).

c. Effects of changes in Foreign Exchange Rates (AS-11)

Bank has followed the guidelines issued by RBI and FEDAI, in order to comply with the applicable requirements under AS-11. Accordingly, foreign exchange transactions are accounted as per details given item C.6 of the Significant Accounting Policy of the Bank (Schedule 17).

d. Employee Benefits (AS -15)

The Bank is following AS-15 (Revised 2005) 'Employee Benefits' as under:

a. In respect of Contributory Plan, viz.,

Provident Fund: The Bank pays fixed contribution at pre-determined rates to a separate trust, which invests in permitted securities. The obligation of the Bank is limited to such fixed contribution.

National Pension Scheme: As per industry settlement dated 27th April 2010, employees who have joined on or after 1st April 2010 are covered under National Pension System (NPS) regulated by Provident Fund Regulatory Development Authority (PFRDA). Employer's contribution to NPS has been recognised as expenditure in the profit and loss account.

b. In respect of Defined Benefit Plans, viz.,

Gratuity: The Bank Provides for Gratuity, a defined benefit plan (the Gratuity Plan) covering the eligible employees. The Gratuity Plan provides a lump sum payment to vested employees on retirement, death, incapacitation or termination of employment, of an amount based on respective employee's salary and tenure of employment.

Pension: The Bank Provides for Monthly pension, a defined benefit plan (the Pension Plan) covering the eligible employees. The Pension Plan provides a monthly pension after the retirement of the employees till death and to the family after his death of the pensioner based on the respective employee's salary and tenure of the employment.

The disclosure requirements as per the AS-15 are given below

Principal Actuarial Assumptions

Particulars	Gratuity		Pension	
	FY	FY	FY	FY
	2024-25	2023-24	2024-25	2023-24
Discount Rate (%)	6.92	7.22	7.05	7.24
Salary escalation rate (%)	5.00	5.00	5.00	5.00
Attrition rate (%)	*	~	0.50	0.50
Expected rate of return on Plan Assets (%)	6.92	7.22	7.05	7.24

* Attrition rate for FY 2024-25 – 0.50% for those under defined benefit pension option and 1.90% for CTC employees & 3.50% for IBA others.

~ Attrition rate for FY 2023-24 - 0.50% for those under defined benefit pension option and 1.22% for others.

Expenses recognized in Profit and Loss Account

(Rs. crore)

Particulars	Gratuity		Pension	
	FY	FY	FY	FY
	2024-25	2023-24	2024-25	2023-24
Current Service Cost	19.85	16.55	31.61	26.87
Past Service Cost	Nil	Nil	Nil	Nil
Interest cost on benefit obligation	25.99	21.80	68.22	62.82
Expected return on plan assets	21.04	20.99	63.72	60.66
Net Actuarial (gain) / loss recognised in the year	39.41	53.17	75.33	113.17
Expenses recognised in Profit & Loss A/c.	64.21	68.63	111.45	142.20

Schedules

Changes in the present value of the defined benefit obligation

(Rs. crore)

Particulars	Gratuity		Pension	
	FY 2024-25	FY 2023-24	FY 2024-25	FY 2023-24
Present value of obligation at the beginning of the year	359.97	289.90	942.29	834.25
Current Service Cost	19.85	16.55	31.61	26.87
Past Service Cost	Nil	Nil	Nil	Nil
Interest Cost	25.99	21.80	68.22	62.82
Net actuarial (gain) / loss on obligation	46.40	54.41	78.76	113.03
(Gains)/Losses on Curtailment	Nil	(1.89)	Nil	Nil
Benefits Paid	(18.95)	(20.80)	(76.62)	(94.68)
Present value of the obligation at the end of the year	433.26	359.97	1044.26	942.29

Change in the fair value of plan assets

(Rs. crore)

Particulars	Gratuity		Pension	
	FY 2024-25	FY 2023-24	FY 2024-25	FY 2023-24
Fair value of plan assets at the beginning of the year	291.34	279.19	880.05	805.62
Expected Return on plan assets	21.04	21.00	63.72	60.66
Contribution by employer	114.01	10.70	163.36	108.58
Benefits Paid	(18.95)	(20.80)	(76.62)	(94.68)
Actuarial gain / (loss)	6.99	1.25	3.43	(0.13)
Fair value of plan assets at the end of the year	414.43	291.34	1,033.94	880.05

Investment details of plan assets

Particulars (details in % terms)	Gratuity		Pension	
	Mar. 31, 2025	Mar. 31, 2024	Mar. 31, 2025	Mar. 31, 2024
LIC/ABSLI/SBILIC Managed Fund	99.85	98.26	93.04	89.92
Government Securities	0.13	1.00	Nil	2.22
Bonds, debentures and other fixed income instruments	Nil	0.73	Nil	0.02
Money Market Instruments	Nil	Nil	Nil	Nil
Equity Shares	Nil	Nil	Nil	Nil
Others	0.02	0.01	6.96	7.84
Total	100.00	100.00	100.00	100.00

Experience adjustments

(Rs. crore)

Particulars	Gratuity					Pension				
	Year ended 31 st March					Year ended 31 st March				
	2025	2024	2023	2022	2021	2025	2024	2023	2022	2021
Defined Benefit Obligation	433.26	359.97	289.90	269.36	263.97	1044.26	942.29	834.25	793.99	768.40
Plan Assets	414.43	291.34	279.19	273.22	223.96	1033.94	880.05	805.62	837.20	749.38
Surplus / (Deficit)	(18.83)	(68.63)	(10.71)	3.86	(40.01)	(10.32)	(62.24)	(28.63)	43.21	(19.02)
Experience Adjustments on Plan Liabilities	14.95	69.29	3.07	5.34	63.70	58.88	85.42	67.11	60.86	178.47
Experience Adjustments on Plan Assets	6.99	1.25	(0.80)	3.95	(0.04)	3.43	(0.14)	(10.14)	2.67	(3.15)

Schedules

Compensated absences

The employees of the Bank are entitled to compensated absences. The employees can carry forward a portion of the unutilized accrued compensated absences and utilize it in future period or in case of privilege leave receive cash compensation at retirement or cessation of employment. The Bank measures the expected cost of compensated absences as the additional amount the Bank expects to pay as a result of the unused entitlement that has accumulated at the balance sheet date on actuarial valuation.

(Rs. crore)

Particulars	Privilege leave		Medical leave		Unavailed Casual Leave	
	FY 2024-25	FY 2023-24	FY 2024-25	FY 2023-24	FY 2024-25	FY 2023-24 [@]
Total Actuarial Liability	256.81	234.34	81.68	75.14	4.70	-
Assumptions						
Discount rate (%)	6.92	7.22	6.92	7.22	6.92	-
Salary escalation rate (%)	5.00	5.00	5.00	5.00	5.00	-
Attrition rate (%)	*	~	*	~	*	-

* Attrition rate for FY 2024-25 -0.50% for those under defined benefit pension option and 1.90% for CTC employees and 3.50% for IBA others.

~ Attrition rate for FY 2023-24 - 0.50% for those under defined benefit pension option and 1.22% for others

@ Provision made for Unavailed Casual leave started from current financial year.

Note: The above disclosures as per AS-15 is as certified by the actuary and relied upon by the auditors.

e. Segment Reporting: (AS-17)

1. Business Segments

For the purpose of segment reporting, the reportable segments are identified into Treasury, Corporate/Wholesale banking, Retail banking and other banking operations, in compliance with RBI guidelines. Brief description of activities of each segment and revenue attributable thereto is as under:

1. Treasury portfolio comprises of investments in Central and State Government securities, debt instruments of Banks, FIs, Insurance companies, PSUs and corporates, certificate of deposits, equity shares, mutual funds, security receipts etc. as well as forward contracts, derivatives and foreign exchange operations on proprietary account and for customers, including trading in these instruments as well as borrowing and lending operations.

Treasury income is primarily earned through interest on investments, forex income as well as income from securities trading; expenditure includes interest on funds borrowed and other allocated overheads.

2. Corporate/ Wholesale banking includes all advances to trusts, partnership firms, companies, and statutory bodies, which are not included under Retail Banking.

Revenue comprises of interest and fees / charges earned from such clients and expenses are those incurred on interest towards funds utilized and other allocated overheads.

3. Retail banking comprises of lending of funds and other banking services to any legal person including small business customers, on the basis of the borrower, nature of the product, granularity of the exposure and quantum thereof.

Revenue comprises of interest and fees / charges earned from such clients and expenses are those incurred on interest towards funds utilized and other allocated overheads.

Schedules

4. Other banking operations includes items not included above i.e. para-banking activities like bancassurance, third party product distribution, demat services and other banking transactions and includes items like deposits in RIDF, MSME Funds etc.

Income earned from such services and costs related thereto are reported thereunder.

2. Geographical Segment

The Bank operates only in India and hence the reporting consists only of domestic segment.

Segment information is prepared on the basis of management estimates/ assumptions and is based on internal reporting systems. Methodology adopted in compiling the above information has been relied upon by the auditors.

Part 1 : Business segments

		(Rs. crore)	
SN	Particulars	2024-25 (Audited)	2023-24 (Audited)
	Segment Revenue		
	1. Treasury	1,745.00	1,679.84
	2. Corporate/Wholesale Banking	2,054.70	1,741.49
a	3. Retail Banking	7,532.18	6,335.16
	a) Digital Banking	0.06	0.01
	b) Other Retail Banking	7,532.12	6,335.15
	4. Other Banking	175.71	106.14
	Total	11,507.59	9,862.63
	Segment Results		
	1. Treasury	401.86	584.46
	2. Corporate/Wholesale Banking	652.98	524.26
b	3. Retail Banking	2,368.76	1,938.40
	a) Digital Banking	(0.39)	(0.41)
	b) Other Retail Banking	2,369.15	1,938.81
	4. Other Banking	135.95	79.78
	Total	3,559.55	3,126.90
c	Unallocated Income/Expenses	347.22	297.76
d	Operating Profit	3,212.33	2,829.14
e	Tax expense	649.09	495.38
f	Other Provisions	621.60	728.95
g	Exceptional	Nil	Nil
h	Net Profit	1941.64	1,604.81
i	Other Information		
	Segment Assets		
	1. Treasury	27,113.85	23,118.96
	2. Corporate/Wholesale Banking	17,216.05	15,705.42
	3. Retail Banking	68,117.68	59,040.38
j	a) Digital Banking	0.02	0.02
	b) Other Retail Banking	68,117.66	59,040.36
	4. Other Banking Operations	Nil	Nil
	5. Unallocated	6,919.84	7,588.50
	Total Segment Assets	1,19,367.42	1,05,453.26

Schedules

SN	Particulars	2024-25 (Audited)	2023-24 (Audited)
	Segment Liabilities		
	1. Treasury	24,426.39	21,466.74
	2. Corporate/Wholesale Banking	15,487.46	14,101.72
	3. Retail Banking	61,294.68	53,025.89
k	a) Digital Banking	-	-
	b) Other Retail Banking	61,294.68	53,025.89
	4. Other Banking	Nil	Nil
	5. Unallocated	6,229.34	6,818.82
	Total (a)	1,07,437.87	95,413.17
	Capital Employed (Segment Assets-Segment Liabilities)		
	1. Treasury	2,687.46	1,652.22
	2. Corporate/Wholesale Banking	1,728.59	1,603.70
	3. Retail Banking	6,823.00	6,014.49
l	a) Digital Banking	0.02	0.02
	b) Other Retail Banking	6,822.98	6,014.47
	4. Other Banking	Nil	Nil
	5. Unallocated	690.50	769.68
	Total (b)	11,929.55	10,040.09
	Total Segment Liabilities (a+b)	1,19,367.42	1,05,453.26

RBI, vide circular dated 7th April 2022 on establishment of Digital Banking Units (DBUs), has prescribed that reporting of Digital Banking Segment has to be made as a sub-segment of Retail Banking Segment under Accounting Standard 17 – Segment Reporting..

Part 2 : Geographic segments

Geographical segment consists only of domestic segment (also for previous year), as the Bank does not have any foreign branch.

f. Related Party Transactions (AS-18)

Disclosure on transactions with Key Management Personnel (KMP)

Particulars		Designation	Nature of transaction	Amount (Rs.)*	
				2025	2024
Name of KMP : Shri. B. Ramesh Babu		MD & CEO	Remuneration	4,19,42,480	3,05,38,732
Name of KMP : Shri. J. Natarajan		Executive Director	Remuneration	2,23,74,831	-
Name of KMP : Shri. Sankar Balabhadrapatruni		Executive Director	Remuneration	5,82,332	-
Relatives of KMP	Shri. B. Ramesh Babu	1. B. Sujatha; 2. B. Nirmala; 3. B. Saketh; 4.S. Surabhi 5. B. Sravya; 6. B. Rajesh Babu			
	Shri. J. Natarajan	1. J Kamala; 2. N Chitra; 3. Karunya A;4. K A Abhiram; 5. Nirmala M; 6.J Venkataraman; 7. J Ravi; 8. J Narasimhan			
	Shri. Sankar Balabhadrapatruni	1. B. Sailaja; 2. B. Revathi Devi; 3. B. Ravi Kiran; 4. B.Savita; 5. N. Sampath; 6. B. Murali Krishna; 7. V. Sarada			

* Remuneration includes Fixed pay, variable pay and perquisites as per Income Tax act, 1961.

Note:1. Shri. J. Natarajan is appointed as Executive Director w.e.f.22/05/2024.

2. Shri. Sankar Balabhadrapatruni is appointed as Executive Director w.e.f 12/03/2025.

Schedules

(Rs. crore)

Items/ Related Party	Parent (as per ownership or control)		Subsidiaries		Associates/ Joint ventures		Key Management Personnel		Relatives of Key Management Personnel		Total	
Mar. 31	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Borrowings	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Deposit							2.53	0.56			2.53	0.56
Placement of deposits							Nil	Nil			Nil	Nil
Advances												
Investments												
Non-funded commitments												
Leasing/HP arrangements availed												
Leasing/HP arrangements provided												
Purchase of fixed assets												
Sale of fixed assets												
Interest paid							0.19	0.04			0.19	0.04
Interest received							Nil	Nil			Nil	Nil
Rendering of services												
Receiving of services												
Management contracts												

g. Leases (AS-19)

Disclosure in respect of assets taken on operating lease

This comprises of branches, office premises/ATMs, cash deposit machines, currency chests, staff quarters, office and IT equipments taken on operating lease. During the year an amount of Rs.123.44 crore (previous year Rs.114.31 crore) was charged to profit and loss account. These operating leases are cancellable. The Bank does not have non-cancellable operating leases. The Bank has not sub-leased any of its properties taken on lease. There are no provisions relating to contingent rent.

h. Earnings per Share (AS-20)

SN	Particulars	2024-25	2023-24
1.	Computation of Basic EPS (before and after Extraordinary items)		
1	Net Profit for the period attributable to equity shareholders (Rs. Crore)	1,941.64	1,604.81
2	Weighted average number of shares	80,47,55,233	80,29,20,150
3	Basic EPS (1/2) (Rs.)	24.13	19.99
4	Nominal Value per share (Rs.)	2.00	2.00
2.	Computation of Diluted EPS (before and after Extraordinary items)		
1	Net Profit for the period attributable to equity shareholders (Rs. Crore)	1,941.64	1,604.81
2	Weighted average number of shares (including Potential Equity Shares)	80,50,91,540	80,37,66,744
3	Diluted EPS (1/2) (Rs.)	24.12	19.97
4	Nominal Value per share (Rs.)	2.00	2.00

Schedules

Note – There are no extraordinary items recognised in the profit and loss account during FY 2024-25 and FY 2023-24; accordingly, EPS is disclosed as above.

i. Accounting for Taxes on Income (AS-22)

The Bank has elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendments) Ordinance, 2019. Accordingly, provision for Income Tax for the year ended 31st March 2025 as well as re-measurement of Deferred Tax Liability and Asset (DTL & DTA) have been made basis the rate prescribed in the aforesaid section. The major components of DTA and DTL are as under:

	(Rs. crore)	
Particulars	2024-25	2023-24
Deferred Tax Liabilities		
1. Depreciation on Fixed Asset	2.10	1.97
2. Special Reserve u/s 36(1)(viii) of the Income Tax Act, 1961	149.75	132.14
3. AFS reserve DTL	18.50	Nil
TOTAL	170.35	134.11
Deferred Tax Assets		
1. Provision for Standard Assets	81.63	71.57
2. Provision for Leave Encashment	64.64	58.98
3. Provision for Restructured Assets	12.68	16.85
4. Others	39.67	61.42
5. AFS reserve DTA	Nil	Nil
TOTAL	198.62	208.82

Note: The provision for Income Tax has been worked based on the Income Computation and Disclosures Standards (ICDS).

j. Accounting for Investments in Associates in Consolidated Financial Statements (AS-23)

The Bank has no Associates. Hence reporting under AS-23 is not applicable (not applicable for previous year also).

k. Discontinuing operations (AS-24)

The Bank has not discontinued any of its operations. Hence reporting under AS-24 is not applicable (not applicable for previous year also).

l. Interim Financial Reporting (AS-25)

Quarterly financial reviews have been carried out as per extant RBI and SEBI guidelines, and reporting / filing of the prescribed information have been complied with by the Bank.

m. Impairment of Assets (AS - 28)

In the opinion of the Management, there is no impairment of its Fixed Asset to any material extent as at 31st March 2025 requiring recognition in terms of Accounting Standard 28 (also as at 31st March 2024).

Schedules

14.10 Letter of Comfort (LOCs)

(Rs. crore)

Particulars	2024-25	2023-24
Letter of Comfort issued during the year		
Outstanding Letter of Comfort as on 31 st March	Nil	Nil

14.11 Disclosure on Green Deposits :

RBI vide circular RBI/2023-24/14 DOR.SFG.REC.10/30.01.021/2023-24 dated April 11, 2023 issued a circular on framework for acceptance of Green Deposits and following disclosure to be made in the notes to accounts

Portfolio-level information on the use of funds raised from green deposits:

Particulars	2024-25	2023-24	Cumulative till 31.03.25
Total green deposits raised (A)	2.11	0.16	2.27
Use of green deposit funds			
(1) Renewable Energy	2.13	-	2.13
(2) Energy Efficiency	-	-	-
(3) Clean Transportation	-	-	-
(4) Climate Change Adaptation	-	-	-
(5) Sustainable Water and Waste Management	-	-	-
(6) Pollution Prevention and Control	-	-	-
(7) Green Buildings	-	-	-
(8) Sustainable Management of Living Natural Resources and Land use	-	-	-
(9) Terrestrial and Aquatic Biodiversity Conservation	-	-	-
Total Green Deposit funds allocated (B=Sum of 1 to 9)	2.13	-	2.13
Amount of Green Deposit funds not allocated (C=A-B)	(0.02)	0.16	0.14
Details of the temporary allocation of green deposit proceeds pending their allocation to the eligible green activities/projects	-	-	-

Note: Total green deposits raised includes green deposits pre closed by customers.

14.12 The Bank has deposited an amount of Rs. 603.26 crore (Rs.599.91 crore during the previous year) towards disputed tax liability. In the opinion of the Bank, no provision is considered necessary based on favourable decisions by various courts.

As advised by Tax Consultants of the Bank, there are high chances of favourable outcome in these cases considering legal provision, favourable judicial pronouncements and / or appellate orders on identical issues for past years. Hence, the Bank does not consider it necessary to make any provision or include the same under Schedule 12- Contingent Liability, to the Balance sheet. All pending litigations which may have an impact on its financial position have been estimated and provided for in the financial statements. In respect of

other pending litigations, in opinion of the management, no provision is required as it does not expect to have any impact on its financial position.

14.13 Disclosure on Investor Education and Protection Fund (IEPF)

As per the Companies Act 2013 read with IEPF rules, dividends unclaimed for more than seven years from the date of their declaration, all shares in respect of which dividends remain unclaimed for the last seven consecutive years and the application money received by the Bank for allotment of shares being due for refund/unclaimed for seven years, are to be transferred to Investor Education and Protection Fund.

Schedules

In compliance with the above provisions, the unclaimed dividend amount of Rs 0.48 crore (Rs.0.56 crore of previous year) for the FY 2016-17 and 1,69,766 shares (85,482 shares for previous year) of face value Rs. 2/- each, in respect of which the dividends remain unclaimed from FY 2016-17 for the last seven consecutive years, were transferred to the Investor Education and Protection Fund (IEPF) during the year ended March 31, 2025 within the timelines.

Further the application money due for refund during the year to the tune of Rs. 0.05 crore with respect to Rights Issue-2017 remaining unclaimed for a period seven years was transferred with a short delay of 12 days due to technical glitch on MCA V3 Portal. The due date for transfer of amount is January 20, 2025 and the process for transferring the amount was initiated well before the due date. With respect to technical glitch in MCA V3 Portal, we have raised service tickets with MCA twice on January 17 & 22, 2025. The technical glitch was rectified after continuous follow up with MCA on January 30, 2025 and subsequently the application money due for refund was transferred to IEPF on February 01, 2025.

14.14 a. Corporate Social Responsibility (CSR)

The expense required to be spent by the Bank during the year towards its CSR obligation amount to Rs. 29.72 crore (Previous year Rs.18.39 crores). The Bank has incurred an expenditure of Rs. 4.15 crore (Previous year Rs. 8.06 crore) towards its CSR obligations and has provided Rs. 25.44 crore (Previous year Rs. 10.33 crore) during the year for various future CSR projects. The Bank has set off the excess CSR expense brought forward from previous year amounting to Rs. 0.30 crore.

14.14.b. Disclosure under Micro, Small and Medium Enterprises Development Act, 2006:

Under the Micro, Small and Medium Enterprises Development Act, 2006 which came into force from 2 October, 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. The required disclosure is given below:

Particulars	(Rs.in crore)			
	31 March 2025		31 March 2024	
	Principal	Interest	Principal	Interest
The principal amount and the interest due thereon remaining unpaid to any supplier	NIL	NIL	0.01	Nil
The amount of interest paid by the buyer in terms of Section 16, along with the amount of the payment made to the supplier beyond the due date	NIL	NIL	Nil	Nil
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the due date during the year) but without adding the interest specified under MSMED Act, 2006	Nil	Nil	Nil	Nil
The amount of interest accrued and remaining unpaid	Nil	Nil	Nil	Nil
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowed as a deductible expenditure under Section 23	Nil	Nil	Ni	Nil

Note: The above is based on the information available with the Bank which has been relied upon by the auditors.

Schedules

14.15 Description of Contingent Liabilities

a. Claims against the Bank not acknowledged as debts

These represent claims filed against the Bank in the normal course of business relating to various legal cases currently in progress. These also include demands raised by income tax and other statutory authorities and disputed by the Bank.

b. Liability on account of forward exchange and derivative contracts

The Bank presently enters into foreign exchange contracts and interest rate swaps with interbank counterparties and customers. Forward exchange contracts are commitments to buy or sell foreign currency at a future date at the contracted rate. Interest rate swaps are commitments to exchange fixed and floating interest rate cash flows in the same currency based on fixed rates or benchmark reference. The notional amounts of such foreign exchange contracts and derivatives provide a basis for comparison with instruments recognized on the balance sheet but do not necessarily indicate the amounts of future cash flows involved or the current fair value of the instruments and, therefore, do not indicate the Bank's exposure to credit or price risks. The fluctuation of market rates and prices cause fluctuations in the value of these contracts and the contracted exposure become favourable (assets) or unfavourable (liabilities).

c. Guarantees given on behalf of constituents

As a part of its banking activities, the Bank issues guarantees on behalf of its customers to enhance their credit standing. Guarantees represent irrevocable assurances that the Bank will make payments in the event of the customer failing to fulfil its financial or performance obligations.

d. Acceptances, endorsements and other obligations

These include documentary credit issued by the Bank on behalf of its customers and bills drawn by the Bank's customers that are accepted or endorsed by the Bank.

e. Other items for which the bank is contingently liable

Includes Capital commitments and amount transferred to RBI under the Depositor Education and Awareness Fund (DEAF). (Refer schedule 12 for amounts relating to contingent liability.)

14.16 Inter-branch transactions

Inter Branch/Office accounts reconciliation has been completed upto 31st March 2025 and all the inter branch entries have been reconciled upto 31st March 2025.

14.17 The bank has filed a writ petition and obtained an interim stay from the Hon'ble High Court of Madras in respect of a show cause notice issued during the year/quarter ended December 31, 2024 by the Commercial Taxes Department, Tamil Nadu, proposing to levy Goods and Service Tax (GST) and penalty thereon aggregating to Rs.253743.26 lakhs for an earlier year. The management has been legally advised that the same is not tenable as per provisions of GST Act and hence does not require any provision or disclosure as contingent liability in the financial results. The above matter has also been intimated to the Stock Exchanges on December 21, 2024, as per the requirements of the Listing agreement.

14.18 Balancing of books

The books of accounts have been balanced and tallied in all branches of the Bank as on 31st March 2025 (also as on 31st March 2024).

14.19. Audit Trail

As required by Rule 11 (g) of the Companies (Audit and Auditors) Rules 2014, which is effective from April 1, 2023, the Company is using an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. In respect of Digital Gold Loan, PeopleSoft HRMS and Bullion Precious Metal the audit trail (edit log) was enabled at database level/ captured in DAM tool from June 13, 2023, July 9, 2023 and February 01, 2024 respectively. In respect of LOS software, the management is of the opinion that maintaining edit/ audit logs at the service provider's end is beyond the control of the bank and as confirmed by the service provider no request

Schedules

to access the data base of LOS has been requested by the Bank throughout the year. Accordingly, this has no impact on the financials and related internal controls of the bank.

15. Disclosure under Rule 11(e) of the Companies (Audit & Auditors) Rules, 2014

The Bank, as part of its normal business, grants loans and advances to Non-Banking Finance Company/ies, real estate promoters / developers, makes investment, provides guarantees (including against margin / guarantees received from third parties / banks) and accepts deposits and borrowings from its customers, other entities and persons. Also, the Bank, as part of its normal business, avails refinance from financial institutions and other entities wherein the proceeds are applied to a category of customers with specific profile parameters. These transactions are part of Bank's authorised normal business, which is conducted in adherence to extant regulatory requirements.

Other than the transactions described above -

1. No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Bank to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend to or invest in other persons or entities identified by or on behalf of the Bank ("Ultimate Beneficiaries") or provide any guarantee, security or like on behalf of the Ultimate Beneficiaries.

2. The Bank has not received any funds from any person(s) or entity(ies) ("Funding Party") with the understanding, whether recorded in writing or otherwise, that the Bank shall, whether, directly or indirectly, lend to or invest in other persons or entities identified by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

16. Figures of the previous year have been regrouped/ rearranged/reclassified wherever necessary.

DR. MEENA HEMCHANDRA

Non-executive
Independent (Part-time)
Chairperson
DIN: 05337181

CHINNASAMY GANESAN

Audit Committee
Chairman
DIN: 07615862

B. RAMESH BABU

Managing Director
& C E O
DIN: 06900325

J. NATARAJAN

Executive
Director
DIN: 02710776

SANKAR BALABHADRAPATRUNI

Executive Director
DIN: 08846754

RAMSHANKAR R

Chief Financial
Officer

M. SRINIVASA RAO

Company Secretary

As per our report of even date

For Kalyaniwalla & Mistry LLP
Chartered Accountants
FRN: 104607W/W100166

For Varma & Varma
Chartered Accountants
FRN: 004532S

Anil A. Kulkarni

Partner
M. No. 047576

Vivek Krishna Govind

Partner
M. No. 208259

Place : Karur
Date : May 19, 2025

Cash Flow Statement

for the year ended March 31, 2025

(₹ 000's omitted)

	Year ended 31-03-2025 (Audited)	Year ended 31-03-2024 (Audited)
Cash flow from/(used in) operating activities		
Net Profit as per Profit and Loss account	19416367	16048079
Adjustments for		
Depreciation on Bank's property	1137377	1002576
Interest paid on TIER II bonds	-	550077
Provisions for other contingencies	1178539	1084173
Provision for taxes	6490872	4953792
Provision for depreciation on investment	-	(2546090)
Provision for standard assets	399492	447395
Provision for bad and doubtful debts	4403985	4276588
Provision for non performing investments	234031	1481353
Provision for compensated absences	313000	726400
Provision for medical leave	112400	-
Amortization of premium paid on Held to Maturity (HTM) investments	852792	1036211
Provision for employees stock option plan / scheme	27489	34137
(Profit) /Loss on sale of fixed assets (net)	(30632)	(78305)
Operating profit before working capital changes	34535712	29016386
Adjustments for working capital changes		
(Increase) / Decrease in investments (excluding HTM investments)	5225096	(23261320)
(Increase) / Decrease in advances	(107764200)	(109589639)
(Increase) / Decrease in other assets	881353	(4056521)
Increase / (Decrease) in deposits	129652670	124751400
Increase / (Decrease) in borrowings	(12613679)	15333382
Increase / (Decrease) in other liabilities and provisions	103872	1896952
	50020824	34090640
Direct taxes paid	(5150000)	(4550000)
Net cash flow (from)/ used in operating activities	44870824	29540640

Cash Flow Statement (Contd.)

for the year ended March 31, 2025

	(₹ 000's omitted)	
	Year ended 31-03-2025 (Audited)	Year ended 31-03-2024 (Audited)
Cash flow from investing activities		
Purchase of fixed assets	(1716261)	(980975)
(Increase)/Decrease in HTM investments	(19828343)	(12062167)
Sale of fixed assets / other assets	36595	78305
Net cash flow from / (used in) investing activities	(21508009)	(12964837)
Cash flow from financing activities		
Proceeds from issue of share capital	1495	4647
Proceeds from share premium	42681	78444
Increase/(Decrease) in tier II bonds	-	(4870000)
Interest paid on tier II bonds	-	(550077)
Dividend paid (including tax on dividend)	(1925406)	(1604482)
Net cash flow from / (used in) financing activities	(1881230)	(6941468)
Net Increase / (decrease) in cash and cash equivalents	21481585	9634335
Cash and cash equivalents at the beginning of the year	56585622	46951287
Cash and cash equivalents at the end of the year	78067207	56585622

The above Cash Flow Statement is based on indirect method.

**DR.MEENA
HEMCHANDRA**

Non-executive
Independent (Part-time)
Chairperson

DIN: 05337181

**CHINNASAMY
GANESAN**

Audit Committee
Chairman

DIN: 07615862

B. RAMESH BABU

Managing Director
& C E O

DIN: 06900325

J. NATARAJAN

Executive
Director

DIN: 02710776

**SANKAR
BALABHADRAPATRUNI**

Executive Director

DIN: 08846754

RAMSHANKAR R

Chief Financial
Officer

M.SRINIVASA RAO

Company Secretary

As per our report of even date

For Kalyaniwalla & Mistry LLP
Chartered Accountants
FRN: 104607W/W100166

For Varma & Varma
Chartered Accountants
FRN:004532S

Place : Karur

Date : May 19, 2025

Anil A. Kulkarni

Partner

M. No. 047576

Vivek Krishna Govind

Partner

M. No. 208259

Basel Pillar III Disclosures

UNDER THE NEW CAPITAL ADEQUACY FRAMEWORK (31.03.2025)

1. SCOPE OF APPLICATION (DF 1)

Karur Vysya Bank Limited is a Scheduled Commercial Bank which was incorporated on June 22, 1916 at Karur. As on 31.03.2025, the Bank does not have any subsidiaries and hence the requirement of accounting scope of consolidation is not applicable to the Bank.

2. CAPITAL ADEQUACY AND CAPITAL STRUCTURE (DF 2)

Banks are required to maintain a minimum Capital to Risk Weighted Assets Ratio (CRAR) of 9% on an on-going basis (excluding Capital Conservation Buffer (CCB), Counter Cyclical Capital Buffer (CCCB) etc.). Banks are also required to maintain CCB of 2.50% on an ongoing basis with effect from 01.10.2021, as per extant RBI guidelines. Bank has a Board approved policy covering, inter-alia, the adherence to the maintenance of minimum regulatory CRAR on an on-going basis (which are elucidated in item 2.1 below). Capital funds are classified into Tier 1 and Tier 2 capital under the capital adequacy framework.

Tier 1 Capital

Tier 1 capital includes paid-up equity capital, share premium, statutory reserves, capital reserves, other disclosed free reserves and balance in Profit and Loss account at the end of the previous financial year. Profits in current financial year may be included in Tier 1 on fulfillment of certain conditions regarding incremental provisions for non-performing assets.

Bank's Tier 1 capital includes Common Equity Tier 1 (CET 1) and admissible Additional Tier 1 (AT 1) capital. CET 1 capital must be at least 5.5% of risk-weighted assets (RWAs) i.e. for Credit risk + Market risk + Operational risk on an ongoing basis and AT 1 capital can be a maximum of 1.5%, thus requiring total Tier 1 capital to be at least 7%.

In addition to the minimum CET 1 capital of 5.5% of RWAs, banks are also required to maintain CCB in the form of CET 1 capital, progressively from Financial Year 2015-16, to reach a level of 2.50% of RWAs, by 01.10.2021.

Tier 2 Capital

Bank's Tier 2 capital includes provisions for standard assets, floating provisions, unhedged foreign currency exposure provisions, debt capital instruments (Tier 2 bonds) and other reserves eligible for inclusion in Tier 2 capital.

Provisions or loan-loss reserves held against future, presently unidentified losses, which are freely available to meet losses which subsequently materialize, will qualify for inclusion within Tier 2 capital.

2.1 CAPITAL ADEQUACY ASSESSMENT PROCESS

The Bank has a process for assessing its overall capital adequacy in relation to the Bank's risk profile and a strategy for maintaining its capital levels. The process ensures that the Bank has adequate capital to support all the material risks and an appropriate capital cushion. The Bank identifies, assesses and manages comprehensively all risks that it is exposed to through robust risk management framework, control mechanism and an elaborate process for capital calculation and planning.

The Bank has formalized and implemented a comprehensive Internal Capital Adequacy Assessment Process (ICAAP). The Bank's ICAAP covers the process for assessment of the adequacy of capital to support current and projected business levels / risks.

The Bank has a structured process for the identification and evaluation of all risks that the Bank faces, which may have a material impact on its financial position. The Bank considers the following risks as material risks it is exposed to in the normal course of its business and therefore, factors these while assessing / planning capital:

1. Credit Risk	2. Market Risk	3. Operational Risk	4. Liquidity Risk
5. Interest Rate Risk in the Banking Book	6. Concentration Risk	7. Strategic Risk	8. Reputational Risk

Basel Pillar III Disclosures

The Bank has also implemented a Board approved Stress Testing Policy. Stress Testing involves the use of various techniques to assess the Bank's potential vulnerability to extreme but plausible ("stressed") business conditions. Typically, this relates, among other things, to the impact on the Bank's profitability and capital adequacy. Stress Tests are conducted on the Bank's on and off balance sheet exposures to test the impact of Credit risk, Market risk, Liquidity risk and Interest Rate Risk in the Banking Book (IRRBB). The stress test results are put up to the Risk Management Committee (RMC) of the Board for their review and guidance. The Bank periodically assesses and refines its stress tests in an effort to ensure that the stress scenarios capture material risks as well as reflect possible extreme market moves that could arise as a result of market conditions. The stress tests are used in conjunction with the Bank's business plans for the purpose of capital planning in the ICAAP. In line with the RBI guidelines for implementing the New Capital Adequacy Framework under Basel III, the Bank has successfully migrated to the framework from April 1, 2013.

In accordance with the RBI's requirement, the Bank has continued to adopt Standardized Approach (SA) for Credit Risk and Basic Indicator Approach (BIA) for Operational Risk to compute capital as on 31.03.2025. Besides this, the Bank continues to apply the Standardized Duration Approach (SDA) for computing capital requirement for Market Risk. RBI has prescribed banks to maintain a minimum CRAR of 11.50% with regard to credit risk, market risk and operational risk as on 31.03.2025. Bank has followed extant RBI guidelines to arrive at the eligible capital, risk weighted assets and CRAR.

2.2 CAPITAL ADEQUACY AS ON 31.03.2025

The total Capital to Risk Weighted Assets Ratio (CRAR) as per Basel III guidelines works to 18.17% as on 31.03.2025. Tier 1 CRAR stands at 17.12%.

Equity Capital

Bank has an authorized share capital of Rs. 2000 million comprising of 100,00,00,000 equity shares of Rs. 2/- each. As on 31.03.2025 the Bank has Subscribed and Paid-up capital of Rs. 1,610 million constituting 80,51,24,659 shares of Rs. 2/- each.

Capital requirements for Credit Risk, Market Risk and Operational Risk

(Rs. in million)

1. Capital requirement for Credit Risk	
- Portfolio subject to Standardized Approach	66,639
- Securitization exposures	
2. Capital requirement for Market Risk	
Standardized Duration Approach	431
o Interest Rate Risk	-
o Foreign Exchange Risk (Including gold)	57
o Equity Risk	374
3. Capital requirement for Operational Risk	
Basic Indicator Approach	9,131
Total capital requirements at 11.50% (1 + 2 + 3)	76,201

CET1, Tier 1, Tier 2 and CRAR

(Rs. in million)

1. Tier 1 capital	
1.1 Paid-up share capital	1,610
1.2 Reserves	112,271
1.3 Gross Tier 1 capital (1.1 + 1.2)	113,881
1.4 Deductions	441
1.5 Total Tier 1 capital (1.3 - 1.4)	113,440
2. Tier 2 capital	
2.1 Subordinated Debt	
2.2 General Provisions and Revaluation Reserves	4,243
2.3 Investment Reserve & Investment Fluctuation Reserves	2,689
2.4 Unhedged Foreign currency exposure	38
2.5 Gross Tier 2 capital (2.1 + 2.2 + 2.3 + 2.4)	6,970
2.6 Deductions	-
2.7 Total Tier 2 capital (2.5 - 2.6)	6,970
3. Debt capital instruments eligible for inclusion in Basel III Tier 2 capital	
3.1 Total amount outstanding	-
3.2 Of which amount raised during the current year	-
3.3 Amount eligible to be reckoned as capital funds	-

Basel Pillar III Disclosures

4. Subordinated debt eligible for inclusion in Tier 2 capital	-
4.1 Total amount outstanding	-
4.2 Of which amount raised during the current year	-
4.3 Amount eligible to be reckoned as capital funds	-
5. Other deductions from capital	-
6. Total eligible capital (1.5 + 2.7 - 5)	120,410
7. CET 1 Ratio (%)	17.12%
8. Tier 1 Ratio (%)	17.12%
9. Tier 2 Ratio (%)	1.05%
10. Total CRAR (Basel III) (%)	18.17%

3. RISK EXPOSURE AND ASSESSMENT

The Bank is exposed to various types of risk such as Credit, Market, Operational, Liquidity, Interest Rate, Concentration, Reputational, Legal and Strategic risk. The Bank has separate and independent Risk Management Department in place which oversees the management of all types of risks in an integrated fashion.

The objective of risk management is to have optimum balance between risk and return. It entails the identification, measurement and management of risks across the various businesses of the Bank. Risk is managed through framework defined in policies approved by the Board of Directors and supported by an independent risk management function which monitors and takes corrective action so that the Bank operates within its risk appetite. The risk management function attempts to anticipate vulnerabilities through quantitative or qualitative examination of the embedded risks in various activities. The Bank continues to focus on refining and improving its risk management systems. In addition to ensuring compliance with regulatory requirements, the Bank has developed robust internal systems for assessing capital requirements keeping in view the business objectives.

The Board of Directors approves the strategies and policies for Risk Management, based on recommendations of the RMC of the Board set up to focus upon risk management issues. The RMC of the Board reviews various aspects of risk arising from the businesses undertaken by the Bank. Operating level risk committees comprising of senior management viz. Asset Liability Management Committee,

Operational Risk Management Committee, Market Risk Management Committee and the Credit Risk Management Committee oversee specific risk areas. These committees in turn provide inputs for review by the RMC of the Board.

3.1 Risk Management Committee of the Board

The RMC of the Board is the primary tier to oversee implementation of Board approved strategies and policies, recommend setting up of tolerance limits wherever required, monitor implementation of strategies and policies, as well as adherence to prescribed tolerance limits etc. The RMC oversees the functioning of executive level committees for risk management.

3.2 Executive Level Committees

At executive management level, the organizational responsibilities for implementing and monitoring Board approved strategies and policies and adhering to prescribed tolerance limits etc. are as under:

S. N.	Name of the committee	Focus Area	Chairman
1	Credit Risk Management Committee (CRMC)	All aspects of Credit Risk Management, Monitoring & Control	MD & CEO
2	Asset Liability Management Committee (ALCO)	All aspects of Asset Liability Management, Monitoring & Control, Interest rate review etc.	Executive Director
3	Operational Risk Management Committee (ORMC)	All aspects of Operational Risk Management, Monitoring & Control.	
4	Market Risk Management Committee (MRMC)	All aspects of Market Risk Management, Monitoring & Control.	Chief Financial Officer (CFO)

4. CREDIT RISK (DF 3)

- 4.1 Credit risk is defined as the possibility of losses associated with diminution in the credit quality of borrowers or counterparties. In a bank's portfolio, losses stem from outright default due to inability or unwillingness of a customer or counterparty to meet commitments in relation to lending, trading, settlement and other financial transactions.

Basel Pillar III Disclosures

The Bank adopts the definition of 'past due' and 'impaired credits' (for accounting purposes) as defined by RBI under Income Recognition, Asset Classification and Provisioning (IRAC) norms.

4.1.1. Credit Risk Management

CRMC is the top-level functional committee for managing credit risk. The committee is responsible for implementation of Credit Policy approved by the Bank's Board. The committee considers and takes decision necessary to manage and control credit risk within the overall quantitative prudential limits approved by the Bank's Board. The Committee is entrusted with the responsibilities to formulate standards for presentation of credit proposals, financial covenants, rating standards and benchmarks.

The Bank has adopted an integrated approach to CRM, which encompasses:

- Establishment and articulation of corporate priorities
- Institution and inculcation of an appropriate credit culture
- Determination of specific credit risk strategy and profile
- Implementation of appropriate credit risk controls
- Monitoring the effectiveness of credit risk controls

The Bank has implemented the Standardized approach for regulatory capital measurement for credit risk.

4.1.2. Credit Risk Strategy and Risk Profile

The Bank has adopted a credit risk strategy and risk appetite, which is in line with its risk taking ability to ensure conservation and growth of shareholder funds, with a proper balance between risk and reward. Financial resources are allocated to optimize the risk reward ratio.

There is a clearly articulated definition of acceptable credit risk, based upon:

- Identification of target markets/segments
- Establishing of characteristics of desirable customers within the target market
- Assessing whether adequate resources are available to support the business
- Ensuring that all legal and regulatory requirements are complied with
- Ensuring that the portfolio is consistent with the Bank's strategy and objectives especially in relation to risk concentration, maturity profile and liquidity management

4.1.3 Credit Risk Controls

Credit risk controls focus on identification, measuring, monitoring and managing the assumed risks and include –

- A documented credit policy and credit risk rating policy
- Approval process with delegated authorities
- Asset quality and risk rating system and its verification
- Effective loan disbursement mechanism to minimize the legal risk
- Effective loan administration to ensure past-due management and bad loan detection
- A loan review mechanism
- Portfolio management tools to manage portfolio risks

Management of credit risk at the following levels –

- Strategic or Portfolio level, so as to ensure that no single event can have a significant adverse impact.
- Established credit policy to have a minimum standard for assuming risk
- Reliance on the competence of trained staff to make sound credit decisions
- Digital underwriting process for retail loans

Basel Pillar III Disclosures

The Bank relies upon formal and conventional credit risk assessment, viz. –

- The ability and willingness of borrowers to repay.
- Dependence primarily on cash flows for repayment with security taken to provide a secondary source of repayment.
- Quality of data and analysis thereof forms the basis of assessment and not external reputation or unsubstantiated beliefs.
- Rational assessment of probability of default and assessment of 'Worst Case Scenario'.
- Transparency and communication of all relevant facts (negative as well as positive) necessary for making an informed credit decision.
- Documentation of all assessment, rationale and decisions.
- Know Your Customers 'KYC' forms the bedrock of initiating and sustaining any relationship.

4.2 Total gross credit risk exposure

(Rs. in million)

Category: Domestic	Amount
Fund based	930,062
Non fund based	48,339
Total	978,401

Note:

1. Fund based credit exposure excludes cash in hand, balance with RBI, investments in shares and bonds etc., deposits placed with NABARD, SIDBI & NHB, fixed and other assets.
2. Non-fund based exposure includes outstanding Letter of Credit, Acceptances and Bank Guarantee exposures.

Exposure includes credit exposure (funded and non-funded credit limits) and investment exposure (including underwriting and similar commitments). The sanctioned limits or outstanding, whichever is higher, is reckoned for arriving at the exposure limit. In case of fully drawn term loans (i.e. where there is no scope for further drawal of any portion of the sanctioned limit), the outstanding is treated as the exposure.

4.3 Geographical Distribution of Credit

(Rs. in million)

STATE	FUND BASED	NON FUND BASED	STATE	FUND BASED	NON FUND BASED
ANDHRA PRADESH	130,305	4,696	MAHARASHTRA	127,091	3,852
BIHAR	166	18	ORISSA	1,229	254
CHANDIGARH	505	75	PONDICHERRY	6,614	124
CHHATTISGARH	105	2	PUNJAB	848	63
DELHI	9,542	4,003	RAJASTHAN	698	3
GOA	452	53	TAMILNADU	395,929	17,487
GUJARAT	15,068	6,729	TELANGANA	79,518	5,810
HARYANA	6,261	725	UTTARAKHAND	161	0
JHARKHAND	318	6	UTTAR PRADESH	2,492	296
KARNATAKA	47,384	2,456	WEST BENGAL	3,874	920
KERALA	14,481	562			
MADHYA PRADESH	1,865	205	TOTAL	844,906	48,339

Basel Pillar III Disclosures

4.4 Industry wise distribution of exposures

(Rs. in million)

Industry	Fund Based	Non-Fund Based
ALL ENGINEERING	11,688	2,808
BASIC METAL AND METAL PRODUCTS	14,245	3,153
BEVERAGES [EXCLUDING TEA & COFFEE] AND TOBACCO	3,726	20
CEMENT AND CEMENT PRODUCTS	1,783	162
CHEMICALS AND CHEMICAL PRODUCTS [DYES, PAINTS, ETC.]	7,673	114
CONSTRUCTION	9,366	3,907
FOOD PROCESSING-OTHERS	26,983	3,035
GEMS AND JEWELLERY	18,688	1,320
GLASS & GLASSWARE	493	-
INFRASTRUCTURE	30,009	10,528
LEATHER AND LEATHER PRODUCTS	739	5
MINING AND QUARRYING	7,076	1,307
PAPER AND PAPER PRODUCTS	4,709	241
PETROLEUM [NON-INFRA], COAL PRODUCTS [NON-MINING] AND NUCLEAR FUELS	454	27
RUBBER, PLASTIC AND THEIR PRODUCTS	4,126	108
TEXTILES	54,328	1,826
VEHICLES, VEHICLE PARTS AND TRANSPORT EQUIPMENTS	3,207	176
WOOD AND WOOD PRODUCTS	3,395	915
OTHER INDUSTRIES	4,709	211
Others	722,665	18,476
TOTAL	930,062	48,339

4.5 Exposure to Industries in excess of 5% of total exposure

(Rs. in million)

Industry	Fund based Facilities	Non-Fund based Facilities
TEXTILES	54,328	1,826
Total	54,328	1,826

4.6 Residual contractual maturity breakdown of assets*

(Rs. in million)

Residual Maturity	Cash	Bal. with RBI	Bal. with other banks	Investments	Advances (Performing)	Gross NPA + NPI	Fixed Assets	Other Assets	Total
Day 1	6,656	14,811	74	40,543	27,295	-	-	8,701	98,080
2-7 Days	-	8,225	-	23,234	6,879	-	-	1,088	39,426
8-14 Days	-	7,336	-	19,486	4,364	-	-	1,088	32,274
15-30 Days	-	2,017	-	7,719	18,003	-	-	-	27,739
31 Days & upto 2 Months	-	1,911	-	7,314	30,966	-	-	-	40,191
Over									
Upto									
2 Months	-	1,739	-	7,141	32,466	-	-	-	41,346
3 Months	-	5,277	-	21,391	83,870	-	-	-	110,538
6 Months	-	10,233	-	47,837	133,278	-	-	-	191,348
1 Year	-	8,809	8	36,675	292,669	-	-	-	338,161
3 Years	-	3,369	-	13,843	51,764	2,733	-	-	71,709
Over 5 Years	-	3,159	-	12,790	156,934	7,434	4,902	33,009	218,228
Total	6,656	66,886	82	237,973	838,488	10,167	4,902	43,886	

* As per ALM Guidelines

Basel Pillar III Disclosures

4.7 Non Performing Advances, Investments and Provisions

(Rs. in million)

Particulars	Amount
a) Gross NPA	
i. Substandard	2,733
ii. Doubtful 1	1,400
iii. Doubtful 2	82
iv. Doubtful 3	131
v. Loss	2,072
Total	6,418
b) Net NPA	1,662
c) NPA Ratios	
i. Gross NPAs to Gross Advances (%)	0.76%
ii. Net NPAs to Net Advances (%)	0.20%
d) Movement of NPA (Gross)	
i. Opening balance 01.04.2024	10,416
ii. Additions during the period	4,819
iii. Reductions during the period	8,817
iv. Closing balance 31.03.2025	6,418
e) Movement of provisions for NPA	
	Specific Provision General Provision
i. Opening balance as on 01.04.2024	7,304 -
ii. Provision made during the period	5,238 -
iii. Write-off / write-back of excess provisions	7,800 -
iv. Closing balance 31.03.2025	4,742 -
f) Write Offs / Recoveries that have been booked directly to the income statement	
i. Write Offs that have been booked directly to the income statement	92
ii. Recoveries that have been booked directly to the income statement	5,294
g) Amount of Non-Performing Investments	3,748
h) Amount of provisions held for Non-Performing Investments	3,748
i) Movement of Provision for depreciation on investments *	
i. Opening balance as on 01.04.2024	NA
ii. Add - Provision made during the period	NA
iii. Less - Write-off/ write-back of excess provision during the year (including depreciation utilized on the sale of securities)	NA
iv. Closing balance as on 31.03.2025	NA

* As per the RBI Master Directions no : RBI/DOR/2023-24/104 DOR.MRG.36/21.04.141/2023-24, dated September 12, 2023. On classification, valuation and operation of investment portfolio of commercial Banks (Directions), 2023, outstandings in investments are fair valued periodically.

Basel Pillar III Disclosures

4.8 Major Industry break up of NPA

(Rs. in million)

Industry	Gross NPA	Specific Provision	Write Off during the current period
MINING & QUARRYING	34	19	90
FOOD PROCESSING	319	191	118
BEVERAGES & TOBACCO (EXCLUDING TEA & COFFEE)	4	1	4
TEXTILES	205	130	616
LEATHER AND LEATHER PRODUCTS	-	-	9
WOOD AND WOOD PRODUCTS	10	7	74
PAPER AND PAPER PRODUCTS	11	9	11
PETROLEUM	-	-	-
CHEMICALS AND CHEMICAL PRODUCTS	202	102	18
RUBBER, PLASTIC AND THEIR PRODUCTS	32	32	109
GLASS & GLASSWARE	-	-	2
CEMENT & CEMENT PRODUCTS	9	8	118
BASIC METAL AND METAL PRODUCTS	86	71	289
ALL ENGINEERING	30	24	20
VEHICLES, VEHICLE PARTS AND TRANSPORT EQUIP.	20	9	8
GEMS AND JEWELLERY	466	466	213
CONSTRUCTION	122	109	45
INFRASTRUCTURE	59	22	126
OTHER INDUSTRIES	51	22	30
TOTAL	1,660	1,222	1,900

4.9 Geographical distribution of NPA and Provision

(Rs. in million)

Geography	Gross NPA	Specific Provision
Domestic	6,418	4,742
Overseas	-	-
Total	6,418	4,742

5. CREDIT RISK: DISCLOSURES FOR PORTFOLIO SUBJECT TO THE STANDARDIZED APPROACH (DF 4)

5 (a). The Bank has used the ratings of the following domestic external Credit Rating Agencies (CRA) for the purpose of risk weighting Bank's claims on the domestic entities for capital adequacy purpose –

1. CRISIL	2. CARE	3. ICRA	4. India Ratings	5. Acuite	6. Infomerics	7. SMERA

5 (b). A description of the process used to transfer public issuer ratings onto comparable assets in the banking book –

- Bank has used short term ratings for assets with maturity upto one year and long-term ratings for assets maturing after one year as accorded

by the approved external CRAs. Bank has not cherry-picked ratings. Bank has not used one rating of a CRA for one exposure and another CRA's rating for another exposure on the same counterparty unless only one rating is available for a given exposure.

Basel Pillar III Disclosures

- Cash credit exposures have been rated as long-term facility, notwithstanding the repayable on demand condition.
- If an obligor has a long term external credit rating that warrants RW (Risk Weight) of 150%, all unrated exposures on the same obligor whether long or short is assigned the same 150% RW unless mitigated by recognized Credit Risk Mitigants.
- Bank has used only solicited rating from the recognized CRAs. In case the obligor has multiple ratings from CRAs, the rating to be used is selected as per RBI guidelines.
- If there is only one rating by a chosen CRA for a particular claim, that rating is used to determine the risk weight of the claim.
- If there are two ratings accorded by chosen CRAs that map into different risk weights, the higher risk weight is applied.
- If there are three or more ratings accorded by chosen CRAs with different risk weights, the ratings corresponding to the two lowest risk weights is referred to and the higher of those two risk weights is applied. i.e., the second lowest risk weight.
- Where RW associated with the rating by a CRA for a specific investment instrument is lower than one corresponding to unrated exposure, but the Bank's exposure is not in that instrument but some other debt, the RW for the rated exposure has been applied to Bank's unrated exposure provided the latter ranks pari-passu or senior to the specific rated exposure and the maturity of Bank's claim is not later than the rated exposure.
- If either the issuer or a single issue has been rated warranting RW equal or higher than unrated claim, a claim on the same issuer which is unrated but ranks pari-passu or junior to the rated exposure has been assigned the same RW as the rated exposure.
- No recognition of Credit Risk Mitigation (CRM) technique has been taken into account in respect of a rated exposure if that has already been factored by the CRA while carrying out the rating.

For exposure amounts after risk mitigation subject to the standardized approach, amount of the Bank's outstanding (rated and unrated) in the following three major risk buckets as well as those that are deducted as on 31.03.2025 are as follows:

(Rs. in million)

S N	Risk Weight	Fund Based	Non Fund Based	Total Exposure
1	Below 100%	630,631	14,898	645,529
2	100%	196,545	17,575	214,120
3	More than 100%	119,589	6,424	126,013
4	Deducted	-	-	-
Total		946,765	38,897	985,662

6. CREDIT RISK MITIGATION: DISCLOSURES FOR STANDARDIZED APPROACH (DF 5)

- 6.1 The Bank has adopted CRM techniques and Collateral Management (CM) guidelines issued by RBI under Master circular – Prudential guidelines on Capital Adequacy and Market Discipline – New Capital Adequacy Framework (NCAF).

The Bank has utilized CRM in the form of Bank's own deposits, LIC Policies, National Saving Certificate and gold, wherever the collateral is identifiable, marketable & enforceable and complies with RBI requirements. Sovereign exposures and Sovereign guaranteed exposures are risk weighted as per RBI directives.

The general principles applicable for use of CRM techniques are as under:

- No transaction in which CRM techniques are used has been assigned higher capital requirement than as otherwise identical transaction where such techniques are not used.
- The Bank has taken care to see that effects of CRM are not double counted. To ensure this no additional supervisory recognition of CRM for regulatory capital purposes is made available on claims for which an issue-specific rating is used that already reflects that CRM.
- Principal-only ratings will not be allowed within the CRM framework. The rating should cover principal and interest.

The Bank has, therefore, put in place robust procedures and processes to control these risks, including strategy,

Basel Pillar III Disclosures

consideration of the underlying credit, valuation, policies and procedures systems, control of roll-off risks, and management of concentration risk arising from the use of CRM techniques and its interaction with the Bank's overall credit risk profile.

6.2 Eligible Financial Collateral

The following collaterals are used as risk mitigants –

1. Cash margins and fixed deposit receipts of the counterparty with the Bank
2. Gold bullion and jewelry
3. Securities issued by Central and State Governments
4. National Savings Certificates, Kisan Vikas Patras
5. Life insurance policies with a declared surrender value of an insurance company which is regulated by an insurance sector regulator.
6. Debt securities rated by a chosen CRA in respect of which the banks should be sufficiently confident about the market liquidity and where they are either:
 - a) Attracting 100% or lesser risk weight i.e. rated at least BBB (-), when issued by public sector

entities and other entities (including Banks and Primary Dealers); or

- b) Attracting 100% or lesser risk weight i.e. rated at least PR3/P3/F3/A3 for short-term debt instruments.
7. Debt securities not rated by a chosen CRA in respect of which the Banks should be sufficiently confident about the market liquidity where these are:
 - a) Issued by a Bank
 - b) Listed on a recognized exchange
 - c) Classified as senior debt
 - d) All rated issues of the same seniority by the issuing Bank are rated at least BBB(-) or A3 by a chosen CRA
 8. Units of Mutual Funds regulated by the securities regulator of the jurisdiction of the bank's operation and mutual funds where:
 - a) Price for the units is publicly quoted daily i.e., where the daily NAV is available in public domain; and
 - b) Mutual fund is limited to investing in permitted instruments listed.

6.3 Quantitative disclosure

(Rs. in million)

A. Credit risk exposure covered by eligible financial collaterals

SN	Type of exposure	Credit equivalent of gross exposure	Value of eligible financial collateral after haircuts	Net amount of credit exposure
1	Funded credit exposure	1,188,199	256,050	932,149
2	Non funded credit exposure	48,232	7,958	40,274
3	Securitization exposures – On balance sheet	14,616		14,616
4	Securitization exposures – Off balance sheet	-	-	-
TOTAL		1,251,047	264,008	987,039

B. Credit risk exposure covered by guarantees / credit derivative (specifically permitted by RBI)

SN	Type of exposure	Credit equivalent of gross exposure	Amount of guarantee (Credit equivalent)
1	Funded credit exposure	-	-
2	Non funded credit exposure	-	-
3	Securitization exposures – On balance sheet	-	-
4	Securitization exposures – Off balance sheet	-	-
TOTAL		-	-

Basel Pillar III Disclosures

7. SECURITIZATION EXPOSURES (DF 6)

7.1 General disclosures on securitization exposures of the Bank (including accounting for securitization activities)

- a. Objectives of securitization activities of the Bank (including the extent to which these activities transfer credit risk of the underlying securitized exposures away from the Bank to other entities and nature of other risks inherent in securitized assets)

Bank's securitisation exposure is limited to investments in securitisation instruments. Pass through Certificates (PTC) and purchase of asset portfolio by way of direct assignment route. The loans purchased through direct assignment route are classified as advances.

- b. Role of the Bank in securitization processes (as an originator / investor/ service provider/ facility provider etc.) and extent of involvement in each activity

- ✓ As an investor – Bank invests in PTCs backed by financial assets originated by third parties. Such investments are held in the investment trading book;
- ✓ As an assignee – Bank purchases asset portfolio by way of direct assignment from Banks / NBFCs.

- c. Processes in place to monitor changes in the credit and market risk of securitization exposures

The major risks involved in loan assignment transactions are:

- ✓ **Regulatory and legal risks:** Risks arising due to non-compliance of regulatory requirements resulting in keeping higher risk weight/ capital charge for assignment transactions. Risk of non-compliance of regulatory rules.
- ✓ **Credit Risk:** Risk arising on default of a debt that may arise from an obligor failing to make required repayments.
- ✓ **Co-mingling risks:** Risks arising due to co-mingling of funds belonging to the assignee with that of the originator. This occurs when there is a time lag between collection of re-payments by the originator and remittance to the assignee.

- ✓ **Prepayment risk:** Risk arising due to prepayment of dues by obligors in the assigned pool either in part or full.

Changes in credit and market risk of securitization instruments held in the trading and banking book is constantly reviewed and monitored. In case of credit portfolio purchased through assignment route, monitoring is done at individual account level.

- d. Bank's policy governing the use of credit risk mitigation to mitigate the risks retained through securitization exposures

The Bank has not originated any securitization exposures. In the case of purchase by way of direct assignment route, Bank has not used any additional credit risk mitigant. For computation of capital requirements for loans purchased by way of direct assignment, Bank has used the credit rating from external CRAs where available.

Aggregate amount of securitization exposures retained or purchased during year ended of FY 2024-25:

(Rs. in million)	
Exposure type	Amount
Fund based	1,492
Loan against property	1,492
Mixed loans*	-
Non Fund based	-
Total	1,492

* Mixed loans include Machinery loans, jewel loans, personal loans etc.

8. MARKET RISK IN TRADING BOOK (DF 7)

Market risk refers to the uncertainty of future earnings resulting from changes in interest rates, foreign exchange rates, market prices and volatilities. The Bank assumes market risk in its lending and deposit taking businesses and in its investment activities, including position taking and trading. The market risk is managed in accordance with the investment policies, which are approved by the Board. These policies ensure that operations in securities, foreign exchange and derivatives are conducted in accordance with sound and acceptable business practices and are as per the

Basel Pillar III Disclosures

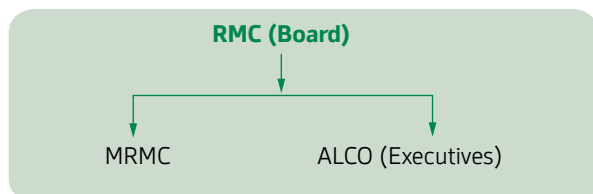
extant regulatory guidelines, laws governing transactions in financial securities and the financial environment. Market Risk in Trading Book is assessed as per the Standardized Duration approach. The capital charge for Held for Trading (HFT) and Available for Sale (AFS) portfolios is computed as per RBI guidelines.

Market risk management objectives

The objectives of market risk management are as follows:

- Management of liquidity
- Management of interest rate risk and exchange rate risk.
- Proper classification and valuation of investment portfolio
- Adequate and proper reporting of investments and derivative products
- Compliance with regulatory requirements

Structure and organization of the market risk management function:



Strategies and processes:

To comply with the regulatory guidelines and to have independent control groups there is clear functional separation of:

- Trading (Front office)
- Monitoring and control (Middle office) and
- Settlements (Back office)

The strategy/guidelines for controlling market risk include:

- Direct involvement of experienced line management
- Stringent controls and limits
- Strict segregation of front, middle and back office duties

- Comprehensive periodical reporting of positions
- Regular independent reviews of all controls and limits
- Rigorous testing and auditing of all pricing, trading and risk management

The scope and nature of risk reporting and measurement systems:

Reporting – The Bank periodically reports on the various investments and their related risk measures to the senior management and the committees of the Board. The Bank also periodically reports to RBI in compliance with regulatory requirements.

Measurement – The Bank has devised various risk metrics for measuring market risk. These are reported to ALCO. Some of the risk metrics adopted by the Bank for monitoring its risks are Value-at-Risk, Earnings at Risk, Modified Duration, Stop Loss limits amongst others.

The capital requirements for market risk are detailed below

(Rs. in million)		
S	Risk Category	Capital Charge
1	Interest Rate Risk	-
2	Foreign Exchange Risk (including gold/bullion)	57
3	Equity Risk	374
Capital requirement for Market Risk (1 + 2 + 3)		431

9. OPERATIONAL RISK (DF 8)

Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. Operational risk includes legal risk but excludes strategic and reputational risk.

The Bank has put in place a Board approved Operational Risk Management Policy which outlines overall framework for management of Operational Risk.

The Bank manages Operational Risk by way of adopting best practices in processes as well as products. Utmost importance is given on communication and understanding of processes at transactional level and compliance to same are monitored through effective internal audits.

Basel Pillar III Disclosures

The Bank's selection of personnel and systems of rewarding performance are aligned to meet Bank's stated key priorities. There is a commitment to training and upgrading of staff skills. Strong 'ownership' of exposures is encouraged, through rewards as well as strong accountability.

The Bank understands the criticality of business continuity in the event of any undesirable/ unforeseen incident and has put in place an exhaustive Business Continuity Plan (BCP) in place which is subject to periodic drills. The Bank has robust Information Technology set up with Disaster Recovery (DR) site for critical functions and backups. Further there is a strict adherence to Information Security Policy across the Bank.

As per the mandate from RBI, the Bank is following the Basic Indicator Approach (BIA) for assessment of Operational Risk Capital.

Capital requirement for operational risk as per BIA as on 31.03.2025 is Rs. 9,131 million.

10. INTEREST RATE RISK IN BANKING BOOK (DF 9)

Interest Rate Risk in the Banking Book (IRRBB)

Interest rate risk is the potential change in Net Interest Income (NII) or Economic Value of Equity (Balance Sheet impact), caused by unexpected changes in market interest rates. Since NII or Net Interest Margin (NIM) of Bank is dependent on the movements of interest rates, any mismatches or gaps in the cash-flows on re-pricing dates exposes Bank's NII or NIM to interest rate risk. IRRBB results from an unavoidable position or gap arising from Bank's normal day to day business by holding assets and liabilities in different maturities and different re-pricing dates.

Risk management framework and monitoring.

The Board of the Bank, through ALCO, has overall responsibility for management of risks and it sets limits and policies for management of liquidity risk, market risk including foreign exchange, interest rate and equity risk. The ALCO, a strategic decision making body, headed by Chief Operating Officer and comprising of senior executives of the Bank is responsible for deciding the mix and maturity profile of the assets and liabilities, recommendation of risk policies, setting up of prudential limits to manage the risks

and ensuring compliance with the limits set by the Board. The ALM policy of the Bank includes the prudential limits on interest rate risk, liquidity risk, foreign exchange risk and equity risk.

Risk Management Department is monitoring the limits laid down in the ALM Policy through various reports.

Risk measurement and reporting framework.

As a part of its regular activities, ALCO manages the impact of the IRRBB, through various limits, reports and tools such as interest rate sensitive gaps, Earnings at risk analysis, duration gap analysis, stress testing, etc. detailed as follows:

a) Interest rate sensitivity

The interest rate gap risk, at any given date, is the risk arising from the mismatches in the assets & liabilities over the different time intervals. These mismatches or gaps are arrived at after matching rate sensitive assets and rate sensitive liabilities in the particular time bucket taking into account all assets and liabilities (including off Balance Sheet exposure). The rate sensitive assets and liabilities are grouped in the buckets as per the residual maturity or re-pricing date, whichever is earlier and is reported on monthly basis. The gap indicates whether net interest income is positively or negatively impacted by a change in interest rates and the magnitude of the gap approximates the change in net interest income for any given interest rate shift. Limits are fixed on individual gaps.

b) Earnings at Risk Analysis (EaR)

The analysis is taken up to understand whether the Bank is in a position to benefit from rising interest rates by having a positive gap ($RSA > RSL$) or whether it is in a position to benefit from declining interest rates by a negative gap ($RSL > RSA$). The Bank monitors the EaR on NII for 2% change in interest rates on the open periodic gaps.

c) Stress testing

The Bank measures the impact on NII/ EaR after taking into account various possible movement in

Basel Pillar III Disclosures

interest rates across tenor and impact on the earnings is calculated for each of these scenarios.

d) Duration gap analysis

Movement in the interest rates also have a long-term impact on the market value of equity of the Bank, as the economic value of the Bank's assets, liabilities and off-Balance Sheet positions get affected. Duration is a measure of interest rate sensitivity of assets, liabilities and also equity. It may be defined as the percentage change in the market value of an asset or liability (or equity) for a given change in interest rates. Thus, Duration Gap Analysis measures by how much the market value of equity of a firm would change for the possible change in the interest rates.

The following table shows the impact on NII and economic value of equity for a given change in the interest rates. The impact is calculated assuming parallel shifts in the yield curve across all time buckets.

(Rs. in million)

Currency = INR (*)	100 bps	200 bps
Impact on NII	(1,480)	(2,959)
Impact on economic value of equity	2,362	4,724

* No major exposure in foreign currencies

11. GENERAL DISCLOSURES FOR EXPOSURES RELATED TO COUNTER PARTY CREDIT RISK (DF 10)

Counterparty exposure

Counterparty credit risk in case of derivative contracts arises from the forward contracts. The subsequent credit risk exposures depend on the value of underlying market factors (e.g., interest rates and foreign exchange rates), which can be volatile and uncertain in nature. The Bank does not enter into derivative transactions other than forward transactions.

Credit limits

The credit limit for counterparty bank is fixed based on their financial performance as per the latest audited financials. Various financial parameters such as Capital, Net

worth etc., are taken into consideration while assigning the limit. Credit exposures are monitored to ensure that they do not exceed the approved credit limits.

Credit exposures on forward contracts

The Bank enters into the forward contracts in the normal course of business for positioning and arbitrage purposes, as well as for its own risk management needs, including mitigation of interest rate and foreign currency risk. Derivative exposures are calculated according to the current exposures method.

Credit exposure

(Rs. in million)

	Notional Amount	Gross positive fair value of the contracts	Potential Future Exposure	Total Credit Exposure
Forward contracts	73,373	579	1,528	2,107

12. COMPOSITION OF CAPITAL (DF 11)

(Rs. in million)

Common Equity Tier 1 (CET 1) capital instruments and reserves		
1	Directly issued qualifying common share capital plus related stock surplus (share premium)	22,502
2	Retained earnings	118
3	Accumulated other comprehensive income (other reserves)	91,261
4	Directly issued capital subject to phase out from CET1 (only applicable to non-joint stock companies)	-
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET 1)	-
6	CET 1 capital before regulatory adjustments	113,881
	CET 1 capital : regulatory adjustments	
7	Prudential valuation adjustments	-
8	Goodwill (net of related tax liability)	-
9	Intangibles (net of related tax liability)	424

Basel Pillar III Disclosures

10	Deferred tax assets	-
11	Cash-flow hedge reserve	-
12	Shortfall of provisions to expected losses	-
13	Securitization gain on sale	-
14	Gains and losses due to changes in own credit risk on fair valued liabilities	-
15	Defined-benefit pension fund net assets	-
16	Investments in own shares (if not already netted off, paid-up capital on reported balance sheet)	-
17	Reciprocal cross-holdings in common equity	17
18	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	-
19	Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions (amount above 10% threshold)	-
20	Mortgage servicing rights (amount above 10% threshold)	-
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	-
22	Amount exceeding the 15% threshold of which :	-
23	Significant investments in the common stock of financial entities	-
24	Mortgage servicing rights	-
25	Deferred tax assets arising from temporary differences	-
26	National specific regulatory adjustments(26a+26b+26c+26d)	-
26a	Investments in the equity capital of unconsolidated insurance subsidiaries	-
26b	Investments in the equity capital of unconsolidated non - financial subsidiaries	-

26c	Shortfall in the equity capital of majority owned financial entities which have not been consolidated with the bank	-
27	Regulatory adjustments applied to CET 1 due to insufficient Additional Tier 1 (AT1) and Tier 2 to cover deductions	-
28	Total regulatory adjustments to CET 1	441
29	Common Equity Tier1 capital	113,440
	AT1 Capital instruments	
30	Directly issued qualifying AT1 instruments plus related stock surplus (share premium) (31+32)	-
	of which :	
31	Classified as equity under applicable accounting standards (Perpetual Non-Cumulative Preference Shares)	-
32	Classified as liabilities under applicable accounting standards (Perpetual debt Instruments)	-
33	Directly issued capital instruments subject to phase out from AT1	-
34	AT 1 instruments (and CET1 instruments not included in row 5) issued by subsidiaries and held by third parties (amount allowed in group AT1)	-
35	of which: instruments issued by subsidiaries subject to phase out	-
36	AT 1 capital before regulatory adjustments	-
	AT 1 capital regulatory adjustments	
37	Investments in own AT 1 instruments	-
38	Reciprocal cross-holdings in AT 1 instruments	-
39	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold)	-
40	Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	-

Basel Pillar III Disclosures

41	National specific regulatory adjustments (41a+41b)	-
	of which	
41a	Investments in the AT 1 capital of unconsolidated insurance subsidiaries	-
41b	Shortfall in the AT 1 capital of majority owned financial entities which have not been consolidated with the bank	-
42	Regulatory adjustments applied to AT1 due to insufficient Tier 2 to cover deductions	-
43	Total regulatory adjustments to AT1 capital	-
44	Additional Tier 1 capital	-
44a	AT1 capital reckoned for capital adequacy	-
45	Tier 1 capital (T1 = CET 1 + AT 1) (29+44a)	113,440
	Tier 2 capital instruments and provisions	
46	Directly issued qualifying Tier2 instruments plus related stock surplus	-
47	Directly issued capital instruments subject to phase out from Tier 2	
48	Tier2 instruments (and CET1 and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties(amount allowed in group Tier2)	-
49	of which: instruments issued by subsidiaries subject to phase out	-
50	Other Reserves and Provisions	6,970
51	Tier 2 capital before regulatory adjustments	6,970
	Tier 2 capital : regulatory adjustments	
52	Investments in own Tier2 instruments	-
53	Reciprocal cross-holdings in Tier2 instruments	-

54	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above the 10% threshold)	-
54a	Progressive discount on Tier II Bonds	
55	Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	-
56	National specific regulatory adjustments (56a+56b)	-
	of which:	
56a	Investments in the Tier 2 capital of unconsolidated insurance subsidiaries	-
56b	Short fall in the Tier2 capital of majority owned financial entities which have not been consolidated with the bank	-
57	Total regulatory adjustments to Tier2 capital	-
58	Tier 2 capital (T2)	6,970
59	Total capital (TC = T1 + Admissible T2) (45+58)	120,410
60	Total risk weighted assets (60a+60b+60c)	662,608
60a	Total credit risk weighted assets	579,469
60b	Total market risk weighted assets	3,742
60c	Total operational risk weighted assets	79,397
	Capital ratios and buffers	
61	Common Equity Tier1 (as a percentage of risk weighted assets)	17.12%
62	Tier1 (as a percentage of risk weighted assets)	17.12%
63	Total capital (as a percentage of risk weighted assets)	18.17%
64	Institution specific buffer requirement (minimum CET1 requirement plus capital conservation plus counter cyclical buffer requirements plus higher of G-SIB & D-SIB buffer requirement, expressed as a percentage of risk weighted assets)	8.00%

Basel Pillar III Disclosures

65	Of which: capital conservation buffer requirement	2.50%
66	Of which: bank specific counter cyclical buffer requirement	-
67	Of which: G-SIB & D-SIB buffer requirement	-
68	Common Equity Tier1 available to meet buffers (as a percentage of RWAs)	9.12%
	National minima (if different from Basel III)	
69	National Common Equity Tier1 minimum ratio (if different from Basel III minimum)	8.00%
70	National Tier1 minimum ratio (if different from Basel III minimum)	7%
71	National total capital minimum ratio (if different from Basel III minimum)	11.50%
	Amounts below the thresholds for deduction (before risk weighting)	
72	Non-significant investments in the capital of other financial entities	-
73	Significant investments in the common stock of financial entities	-
74	Mortgage servicing rights (net of related tax liability)	-
75	Deferred tax assets arising from temporary differences (net of related tax liability)	-
	Applicable caps on the inclusion of provisions in Tier2	
76	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardized approach (prior to application of cap)	4,281
77	Cap on inclusion of provisions in Tier 2 under standardized approach	-
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)	-
79	Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	-

Capital instruments subject to phase-out arrangements (only applicable between March 31, 2017 and March 31, 2022)

80	Current cap on CET1 instruments subject to phase out arrangements	-
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	-
82	Current cap on AT1 instruments subject to phase out arrangements	-
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	-
84	Current cap on T2 instruments subject to phase out arrangements	-
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	-

Notes -

(Rs. in million)

SN in DF 11	Particulars	Amount
10	Deferred tax assets associated with accumulated losses	-
	Deferred tax assets (excluding those associated with accumulated losses) net of deferred tax liability	-
	Total as indicated in row 10	-
19	If investments in insurance subsidiaries are not deducted fully from capital and instead considered under 10% threshold for deduction, the resultant increase in the capital of bank	-
	of which: Increase in CET 1 capital	-
	of which: Increase in AT 1 capital	-
	of which: Increase in Tier 2 capital	-
26b	If investments in the equity capital of unconsolidated non-financial subsidiaries are not deducted and hence, risk weighted then:	-
	(i) Increase in CET 1 capital	-
	(ii) Increase in risk weighted assets	-
50	Eligible Provisions included in Tier 2 capital	4,281
	Eligible Revaluation Reserves included in Tier 2 capital	-
	Total of row 50	4,281

Basel Pillar III Disclosures

13. MAIN FEATURES OF REGULATORY CAPITAL INSTRUMENTS (DF-13) and (DF-14)

During the year months ended 31st March 2025, the Bank did not raise any subordinated debt bonds qualifying for Tier II capital.

15. DISCLOSURE ON REMUNERATION (DF-15)

Quantitative Disclosures:

The RBI circular RBI/2019-20/89 DOR.Appt. BC.No.23/29.67.001/2019-20 dated November 4, 2019 on "Compensation of whole time Directors/Chief Executive Officers/Risk takers and Control function staff etc." requires the Bank to make following disclosures on remuneration on an annual basis in their Annual Report:

a) Information relating to the composition and mandate of the Nomination and Remuneration Committee (NRC)

As on 31st March 2025, the Nomination & Remuneration Committee (NRC) of the Board consists of three Independent Directors. Further as per RBI guidelines a Member of Risk Management Committee of the Board is also Member in NRC. The Composition complies with RBI guidelines, provisions of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 ('SEBI LODR').

The mandate of Nomination & Remuneration Committee includes:

1. To formulate criteria for determining qualifications, positive attributes and independence of a director, in terms of fit and proper criteria issued by the RBI from time to time.
2. To devise/review a Policy on Appointment and Succession Planning for Directors.
3. To devise/review a policy on Board Diversity.
4. To formulate/review criteria for evaluation of performance of Chairman, Independent Directors, Board of Directors, Committees of Board.
5. To recommend persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the board of directors their appointment and removal.

6. To frame/review Compensation Policy towards ensuring effective alignment between remuneration and risk. Directors and Senior Management Personnel shall be part of the Compensation Policy.
7. To formulate the criteria for variable pay and fix the thresholds for applying malus & clawback on the grant of variable pay payable to MD & CEO/ WTD.
8. To also review and recommend to the board, all remuneration, in whatever form, payable to Directors & senior management.
9. To consider grant of stock options to employees, administer and supervise the Employee Stock Option Plans in conformity with statutory provisions and guidelines.
10. To provide inputs, if required, to Board for making disclosures regarding policies, appointments, remuneration etc. of Directors and Senior Management personnel in the Annual Reports/ Directors Reports/Financial Statements etc. as may be required by the regulations from time to time.
11. To perform any other functions or duties as stipulated by the Companies Act, RBI, SEBI, Stock Exchanges and any other regulatory authority or under any applicable laws as may be prescribed from time to time.

b) Information relating to the design and structure of remuneration processes and the key features and objectives of remuneration policy

The Bank has Board approved Compensation Policy in terms of the RBI guidelines, provisions of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 ('SEBI LODR'). The Compensation Policy of the Bank covers the compensation payable to all the employees including the MD&CEO/ WTD, Key Managerial Personnel, Material Risk Takers, Control Function Staff as per the guidelines of RBI as also fee payable including fixed remuneration to Non-Executive Directors/ Independent Directors. Nomination and Remuneration Committee (NRC) of the Bank oversees the framing, review and implementation of compensation policy on behalf of the Board of Directors. Further as per RBI guidelines a Member of Risk Management Committee of the Board is also a Member in order to consider risk related aspects in remuneration structures.

Basel Pillar III Disclosures

In terms of RBI Guidelines and Compensation Policy of the Bank the position of Managing Director & CEO and Executive Director are identified as Material Risk Takers (MRT). The compensation payable to MRTs is divided into fixed and variable components. Non-Executive Directors/ Independent Directors are paid sitting Fees for attending Board/ Committee meetings. Part-time (Non-Executive) Chairperson is entitled for honorarium, as approved by Reserve Bank of India and Shareholders of the Bank.

In terms of RBI Circulars and as approved by the shareholders vide postal ballot resolution dated July 16, 2024, Non-Executive Directors of the Bank including Independent directors (Other than Non-Executive (Part-time) Chairperson) are eligible for fixed compensation to the tune of 0.2% of the profit available for distribution subject to a maximum of Rs 20 Lakhs for each Director per annum with effect from FY 2024-25, for a period of three (3) years. The said fixed compensation payable shall be in proportion to the tenure of the Directors on the Board during the year.

Remuneration to employees (other than MRTs) is defined by the IBA pay scale / CTC pay structure, both of which are approved by the Board. The IBA pay scale is an industry standard across all PSBs and old generation private banks, while the CTC pay structure specific to KVB has been formulated on the basis of comparative industry practices. The objective is to suitably compensate every employee as per his position in the organization so as to adequately recognize his contributions.

Objective of the Compensation policy is to align the compensation with prudent risk taking;

- Compensation must be adjusted for all types of risks
- Compensation outcomes must be symmetric with risk outcomes
- Compensation pay-out schedules must be sensitive to the time horizon of risks
- The proportion of cash, equity and other forms of compensation must be consistent with risk alignment.

c) Description of the ways in which current and future risks are taken into account in the remuneration processes. It should include the nature and type of the key measures used to take account of these risks

With respect MRTs the clauses of Compensation Policy adopted by the Bank address the issues pertaining to current and future risks. While current risks are factored in fixed pay, the future risks are factored in variable pay. The variable pay shall be based on predefined KPIs having a wide variety of measures related to Governance, Internal Controls, appropriate risk management practices and adherence to Compliance, etc as set out by NRC. This risk adjustment factors in both quantitative and qualitative elements. The Policy effectively aligns the compensation with prudent risk taking and shall be symmetrical with risk outcomes as well as sensitive to the time horizon of risk. Further in adherence to FSB implementation standards & RBI Guidelines, variable pay has deferral arrangements. In the event of negative outcomes & misconduct risk, the deferred compensation shall be subjected to malus and claw back arrangements in tune with the RBI guidelines.

The remuneration (other than MRTs) as per IBA / CTC package is position / designation specific and not necessarily risk specific. However, there are sufficient systems and procedures in place in the Bank (including KVB Officer Employees, Conduct Regulations and Discipline & Appeal Regulations, and also Malus / Claw back clauses in the employment contracts wherever applicable and continuous monitoring / auditing etc) to ensure risk mitigation and prevention.

Board of Directors of the Bank through NRC shall exercise oversight & effective governance over the framing and implementing the Compensation policy.

d) Description of the ways in which the Bank seeks to link performance during a performance measurement period with levels of remuneration.

Bank follows a performance-based compensation structure, which motivates and rewards high performers who strengthen long-term customer relations, and generate income and shareholder value. The Bank while designing the compensation structure ensures that there is a proper balance between fixed pay and variable pay. Bank ensures that variable pay shall relate to the performance. The variable pay could be in cash, stock linked instruments or a mix of both.

Basel Pillar III Disclosures

While fixing the Variable Pay, performance parameters under financial and non-financial areas of operations are assessed. The financial performance of the bank is factored while determining the amount of variable remuneration to be paid. Variable Pay shall be fixed on the basis of performance matrix broadly categorized as a) Bank as a whole, b) Business Unit, c) Individual, based on the quantitative and qualitative criteria. The quantitative criteria shall relate to the performance of the Bank and certain qualitative factors taking into account the, Governance Measures, Internal Controls, appropriate risk management practices and adherence to Compliance, etc as set out by NRC.

In the event of subdued or negative financial performance of the bank and / or the relevant line of business in any year, having misconduct, the deferred compensation shall be subjected to malus and claw back arrangements in tune with the RBI guidelines.

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

As per the Compensation Policy, Variable pay is eligible on the achievement of certain business/compliance targets fixed by the management. The structuring of remuneration in case of MD & CEO/WTG shall be subject to the approval of RBI.

Deferral arrangements for variable pay in case of Managing Director & CEO/WTG and other employees who are MRTs and Control Function Staff, in adherence to FSB implementation standards shall be;

- a minimum of 60% of the total variable pay shall be under deferral arrangements.
- if cash component of variable pay equals or exceeds Rs.25.00 Lakhs, then at least 50% of the cash bonus shall be deferred.

The deferral period shall be a minimum of three years applicable to both cash and non-cash components of the variable pay. Deferred remuneration shall either vest fully at the end of the deferral period or be spread out over the course of the deferral period. The first such vesting shall be not before one year from the commencement of the

deferral period. The vesting shall be no faster than on a pro-rata basis. Additionally, vesting, shall not take place more frequently than on a yearly basis, to ensure a proper assessment of risks before the application of ex-post adjustments.

Subject to bank's ESOP schemes, NRC at its discretion may specify a retention period after the vesting of stock linked instruments which have been awarded as variable pay during which they cannot be sold or accessed.

In cases where the compensation by way of share linked, instruments is not permitted by law / regulations, the entire variable pay can be in cash, subject to deferral / vesting / malus-clawback norms.

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

Variable pay is purely based on performance and is measured through KPIs. Bank ensures that the compensation structure is comprehensive and considers both, qualitative and quantitative performance measures. The variable pay would be in the form of cash & non-cash components (in the form of Share linked instruments).

Bank has two Employees Stock Option Schemes viz; KVB ESOS 2011 and KVB ESOS 2018. NRC may grant stock options under the Employees Stock Option Schemes from time to time in terms of SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2012 (erstwhile SEBI (Share Based Employee Benefits) Regulations, 2014).

In case of other employees Bank also subscribes to different forms of variable pay such as performance linked incentives, Ex-gratia for other employees, non-cash incentives, Bonus, any other incentives by whatever name called having the similar features.

The Bank shall not grant any severance pay (other than the terminal benefits and gratuity as per the provisions).

Bank shall not provide any facility or funds or permit to insure or hedge his/her compensation structure to offset the risk alignment effects embedded in the compensation package.

Basel Pillar III Disclosures

Quantitative Disclosures on Remuneration (The quantitative disclosures should only cover Whole Time Directors/Chief Executive Officer/ Other Risk Takers):

Particulars	2024-25	2023-24
a) Number of meetings held by the Nomination & Remuneration Committee during the financial year and remuneration paid to its members.	10 Meetings and sitting fees of Rs.15.50 Lakh	14 Meetings and sitting fees of Rs.23.00 Lakh
b) Number of employees having received a variable remuneration award during the financial year (see note 'a' below)	2	2
c) Number and total amount of sign-on/joining bonus made during the financial year	Nil	Nil
d) Details of severance pay, in addition to accrued benefits, if any	NA	NA
e) Total amount of outstanding deferred remuneration, split into cash, types of share-linked instruments and other forms	Cash- Rs.96,72,153/- Non-Cash (ESOPs): 1,58,772 Options	Cash- Rs.59,04,348/- Non-Cash (ESOPs): 2,11,348 Options
f) Total amount of deferred remuneration paid out in the financial year	Cash- Rs.26,90,056/- Non-Cash (ESOPs): 1,16,271 Options	Cash- Rs.16,15,821/- Non-Cash (ESOPs): 81,935 Options
g) Breakdown of amount of remuneration awards for the financial year to show fixed and variable, deferred and non-deferred (Refer note below)	1. Fixed Pay Rs.3,10,61,755/- 2. Variable Pay Rs.2,58,31,445/-	1. Fixed Pay Rs.2,51,10,244/- 2. Variable Pay Rs.1,86,69,322/-
h) Total amount of outstanding deferred remuneration and retained remuneration exposed to ex post explicit and / or implicit adjustments	Nil	Nil
i) Total amount of reductions during the financial year due to ex-post explicit adjustments	Nil	Nil
j) Total amount of reductions during the financial year due to ex-post implicit adjustments	Nil	Nil
k) Number of MRTs identified (see note 'b' below)	3	2
l) Number of cases where malus has been exercised	Nil	Nil
m) Number of cases where clawback has been exercised	Nil	Nil
n) Number of cases where both malus and clawback has been exercised	Nil	Nil

Basel Pillar III Disclosures

o) The mean pay for the Bank as a whole (excluding sub-staff) and the deviation of the pay of each of its WTDs from the mean pay	Mean Pay	Rs. 12,27,413.68	Rs. 9,76,639.64
	Deviation of the pay*		
	For MD & CEO	34.17X	31.27X
	For Shri J Natarajan, ED	18.23X	
	For Shri Sankar Balabhadrapatruni, ED	0.47X	

* In respect of calculation of deviation in mean pay, the increase in remuneration of MD & CEO during FY (2024-25) was due to

- Revision in remuneration (Fixed and Variable).
- Variable Pay components (Cash) of FY 2023-24 in addition to deferred portion from preceding years i.e FY 2020-21, 2021-22, 2022-23.
- Exercise of Variable Pay non-cash components for FY 2020-21, 2021-22, 2022-23 and
- Perquisites as per Income Tax Act, 1961.

* In respect of calculation of deviation in mean pay, remuneration of Executive Director Mr. Natarajan J during FY (2024-25) includes

- Remuneration (Fixed and Variable).
- Variable Pay components (Cash) of FY 2023-24 and exercise of Variable Pay non-cash components for FY 2020-21, 2021-22, 2022-23 (during which time he served as the President) and
- Perquisites as per Income Tax Act, 1961

Note - Details of fixed remuneration paid:

		(Amount in Rs.)	
S. No	Name	FY 2024-25	FY 2023-24
1	Shri B Ramesh Babu, MD & CEO (MRT)*1	2,17,13,625	1,79,52,656
2	Shri J Natarajan, Executive Director (MRT)*	87,65,798	71,57,587
3	Shri Sankar Balabhadrapatruni, Executive Director (MRT)*2	5,82,332	-
	Total of Fixed Pay	3,10,61,755	2,51,10,243

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

1Reserve Bank of India vide its letter dated 07.08.2024 has approved the revision in Fixed Pay of MD & CEO from 1.90 crore per annum to Rs 2.19 crore per annum w.e.f. July 29, 2024.

2RBI vide letter dated 11.02.2025 has approved the appointment of Shri Sankar Balabhadrapatruni as Executive Director for a period of three year effective from date of taking charge, Board in its meeting held on 20.02.2025 has appointed Shri Sankar Balabhadrapatruni as Executive Director and he has taken charge on 12.03.2025.

Note - Details of Variable Pay (cash/ non cash) pertaining to FY 2023-24 paid/granted during the FY 2024-25:

Basel Pillar III Disclosures

SN	Name	Variable Pay (Rs.)	Cash (Rs.)	Share linked remuneration (ESOPs)
1	Shri B Ramesh Babu, MD & CEO (MRT) ¹	1,91,00,000/-	95,50,000/- (Upfront 47.75 Lacs + 15.91 Lacs each deferred over a period of 3 years)	47,097 options to be vested in the ratio of 33:33:34
2	Shri J Natarajan, Executive Director (MRT) ²	67,31,445/-	33,65,722 (Upfront 16.82 Lacs + 5.60 Lacs each deferred over a period of 3 years))	16,598 options to be vested in the ratio of 33:33:34
	Total	2,58,31,445/-		

¹RBI vide letter dated 19.06.2024 has approved variable pay to Mr. B Ramesh Babu, MD & CEO for the performance period FY 2023-24, which was paid during the year ended March 31, 2025.

²RBI vide letter dated 16.05.2024 has approved the appointment of Shri J Natarajan as Executive Director for a period of one year effective from date of taking charge, Board in its meeting held on 22.05.2024 has appointed Shri J Natarajan as Executive Director and he has taken charge on the same day. The variable pay above mentioned pertains to the performance period FY 2023-24 for the role of President being Material Risk Taker.

* Position of MD & CEO and President & COO are identified as Material Risk Takers by the Bank.

16. DISCLOSURE ON BANKING BOOK POSITION (DF-16)

Qualitative Disclosures

In accordance with the RBI New Investment guidelines, entire investment portfolio of the Bank including equity investments is classified as under:

- HTM - Held to Maturity
- AFS - Available for Sale and
- FVTPL - Fair Value through Profit & Loss and
- HFT - Held for Trading

Investments can be classified under AFS category, provided Bank should opt for it is an irrevocable election to classify an equity instrument that is not held with the objective of trading.

Investments are qualified for election of FVTPL shall include Equity shares, other than equity shares of subsidiaries, associates or joint ventures and equity shares where, at initial recognition, the irrevocable option to classify at AFS has been exercised.

Investments can be classified under HFT category when they are listed equities, instruments resulting from market-making activities, equity investments in a fund excluding those exempted from assignment to HFT.

Basel Pillar III Disclosures

In accordance with the RBI guidelines, equity investments held under the AFS category only are classified as banking book for capital adequacy purpose.

Quantitative Disclosures

(Rs. in million)

1	Value disclosed in the balance sheet of investments (Book Value)	1,288
	Fair value of those investments (Market Value as on 31.03.2025)	902
	For quoted securities, a comparison to publicly quoted share values where the share price is materially different from fair value	Quoted Securities are all Fair Valued
2	The types and nature of investments, including the amount that can be classified as- publically traded and privately held	Privately Held- 947 Publicly Quoted- 341
3	The cumulative realised gains (losses) arising from sales and liquidations in the reporting period (Long Term Capital Gains)	-
4	Total unrealized gains (losses)	-
5	Total latent revaluation gains (losses) (MTM Gains)	-
6	Any amounts of the above included in Tier 1 and/or Tier 2 capital	-
7	Capital requirements broken down by appropriate equity groupings, consistent with the bank's methodology, as well as the aggregate amounts and the type of equity investments subject to any supervisory transition or grandfathering provisions regarding regulatory capital requirements.	-

17. LEVERAGE RATIO DISCLOSURES

Leverage ratio is a measure of exposure of the Bank vis-à-vis its capital i.e. Leverage Ratio = Tier 1 Capital ÷ Total Exposure, expressed in percentage terms. Exposure for this purpose includes on-balance sheet exposures, derivative exposures, securities financing transaction (SFT) exposures and off- balance sheet (OBS) items.

Leverage ratio is not a risk based measure; it is designed to be a supplementary measure to the prescribed risk based capital requirements.

DF -17 : Summary comparison of accounting assets vs. leverage ratio exposure measure

(Rs. in million)

SN	Particulars	March 25	December 24	September 24	June 24
1	Total consolidated assets as per published financial statements	1,193,674	1,163,733	1,125,731	1,088,741
2	Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	-	-	-	-
3	Adjustment for fiduciary assets recognised on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure	-	-	-	-
4	Adjustments for derivative financial instruments	1,646	2,148	1,142	1,369
5	Adjustment for securities financing transactions (i.e. repos and similar secured lending)	-	-	-	-

Basel Pillar III Disclosures

6	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	46,835	42,621	38,372	46,550
7	Other adjustments	(441)	(461)	(513)	(437)
8	Leverage ratio exposure	1,241,714	1,208,041	1,164,732	1,136,223

DF -17 : Leverage ratio disclosure

(Rs. in million)

	Item	March 25	December 24	September 24	June 24
	On-balance sheet exposures				
1	On-balance sheet items (excluding derivatives and SFTs, but including collateral)	1,193,674	1,163,733	1,125,731	1,088,741
2	(Asset amounts deducted in determining Basel III Tier 1 capital)	(441)	(461)	(513)	(437)
3	Total on-balance sheet exposures (excluding derivatives and SFTs) (1 + 2)	1,193,233	1,163,272	1,125,218	1,088,304
	Derivative exposures				
4	Replacement cost associated with all derivatives transactions (i.e. net of eligible cash variation margin)	579	765	67	104
5	Add-on amounts for PFE associated with all derivatives transactions	1,067	1383	1,075	1,265
6	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the operative accounting framework	-	-	-	-
7	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	(-)	(-)	(-)	(-)
8	(Exempted CCP leg of client-cleared trade exposures)	(-)	(-)	(-)	(-)
9	Adjusted effective notional amount of written credit derivatives	-	-	-	-
10	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	(-)	(-)	(-)	(-)
11	Total derivative exposures (sum of 4 to 10)	1,646	2,148	1,142	1,369
	Securities financing transaction exposures				
12	Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	-	-	-	-
13	(Netted amounts of cash payables and cash receivables of gross SFT assets)	-	-	-	-
14	CCR exposure for SFT assets	-	-	-	-
15	Agent transaction exposures	-	-	-	-
16	Total securities financing transaction exposures (sum of 12 to 15)	-	-	-	-
	Other off-balance sheet exposures				

Basel Pillar III Disclosures

17	Off-balance sheet exposure at gross notional amount	149,912	123,229	120,645	145,281
18	(Adjustments for conversion to credit equivalent amounts)	(103,077)	(80,608)	(82,273)	(98,731)
19	Off-balance sheet items (17 + 18)	46,835	42,621	38,372	46,550
	Capital and total exposures				
20	Tier 1 capital	113,440	97,355	97,354	97,132
21	Total exposures (3 + 11 + 16 + 19)	1,241,714	1,208,041	1,164,732	1,136,223
22	Basel III leverage ratio	9.14%	8.06%	8.36%	8.55%

18. LIQUIDITY COVERAGE RATIO (DF-18)

(Rs. in million)

Particulars		Total Unweighted Value (average)	Total Weighted Value (average)
	High Quality Liquid Assets		
1	Total High Quality Liquid Assets (HQLA)		210,642
	Cash Outflows		
2	Retail deposits and deposits from small business customers, of which:	598,211	57,421
(i)	Stable deposits	48,016	2,401
(ii)	Less: stable deposits	550,195	55,020
3	Unsecured wholesale funding, of which:	240,360	117,715
(i)	Operational deposits (all counterparties)	-	-
(ii)	Non-operational deposits (all counterparties)	240,360	117,715
(iii)	Unsecured debt	-	-
4	Secured wholesale funding	-	-
5	Additional requirements, of which	76,525	18,582
(i)	Outflows related to derivative exposures and other collateral requirements	1,327	1,327
(ii)	Outflows related to loss of funding on debt products	-	-
(iii)	Credit and liquidity facilities	75,198	17,255
6	Other contractual funding obligations	8,458	8,458
7	Other contingent funding obligations	46,020	1,381
8	Total Cash Outflows		203,557
	Cash Inflows		
9	Secured lending (e.g. reverse repos)	-	-
10	Inflows from fully performing exposures	51,177	34,641
11	Other cash inflows	1,382	1,382
12	Total Cash Inflows	52,559	36,023
		Total Adjusted Value	
13	TOTAL HQLA		210,642
14	Total Net Cash Outflows		167,534
15	Liquidity Coverage Ratio (%)		125.73%

Network of Branches

REGISTERED AND CENTRAL OFFICE

No. 20, Erode Road, Vadivel Nagar,
L.N.S., Karur - 639002.
{CIN No.L65110TN1916PLC001295}
Ph. : 04324 - 269000, 226520, 225521-25
Fax No. 04324-225700
Website : www.kvb.co.in

INTEGRATED TREASURY

Second Floor, 954, Appa Saheb Marathe Marg, Gayathri Towers, Prabhadevi, Mumbai-400025

DIVISIONAL OFFICE	
AHMEDABAD	First Floor, Motilal Centre, Near Income Tax Circle, Ashram Road, Ahmedabad-380009
BANGALORE	No.6, Second Floor, Vasavi Temple Road, Sajjanrao Circle, VV.Puram, Next to Sri Vasavi temple, Bangalore-560004
CHENNAI	KVB Towers, 1st Floor, 568 Anna Salai, Teynampet, Chennai-600018
COIMBATORE	No.1498-C, 3rd Floor, KVB Towers,Avinashi Road, Peelamedu, Coimbatore, Tamil Nadu-641004
DELHI	3rd Floor No. 6 Pusa Road, Opposite to Metro Pillar No. 80, Karolbagh, New Delhi-110005
ERNAKULAM	Amritha Towers, No.40/1045c, First Floor, Opp: Maharaja's College Ground, M.G.Road, Ernakulam-682011
HYDERABAD	No.5-8-356 to 362, Second Floor, Chirag Ali Lane, Abids, Hyderabad-500001
KARUR	No.633-637, First Floor, Jawahar Bazaar, Karur - 639001
KOLKATA	No.15, Bondel Road, First Floor, Ballygunge, Kolkata-700019
MADURAI	Gayathri Illam, 16 A.A.Road, First Floor, Gnanaolivupuram, Madurai-625016
MUMBAI	No.954, Ground Floor, Appa Saheb Marathe Marg, Gayathri Towers, Prabhadevi, Mumbai-400025
SALEM	No.269-A, First Floor, Bharathi Street, Swarnapuri, Alagapuram, Salem-636004
TAMBARAM	SBA Complex, No.7/73, First Floor, Venkatesa Choudhary Street, West Tambaram, Chennai-600045
TRICHY	Kvb Towers, Second Floor, Near Income Tax Office, Alexandria Road, Cantonment, Trichy-620001
VIJAYAWADA	Gayathri Nilayam, I Floor, 38-8-46 ,Opp. A.I.R.,Labbipet, M.G.Road, Vijayawada-520010
VISAKHAPATNAM	No: 47-10-15, Shop No.1 A.G Avenue, First Floor, Opp: Pollocks School, 2nd Lane, Dwarkanagar, Visakhapatnam-530016
TIRUPATHI	Prya Towers, No.6-8-1250, First Floor, NGOs Colony, K.T.Road, Near Anna Rao Circle, Tirupathi-517501
VILLUPURAM	No.15, First Floor, G.V.Farms Building, Mampazhapattu Road, Villupuram-605602
TIRUNELVELI	Malti Square,No 10/10, First Floor, North By Pass Road, Vannarpettai, Tirunelveli-627003

Network of Branches

OTHER OFFICES		
DATA CENTRE	Sixth Floor, D North Block, Tidel Park, Taramani, Chennai-600113	
DISASTER RECOVERY SITE	Fifth Floor, Unit - 3, Block-I, Cyber Pearl, Hi-Tech City, Madhapur, Hyderabad-500081	
DEMAT CELL	KVB Towers, 2nd Floor, 568 Anna Salai, Teynampet, Chennai-600018	
CENTRALISED OPERATIONS CENTRE	Block D, Third Floor, Hanudev InfoPark, Udayampalayam Road, Nava India, Coimbatore-641028	
CENTRALISED FOREX PROCESSING CELL	Unit No.156/4, Second Floor, Jeevan Anand Building, No.556 Anna Salai, Teynampet, Chennai-600018	
TAX CELL	Block D, Third Floor, Hanudev InfoPark, Udayampalayam Road, Nava India, Coimbatore-641028	
TRANSACTION BANKING GROUP	No.1 Padmavathiar Road, Second Floor, Off Peters Road, Gopalapuram, Chennai-600086	
CHANNEL RECONCILIATION CELL	No.338/1, Uffizi Complex First Floor, Avinashi Road, Peelamedu, Coimbatore-641004	
CHENNAI D.T.P.C.	Elenet Software City, 3rd & 4th Floor Module 43, TS 140, Block 2&9, Rajiv Gandhi Salai, Taramani, Chennai-600113	
CALL CENTRE - CHENNAI	Elenet Software City, 2nd Floor Module 43, TS 140, Block 2&9, Rajiv Gandhi Salai, Taramani, Chennai-600113	
INFORMATION SECURITY GROUP	Elenet Software City, 2nd Floor, Admin Block, TS 140, Block 2&9, Rajiv Gandhi Salai, Taramani, Chennai-600113	
EXPENSES MANAGEMENT CELL	No.1 Padmavathiar Road, Third Floor, Off Peters Road, Gopalapuram, Chennai-600086	
ANALYTICS CELL	Elenet Software City, 4th Floor Module 43, TS 140, Block 2&9, Rajiv Gandhi Salai, Taramani, Chennai-600113	
RETAIL CREDIT RISK CELL	Elenet Software City, 5th Floor Module 43, Block 2&9, Rajiv Gandhi Salai, Taramani, Chennai-600113	
CREDIT CARD CELL - CHENNAI	Elenet Software City, 5th Floor Module 43, Block 2&9, Rajiv Gandhi Salai, Taramani, Chennai-600113	
TECHNOLOGY QUALITY ASSURANCE DEPT	Elenet Software City, 2nd Floor, Admin Block, TS 140, Block 2&9, Rajiv Gandhi Salai, Taramani, Chennai-600113	
COIMBATORE - CBG CLUSTER	No.1498-C, 3rd Floor, KVB Towers, Avinashi Road, Peelamedu, Coimbatore, Tamil Nadu-641004	
VIJAYAWADA - CBG CLUSTER	Gayathri Nilayam, 2nd Floor 38-8-46, Labbipet, M.G.Road, Vijayawada-520010	
TRICHY - CBG CLUSTER	KVB Towers, No.1, Second Floor, Alexandria Road, Cantonment, Trichy-620001	
GOVERNMENT BUSINESS OPERATION CENTER	KVB Towers, 2nd Floor, 568 Anna Salai, Teynampet, Chennai-600018	
CONSUMER BANKING DEPARTMENT	Elenet Software City, 5th Floor, TS 140, Block 2&9, Rajiv Gandhi salai, Taramani, Chennai-600113	
DIGITAL EXCELLENCE	Elenet Software City, 2nd Floor, Admin Block, TS 140, Block 2&9, Rajiv Gandhi Salai, Taramani, Chennai-600113	
CENTRAL CLEARING OFFICES	CURRENCY CHEST	NEO - OFFICES
COIMBATORE	CHENNAI	NEO - VIJAYAWADA
	KARUR	NEO - DELHI
	MADURAI	NEO - AHMEDABAD
	VIJAYAWADA	NEO - SURAT
	BANGALORE	NEO - BANGALORE
	COIMBATORE	NEO - MYSORE
	HYDERABAD	NEO - MUMBAI
	TRICHY	NEO - PUNE
		NEO - JAIPUR
		NEO - CHENNAI
		NEO - HYDERABAD

Network of Branches

ANDHRA PRADESH		
<u>ANAKAPALLI</u>	DR. B.R. AMBEDKAR KONASEEMA	<u>SRI SATHYA SAI</u>
ANAKAPALLE	MANDAPETA	DHARMAVARAM
YELAMANCHILI	RAVULAPALEM	HINDUPUR
NARSIPATNAM	AMALAPURAM	KADIRI
ATCHUTAPURAM	RAZOLE	GORANTLA
	ANNAIPETA	
<u>ANANTHAPURAMU</u>	MUMMIDIVARAM	<u>SRIKAKULAM</u>
ANANTAPUR		SRIKAKULAM
GUNTAKAL	<u>KRISHNA</u>	RAJAM
TADIPATRI	VIJAYAWADA - GOVERNORPET	PALASA
ANANTPUR-KALYANDURGAM ROAD		
	VIJAYAWADA - NO.1 TOWN	ICHCHAPURAM
<u>ANNAMAYYA</u>	GUDIVADA	NARASANNAPETA
MADANAPALLE	VIJAYAWADA - BUNDER ROAD	TEKKALI
RAJAMPET	KANKIPADU	
RAYACHOTY	PORANKI	<u>TIRUPATI</u>
	MACHILIPATNAM	TIRUPATHI - MAIN
<u>BAPATLA</u>	VUYYURU	TIRUPATHI - KHADI COLONY
CHIRALA	VIJAYAWADA - BHAVANIPURAM	SRIKALAHASTI
BAPATLA	GANNAVARAM	PUTTUR
BUDDHAM	VIJAYAWADA - SATYANARAYANAPURAM	TIRUPATI - M R PALLI
KONIKI	CHORAGUDI	NAIDUPET
ADDANKI	AVANIGADDA	BUSINESS BANKING UNIT - TIRUPATHI
<u>CHITTOOR</u>	<u>KURNOOL</u>	<u>VISAKHAPATNAM</u>
CHITTOOR	KURNOOL	VISAKHAPATNAM - PEDAWALTAIR
RALLABUDUGURU	ADONI	VISAKHAPATNAM - MAIN
NAGARI	KURNOOL - VENKATARAMANA COLONY	GAJUWAKA
KUPPAM		PENDURTHI
MURAKAMBATTU	<u>NANDYAL</u>	VIZAG - DWARKANAGAR
PUNGANUR	NANDYAL	VISAKHAPATNAM - GOPALAPATNAM
PALAMANERU	MAYALURU	VISAKHAPATNAM - SEETHAMMADHARA
	KADUMUR	VIZAG - MADHURAWADA
<u>EAST GODAVARI</u>	ALLAGADA	VIZAG - MVP COLONY
RAJAHMUNDRY	DHONE	VIZAG - AKKAYAPALEM
NIDADAVOLU	ATMAKUR	BUSINESS BANKING UNIT - VISAKHAPATNAM
KADIAM		TAGARAPUVALASA
RAJAHMUNDRY - TILAK ROAD	<u>NTR</u>	VIZAG-MURALINAGAR
BOMMURU	VIJAYAWADA - BENZ CIRCLE	VIZAG-YENDADA
	TIRUVURU	VIZAG-POORNAMARKET
<u>ELURU</u>	CORPORATE BUSINESS UNIT - VIJAYAWADA	
JANGAREDDYGUDEM	BUSINESS BANKING UNIT - VIJAYAWADA	<u>VIZIANAGARAM</u>
ELURU	NANDIGAMA	VIZIANAGARAM
NUZVID	VIJAYAWADA - VISALANDHRA ROAD	BOBBILI
GANAPAVARAM	VIJAYAWADA PATAMATA	GAJAPATHINAGARAM
		G. AGRAHARAM
		KOTHAVALASA
		VIZIANAGARAM - FORT

Network of Branches

ANDHRA PRADESH		
GUNTUR GUNTUR TENALI GUNTUR - LAKSHMIPURAM CHINTALAPUDI MANGALAGIRI GUNTUR - GUJJANAGUNDLA VENKATAPALEM BANDARUPALLE GUNTUR - PATTABHIPURAM KAKINADA KAKINADA PEDDAPURAM TUNI SAMALKOT PITHAPURAM ARYAVATAM KAKINADA - BHANUGUDI JUNCTION G.MAMIDADA	PALNADU NARASARAOPET CHILAKALURIPET PIDUGURALLA VINUKONDA SATTENAPALLE PARVATHIPURAM MANYAM SALUR PARVATHIPURAM PRAKASAM ONGOLE MARKAPUR VALLURU BUDAWADA DARSI KANIGIRI ONGOLE-MANGAMURU ROAD	WEST GODAVARI PALAKOL TADEPALLIGUDEM BHIMAVARAM TANUKU NARASAPUR AKIVIDU CHINAAMIRAM Y.S.R. PRODDATUR KADAPA CUDDAPAH-SEVEN ROAD PRODDATUR-MYDUKUR ROAD SRI POTTI SRIRAMULU NELLORE NELLORE KAVALI KANDUKUR NELLORE - ISKON CITY NELLORE-PODALAKURU ROAD
BIHAR PATNA PATNA	CHANDIGARH - UT CHANDIGARH CHANDIGARH	CHATTISGARH RAIPUR RAIPUR
DELHI		
CENTRAL DELHI DELHI - KAROL BAGH DELHI - CHANDINI CHOWK CORPORATE BUSINESS UNIT - DELHI BUSINESS BANKING UNIT - DELHI ASSET RECOVERY BRANCH - DELHI EAST DELHI DELHI - LAXMINAGAR	NORTH DELHI DELHI - KASHMERE GATE DELHI - KAMLANAGAR NORTH WEST DELHI DELHI - LAWRENCE ROAD DELHI - ROHINI	SOUTH EAST DELHI DELHI - EAST OF KAILASH NEW DELHI - OKHLA WEST DELHI DELHI - RAMESH NAGAR DELHI - PITAMPURA DELHI - JANAKPURI
GOA		
NORTH GOA PANAJI		
GUJARAT		
AHMEDABAD AHMEDABAD AHMEDABAD - MANINAGAR AHMEDABAD - SATELLITE ROAD AHMEDABAD - SANAND AHMEDABAD - NARODA AHMEDABAD - SHAHIBAUG CORPORATE BUSINESS UNIT - AHMEDABAD BUSINESS BANKING UNIT - AHMEDABAD	MAHESANA UNJHA MAHESANA RAJKOT RAJKOT - MAIN	SURAT SURAT SURAT - UM ROAD VADODARA VADODARA

Network of Branches

GUJARAT		
<u>ANAND</u> ANAND	<u>BHARUCH</u> BHARUCH	<u>KACHCHH</u> GANDHIDHAM
HARYANA		
<u>FARIDABAD</u> FARIDABAD	<u>KARNAL</u> KARNAL	<u>ROHTAK</u> ROHTAK
<u>GURGAON</u> GURGAON	<u>PANIPAT</u> PANIPAT	<u>SONIPAT</u> SONIPAT
JHARKHAND		
<u>RANCHI</u> RANCHI		
KARNATAKA		
<u>BANGALORE URBAN</u> BANGALORE - MAIN BANGALORE - J.C. ROAD BANGALORE - MALLESWARAM BANGALORE - HALASURU BANGALORE - RAJAJINAGAR BANGALORE - ISRO NAGAR BANGALORE - JAYANAGAR BANGALORE - KORAMANGALA BANGALORE - BASAVANAGUDI CHANDAPUR ATTIBELE BANGALORE - BTM LAYOUT BANGALORE - INDIRA NAGAR BANGALORE - HSR LAYOUT HEBBAGODI BANGALORE - R T NAGAR CHIKKABANAVARA BANGALORE - WHITEFIELD BANGALORE - V V PURAM BANGALORE - J P NAGAR BANGALORE - VIDYARANYAPURA BANGALORE - KENGERI BANGALORE - BANASHANKARI BANGALORE - CHANDRA LAYOUT BANGALORE - RAJA RAJESHWARI NAGAR BANGALORE - YESHWANTHPUR BANGALORE - KALYAN NAGAR CORPORATE BUSINESS UNIT - BANGALORE BANGALORE - SAHAKAR NAGAR BUSINESS BANKING UNIT - BANGALORE PRECIOUS METALS DIVISION ASSET RECOVERY BRANCH - BANGALORE KVB SMART - BANGALORE SARJAPURA ROAD BANGALORE-K.R.PURAM BANGALORE-PEENYA INDUSTRIAL AREA	<u>BANGALORE RURAL</u> DODDABALLAPUR HOSAKOTTE NELAMANGALA DEVANAHALLI DOBBASPET <u>BELGAUM</u> BELGAUM <u>BELLARY</u> BELLARY <u>CHIKKABALLAPUR</u> CHINTAMANI GAURIBIDANUR <u>CHITRADURGA</u> CHITRADURGA HIRIYUR <u>DAKSHIN KANNAD</u> MANGALORE <u>DAVANGERE</u> DAVANGERE <u>DHARWAD</u> HUBLI	<u>HASSAN</u> HASSAN ARISEKERE <u>KALABURAGI</u> GULBARGA <u>KOLAR</u> KOLAR GOLD FIELDS <u>KOPPAL</u> GANGAVATHI <u>MYSORE</u> MYSORE <u>RAICHUR</u> RAICHUR <u>RAMANAGARAM</u> RAMANAGARAM <u>SHIMOGA</u> SHIMOGA <u>TUMKUR</u> TUMKUR

Network of Branches

KERALA		
<u>ALAPPUZHA</u> CHENGANNUR ALAPPUZHA	<u>KANNUR</u> KANNUR THALASSERY	<u>PALAKKAD</u> PALAKKAD
<u>ERNAKULAM</u> ERNAKULAM ERNAKULAM - EDAPPALLY TRIPUNITHURA ERNAKULAM - PALARIVATTOM ANGAMALY	<u>KASARAGOD</u> KASARGOD	<u>PATHANAMTHITTA</u> TIRUVALLA PATHANAMTHITTA
<u>IDUKKI</u> THODUPUZHA	<u>KOLLAM</u> KOLLAM	<u>THRISSUR</u> THRISSUR IRINJALAKUDA
	<u>KOTTAYAM</u> KOTTAYAM	<u>THIRUVANANTHAPURAM</u> THIRUVANANTHAPURAM BALARAMAPURAM
	<u>KOZHIKODE</u> KOZHIKODE	
MADHYA PRADESH		
<u>BHOPAL</u> BHOPAL	<u>INDORE</u> INDORE	<u>JABALPUR</u> JABALPUR
<u>GWALIOR</u> GWALIOR		
MADHYA PRADESH		
<u>AMARAVATI</u> AMRAVATI	<u>MUMBAI SUBURBAN</u> MUMBAI - BORIVALI MUMBAI - MULUND MUMBAI - CHEMBUR MUMBAI - ANDHERI MUMBAI - GHATKOPAR MUMBAI - KANDIVALI CORPORATE BUSINESS UNIT - MUMBAI BUSINESS BANKING UNIT - MUMBAI	<u>NAGPUR</u> NAGPUR
<u>CHHATRAPATI SAMBHAJINAGAR</u> AURANGABAD		<u>NANDED</u> NANDED
<u>KOLHAPUR</u> ICHALKARANJI KOLHAPUR		<u>NASIK</u> NASIK
<u>MUMBAI</u> MUMBAI - FORT MUMBAI - PRABHADEVI MUMBAI - KALBADEVI MUMBAI - MATUNGA ASSET RECOVERY BRANCH - MUMBAI NEO	<u>THANE</u> MUMBAI - VASHI MUMBAI - ICL SCHOOL MUMBAI - THANE MUMBAI - NERUL BHIWANDI DOMBIVALI	<u>PUNE</u> PUNE
		<u>SOLAPUR</u> SOLAPUR

Network of Branches

ORISSA		
CUTTACK CUTTACK	KHURDA BHUBANESHWAR	SUNDERGARH ROURKELA
GANJAM BERHAMPUR ASIKA		
PONDICHERY-UT		
PUDUCHERRY PONDICHERRY PONDICHERRY - LAWSPET VILLIANUR PILLAYARKUPPAM REDDIYARPALAYAM	KARAIKAL KARAIKAL	YANAM YANAM
PUNJAB		
AMRITSAR AMRITSAR	LUDHIANA LUDHIANA	PATIALA PATIALA
FATEHGARH SAHIB MANDI GOBINDGARH	JALANDHAR JALANDHAR	
RAJASTHAN		
JAIPUR JAIPUR		
TAMILNADU		
ARIYALUR ARIYALUR JAYANKONDAM SENDURAI THELUR	KALLAKURICHI KADUVANUR THOTTIYAM KALLAKURICHI ULUNDURPETTAI CHINNASALEM MURARBADU PRIDIVIMANGALAM TIRUKKOYILUR RANGAPANUR SANKARAPURAM KACHIRAPALAYAM	THENI AUNDIPATTI KATHIRNARASINGAPURAM BODINAYAKANUR CHINNAMANUR CUMBUM GUDALUR KOMBAI PERIYAKULAM THENI UPPUKOTTAI
CHENGALPATTU CHENNAI - CHROME PET CHENNAI - TAMBARAM CHENNAI - ST.THOMAS MOUNT CHENNAI - URAPPAKKAM CHENNAI - SINGAPERUMAL KOIL CHENNAI - KELAMBAKKAM CHENNAI - MEDAVAKKAM CHENNAI - SELAIYUR CHENGALPATTU CHENNAI - PALLAVARAM GUDUVANCHERRY CHENNAI - SITTALAPAKKAM MADURANTHAKAM	KANCHEEPURAM KANCHEEPURAM ULLAVOOR CHENNAI - SRIPERUMPUDUR KUNDRATHUR PADAPPAI CHENNAI - MANGADU	TIRUVALLUR CHENNAI - TIRUVERKADU CHENNAI - P.H.ROAD CHENNAI - AMBATTUR CHENNAI - RED HILLS THIRUVALLUR PUTHAGARAM AVADI

Network of Branches

ACHARAPAKKAM
EAST - TAMBARAM
CHEMMANCHERY
NANMANGALAM
OLD PERUNGALATHUR
VARADHARAJAPARAM
NEW COLONY - CHROMPET
MADAMBAKKAM
ANAKAPUTHUR
PERUMBAKKAM – CHENNAI
MARAIMALAI NAGAR
CHITLAPAKKAM

CHENNAI

CHENNAI - ALANDUR
CHENNAI - MAIN
CHENNAI - ANNA NAGAR
CHENNAI - KODAMBAKKAM
CHENNAI - MYLAPORE
CHENNAI - ROYAPURAM
CHENNAI - TRIPLICANE
CHENNAI - T.NAGAR
CHENNAI - WHITES ROAD
CHENNAI - PURASAWALKAM
CHENNAI - DHANDAPANI STREET
CHENNAI - TEYNAMPET
CHENNAI - NANGANALLUR
CHENNAI - ADYAR
CHENNAI - MOGAPPAIR
CHENNAI - VALASARAVAKKAM
CHENNAI - VELACHERY
CHENNAI - ASHOK NAGAR
CHENNAI - EGMORE
CHENNAI - SHOLINGANALLUR
CHENNAI - RAJA ANNAMALAIPURAM
CHENNAI - ARUMBAKKAM
CHENNAI - MADIPAKKAM
CHENNAI - KK NAGAR
CHENNAI - PALAVAKKAM
PORUR
CHENNAI - SAIDAPET
CHENNAI - SALIGRAMAM
PERUNGUDI
CHENNAI - NUNGAMBAKKAM
PADI
CHENNAI - GODOWN STREET
CHENNAI - RAMAPURAM
CHENNAI-THIRUVANMIYUR
CHENNAI-ADAMBAKKAM
NOLAMBUR
CHENNAI-KODUNGAIYUR
CHENNAI-KOLATHUR
PUZHUTHIVAKKAM
CHENNAI -ALAPAKKAM
MADURAVOYIL

CHENNAI - KOLAPAKKAM
SUNGUVARCHATRAM

KANYAKUMARI

NAGERCOIL
MARTHANDAM
PANCHALINGAPURAM
KOTTAR
ERANIEL
COLACHEL

KARUR

KARUR - MAIN
KARUR - CENTRAL
KULITHALAI
KARUR - WEST
VEERARAKKIYAM
KARUR - GANDHIGRAMAM
KARUR - VENGAMEDU
ARAVAKURICHI
KARUR - THANTHONIMALAI
PADIRIPATTI
BUSINESS BANKING UNIT - KARUR
VELLIYANAI
POYYAMANI

KRISHNAGIRI

SAMALPATTI
KRISHNAGIRI
HOSUR
BARGUR
HOSUR - BATHALAPALLI
AGARAM
MARUDANDAPALLI
RAYAKOTTAI
VADAMALAMPATTI
HOSUR - BAGALUR ROAD
KRISHNAGIRI-GANDHI ROAD
KAVERIPATTINAM

MADURAI

ALANGANALLUR
MADURAI - MAIN
MADURAI - GNANAO LIVUPURAM
MADURAI - SOUTH
ELUMALAI
MADURAI - TALLAKULAM
MADURAI - ANNA NAGAR
MADURAI - PALANGANATHAM

PODATHURPET
SEETHANJERI
TIRUTTANI
NEMILICHERY
MINJUR
CHENNAI - POONAMALLEE
PONNERI
AYAPAKKAM
MATHUR
GUMMIDIPOONDI
CHENNAI-THIRUMULLAIVOYAL
MANAVALA NAGAR

THIRUVARUR

THIRUVARUR
MANNARGUDI
KOOTHANUR
THAMBIKOTTAI

TIRUNELVELI

PALAYAMKOTTAI
TIRUNELVELI - TOWN
AMBASAMUDRAM
VALLIYUR
TIRUNELVELI JUNCTION

TIRUPATHUR

VANIYAMBADI - NEW TOWN
TIRUPATHUR
NARIYANERI
NATRAMPALLI
JOLARPET
DEVALAPURAM

TIRUPUR

DHARAPURAM
GANAPATHIPALAYAM
MANGALAM
MUTHUR
NERUPERICAL
PETHAPAMPATTI
KOLUMAM
MULANUR
TIRUPUR - MAIN
UDUMALPET
ERISANAMPATTI
PAPPANKULAM
TIRUPUR - OVERSEAS
TIRUPUR - P.N.ROAD

Network of Branches

THORAIPAKKAM
CHENNAI - NELSON MANICKAM ROAD
CHENNAI - BESANT NAGAR
MADHAVARAM
CHENNAI - PERIYAR NAGAR
CHENNAI - MANDAVELI
CORPORATE BUSINESS UNIT - CHENNAI
CHENNAI - KOTTURPURAM
ASSET RECOVERY BRANCH - CHENNAI
CHENNAI - WEST MAMBALAM
CHENNAI - CHINMAYA NAGAR
CHENNAI - PERAMBUR
CHENNAI - HARRINGTON ROAD
BUSINESS BANKING UNIT - CHENNAI
CHENNAI - TIRUVOTTIYUR
CHENNAI - AYANAVARAM
CHENNAI - ANNA NAGAR EAST
KVB SMART - CHENNAI
CHENNAI - ANNA SALAI

COIMBATORE

ANAIMALAI
COIMBATORE - MAIN
COIMBATORE - DR. NANJAPPA ROAD
COIMBATORE - R.S.PURAM
DHULLY
POLLACHI
COIMBATORE - SARAVANAMPATTI
COIMBATORE - SAIBABA COLONY
COIMBATORE - GANAPATHY
SOMANUR
KOVAIPUDUR
COIMBATORE - VADAVALLI
COIMBATORE - RAMANATHAPURAM
ANNUR
COIMBATORE - KUNIAMUTHUR
METTUPALAYAM
COIMBATORE - AVINASHI ROAD
COIMBATORE - KALAPATTI
COIMBATORE - SULUR
COIMBATORE - SIVANANDA COLONY
COIMBATORE - GOUNDAMPALAYAM
CHINNIYAMPALAYAM
THEETHIPALAYAM
VADASITHUR
COIMBATORE - THUDIYALUR
COIMBATORE - SINGANALLUR

MELUR
MADURAI - THIRUNAGAR
MADURAI - THIRUPPALAI
THENUR
MADURAI - KAMARAJAR SALAI
POTHUMBU
MADURAI - NORTH
MADURAI - VILLAPURAM
MADURAI - K.PUDUR
MADURAI - THIRUMANGALAM
MADURAI - BIBIKULAM
MADURAI - KOSAKULAM
MADURAI - MATTUTHAVANI
ASSET RECOVERY BRANCH - MADURAI
AAYANKOTTAI
CORPORATE BUSINESS UNIT - MADURAI
BUSINESS BANKING UNIT - MADURAI
MADURAI - K.K.NAGAR
KVB SMART - MADURAI
USILAMPATTI
KARADIPATTI
PALAMEDU
MADURAI-OTHAKADAI

MAYILADUTHURAI

MAYILADUTHURAI

NAGAPATTINAM

NAGAPATTINAM
NEERMULAI

NAMAKKAL

BELUKURICHI
KALAPPANAICKENPATTI
KOMARAPALAYAM
MANGALAPURAM
NAMAGIRIPET
NAMAKKAL - MAIN
VELLAPILLAIAR KOIL
PAUNDAMANGALAM
NAMAKKAL - WEST
PUDUCHATRAM
TIRUCHENGODE
VALAYAPATTI
RASIPURAM
PARAMATHI VELUR
PALLIPALAYAM

KANGEYAM
PALLADAM
VELLAKOIL
AVINASHI
P.KOMARAPALAYAM
PATTANAM
MANNARAI
MUDALIPALAYAM
VELAMPALAYAM
MUTHANAMPALAYAM
TIRUPUR - S.R. NAGAR
PONGALUR
TIRUPUR - VEERAPANDI PIRIVU
UTHUKULI
KODUVAI

TIRUVANNAMALAI

ARNI
PERUNDURAI PATTU
POLUR
VANDAVASI
TIRUVANNAMALAI
TIRUVETHIPURAM (CHEYYAR)
CHENGAM
KORUKKATHUR
ADAMANGALAM
NADUKUPPAM
KONALUR
ALATHUR
CHETPET

TRICHY

JEEYAPURAM
MUSIRI
THATHIENGARPET
TRICHY - MAIN
TRICHY - CANTONMENT
KANNANUR
TRICHY - THILLAINAGAR
TRICHY - SRIRANGAM
TRICHY - K.K.NAGAR
SURIYUR
TIRUVERUMBUR
TRICHY - SRINIVASA NAGAR
THURAIYUR
MANAPPARAI
TRICHY - KARUMANDAPAM

Network of Branches

COIMBATORE - SARAVANAMPATTI MAIN
KUNNATHUR
PERIYANAICKENPALAYAM
VILANKURICHI

NALLATTIPALAYAM

COIMBATORE - SUNDARAPURAM

KITTAMPALAYAM

COIMBATORE - NEW SIDDHAPUDUR

CORPORATE BUSINESS UNIT - COIMBATORE

COIMBATORE - PAPANAICKENPALAYAM

RASIPALAYAM

ASSET RECOVERY BRANCH - COIMBATORE

BUSINESS BANKING UNIT - COIMBATORE

COIMBATORE - KANUVAI

KVB SMART - COIMBATORE

COIMBATORE - SELVAPURAM

MALUMICHAMPATTI

MAKKINAMPATTI

THONDAMUTHUR

KANNAMPALAYAM

CUDDALORE

CHIDAMBARAM

CUDDALORE

VIRUDHACHALAM

NEYVELI

CHIDAMBARAM - ANNAMALAI NAGAR

PANRUTI

ERAIYUR

VADALUR

BHUVANAGIRI

KALLUR

PARANGIPETTAI

DHARMAPURI

KAMBAINALLUR

DHARMAPURI

HARUR

PAPPIREDDIPATTI

PALACODE

DINDIGUL

BATLAGUNDU

CHINNALAPATTI

DINDIGUL

NEIKARAPATTI

PALANI

ODDANCHATRAM

VEDASANDUR

NILAKOTTAI

MOHANUR

PARAMATHI - KOTTAMANGALAM

NILGIRIS

COONOOR

UDHAGAMANDALAM

KOTAGIRI

PERAMBALUR

PERAMBALUR

PUDUKKOTTAI

KOTHAMANGALAM

PUDUKOTTAI

ARANTHANGI

PONNAMARAVATHI

KURUVIKKONDANPATTI

ALAVAYAL

PUDUKOTTAI - NORTH

ALANGUDI

KARAMBAKKUDI

RAMANATHAPURAM

RAMANATHAPURAM

PARAMAKUDI

RAMANATHAPURAM - BHARATHI NAGAR

NARIPAYYUR

RANIPET

ARAKONAM

SALAI

SHOLINGUR

RANIPET

POOTUTHAKKU

ARCOT

PERUMUCHI

SALEM

ATTUR

IDAPPADI

KARIPATTI

KARUPPUR

METTUR DAM R.S.

SALEM - MAIN

SALEM - SHEVAPET

SALEM - ALAGAPURAM

ILAMPILLAI

JALAKANDAPURAM

SALEM - GUGAI

AYOTHIAPATTINAM

THAMMAMPATTI

LALGUDI

APPANALLUR

SAMAYAPURAM

SOBANAPURAM

MOOVANUR

MANACHANALLUR

TRICHY - WEST BOULIWARD ROAD

VENKATESAPURAM

MONDIPATTI

THIRUPPATTUR

TRICHY - ARIYAMANGALAM

BUSINESS BANKING UNIT - TRICHY

TRICHY - ALEXANDRIA ROAD

TRICHY - BHEEMA NAGAR

TRICHY-SUBRAMANIPURAM

TRICHY-NO.1-TOLL GATE

TRICHY-MELACHINTHAMANI

TRICHY- LINGAM NAGAR WORAIYUR

TUTICORIN

KOVILPATTI

TUTICORIN

SEYDUNGANALLUR

VAZHAVALLAN

IDAICHIVILAI

TIRUCHENDUR

VILATHIKULAM

VELLORE

KANIYAMBADI

VELLORE

GUDIYATHAM

BRAHMAPURAM

VIRUPAKSHIPURAM

KATPADI

SATHUVACHARI

PERNAMBUT BAGAYAM

VILLUPURAM

VILLUPURAM

TINDIVANAM

GINJEE

TIRUMANGALAM

PANANKUPPAM

MARAKKANAM

TIRUVENNAINALLUR

KUMBAKONAM EAST

VIRUDHUNAGAR

VIRUDHUNAGAR

RAJAPALAYAM

Network of Branches

VILPATTI
KOOMBUR
DINDIGUL - R M COLONY

ERODE

BHAVANI
ERODE
GOBICHETTIPALAYAM
KAVINDAPADI
KOLATHUPALAYAM
PERUNDURAI
SATHYAMANGALAM
METTUKADAI
PERUNDURAI - KEC NAGAR
ERODE - SAMPATH NAGAR
SIVAGIRI
ERODE - VEERAPPANCHATIRAM
CHENNIMALAI
ANTHIYUR
KANAKAMPALAYAM
SAVANDAPUR
OTHAKADAI
MULLAMPARAPPU
ERODE - CHINNIAMPALAYAM
PUNJAIPULIYAMPATTI
KARUMANDAMPALAYAM
T. VELLODE
NAMBIYUR
KONGARPALAYAM
ORICHERI
KATHIRAMPATTI

SANKAGIRI (SANKARI)
DEVIAKURICHI
OMALUR
VAZHAPADI
SALEM - KONDALAMPATTI
PANJAKALIPATTI
BUSINESS BANKING UNIT - SALEM
VEERAGANUR
SALEM-GORIMEDU
SALEM-CHERRY ROAD

SIVAGANGAI

KARAIKUDI
SINGAMPUNERI
SAKKOTTAI
DEVAKOTTAI
KOVILLOOR

TENKASI

TENKASI
SANKARANKOIL
SURANDAI
KADAYANALLUR
MUDALIYARPATTI
ALANGULAM

THANJAVUR

KUMBAKONAM
THANJAVUR
THIRUPALATHURAI
PATTUKOTTAI
MADUKKUR
PERAVURANI
VILAR
THIRUVIDAIMARUDUR
PULIYANTHOPPU
THANJAVUR - R.R.NAGAR

SIVAKASI
ARUPPUKKOTTAI
NAKKENERI
SRIVILLIPUTTUR
S.N.PURAM

TELANGANA

ADILABAD

ADILABAD

BHADRADRI KOTHAGUDEM

KOTHAGUDEM
PALONCHA (PALWANCHA)

HANUMAKONDA

WARANGAL - HANAMAKONDA
WARANGAL - KHAZIPET

HYDERABAD

HYDERABAD - MAIN

MANCHERIAL

MANCHERIAL

MEDAK

MEDAK

MEDCHAL- MALKAJGIRI

HYDERABAD - MALKAJ GIRI
HYDERABAD - A.S.RAO NAGAR
HYDERABAD - PRAGATHI NAGAR
HYDERABAD - KUKATPALLY
HYDERABAD - BODUPPAL
HYDERABAD - NIZAMPET

SIDDIPET

SIDDIPET

SURYAPET

KODAD

WANAPARTHY

WANAPARTHY

WARANGAL

WARANGAL - MAIN

Network of Branches

SECUNDERABAD
 HYDERABAD - NALLAKUNTA
 HYDERABAD - ABIDS
 HYDERABAD - S R NAGAR
 HYDERABAD - KALYAN NAGAR
 HYDERABAD - JUBILLEE HILLS
 HYDERABAD - HIMAYATNAGAR
 HYDERABAD - MEHADIPATNAM
 HYDERABAD - HABSIGUDA
 HYDERABAD - AMEERPET
 HYDERABAD - SANTOSH NAGAR
 HYDERABAD - BANJARA HILLS
 CORPORATE BUSINESS UNIT - HYDERABAD
 ASSET RECOVERY BRANCH - HYDERABAD
 HYDERABAD - TADBUND
 BUSINESS BANKING UNIT - HYDERABAD
 RETAILS ASSET & PERSONAL BANKING
 KVB SMART - HYDERABAD

JOGULAMBA GADWAL
 GADWAL

JAGTIAL
 JAGTIAL

HYDERABAD - ALWAL
 MEDCHAL
 NAGARAM

KAMAREDDY
 KAMAREDDY

KARIMNAGAR
 KARIMNAGAR
 JAMMIKUNTA

KHAMMAM
 KHAMMAM
 KHAMMAM - KAVIRAJ NAGAR

MAHABUBNAGAR
 MAHBUBNAGAR
 JADCHERLA

NAGAR KURNOOL
 NAGAR KURNOOL

NALGONDA
 MIRYALAGUDA
 NALGONDA

YADADRI BHUVANAGIRI
 YADAGIRIGUTTA

NIRMAL
 BHAINSA

NIZAMABAD
 NIZAMABAD
 NIZAMABAD-HYDERABAD ROAD

RANGA REDDY
 HYDERABAD - DILSUKH NAGAR
 HYDERABAD - MANIKONDA
 HYDERABAD - MEERPET
 HYDERABAD - CHANDANAGAR
 HYDERABAD - MIYAPUR
 HYDERABAD - VANASTHALIPURAM
 HYDERABAD - KONDAPUR
 HYDERABAD - L.B. NAGAR
 HYDERABAD - HAYATHNAGAR
 BRAHMANAPALLY
 SHADNAGAR
 IBRAHIMPATNAM
 SANGAREDDY
 SANGAREDDY
 ZAHEERABAD

UTTARAKHAND

DEHRADUN
 DEHRADUN

UTTARPRADESH

AYODHYA
 AYODHYA

KANPUR
 KANPUR

MEERUT
 MEERUT

GAUTAM BUDDHA NAGAR
 NOIDA

LUCKNOW
 LUCKNOW

VARANASI
 VARANASI

GHAZIABAD
 GHAZIABAD

WEST-BENGAL

PASCHIM BARDHAMAN
 DURGAPUR

NORTH 24 PARGANAS
 KOLKATA - SALT LAKE

PASCHIM MEDINIPUR
 KHARAGPUR

HOWRAH
 JAGACHA
 BAGNAN
 GHOSHPARA

KOLKATA
 KOLKATA - BURRA BAZAAR
 KOLKATA - SHAKESPERE SARANI
 KOLKATA - BALLYGANGE
 KOLKATA - N.S.ROAD
 ASSET RECOVERY BRANCH - KOLKATA
 JOKA
 KOLKATA - DAKSHINESHWAR
 KOLKATA - BANGUR AVENUE

SOUTH 24 PARGANAS
 GARIA

DIGITAL BANKING UNIT

TAMIL NADU

CHENNAI
 CHENNAI - NANDANAM D.B.U.

PRINCIPAL CORRESPONDENT BANKS

Name of the Bank and address

OUR SWIFT CODE KVBLINBBIND

CHIPS UID: 154137

Name of the Bank and address	Name of the Bank and address	Name of the Bank and address	Name of the Bank and address
USD	EURO	JPY	GBP
Citi Bank, N A 111,Wall Street New York City, NY 10018, USA Ac.No.36844037 SWIFT : CITIUS33 FEDWIRE ROUTING NUMBER 021000089	Commerz Bank AG Theodor-Heuss-Allee 50 60489 Frankfurt AM Main Germany Ac. No. 400875119000EUR SWIFT : COBADEFF	Standard Chartered Bank 30-16, Ogikubo 4-chome, Suginami-ku Tokyo 167-8530, Japan Ac.No. 0219600 - 1110 SWIFT:SCBLJPJT	Standard Chartered Bank 1 Alderman bury Square London EC2V 7SB United Kingdom Ac.No. GBP 01 265520901 SWIFT : SCBLGB2L I-BAN NO GB94SCBL60910412655209
USD	EURO	AUD	CHF
Standard Chartered Bank One Madison Avenue New York, NY 10010-3603, USA Ac.No.3582069922001 SWIFT : SCBLUS33 FEDWIRE ROUTING NUMBER 026002561 CH5200700070001283278	Standard Chartered Bank Gmbh Postfach 110162 Theodor-Heuss-Allee 112 D-60036,Frankfurt am Main, GERMANY Ac.No.18021504 SWIFT : SCBLDEFX I-BAN NO DE39512305000018021504	Australia & Newzealand Banking Corporation 55 Collins Street Melbourne, Victoria AUSTRALIA Ac.No. 237776-00001 SWIFT : ANZBAU3M BSB Number: 013024	ZUERCHER KANTONAL BANK Zurich, Switzerland Ac.No.0700-01283278 SWIFT :ZKBKCHZZ80A I-BAN NO
SGD	CAD	AED	SGD
Standard Chartered Bank Battery Road Branch, 6, Battery Road, SINGAPORE 049909 Ac.No. 0106342533 SWIFT:SCBLSG22 AE590230000001001361656	ICICI Bank Canada Don Valley Business Park, 150 Ferrand Drive, Suit No 700 North York, Ontario CANADA M3C3E5 Ac.No.101928815 SWIFT:ICICCAT	Commercial Bank of Dubai Po Box 2668, Al Ittihad street Dubai,UAE A/c.No.1001361656 Swift: CBDUAEADXXX I-BAN NO	Indian Overseas Bank 64, Cecil Street, IOB Building, Singapore 049711 A/c. No. 4916210132 SWIFT: IOBASGSG
SGD			
DBS BANK SINGAPORE 018982 Singapore , SG A/c. No. 0370038466 SWIFT: DBSSSGSGXXX			

A Decade of Progress

Year	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Paid up Capital	107	122	122	122	145	160	160	160	160	160	161	161
Reserves	3,219	4,124	4,451	4,723	6,066	6,205	6,440	6,760	7,308	8,264	9,687	11,768 [^]
Owned funds	3,326	4,246	4,573	4,845	6,211	6,365	6,600	6,920	7,596	8,584	9,848	11,929
Basel III (%)	12.6	14.62	12.17	12.54	14.43	16	17.17	18.98	19.46	18.56	16.67	18.17
Deposits	43,758	44,690	50,079	53,700	56,890	59,868	59,075	63,278	68,486	76,638	89,113	1,02,078
Advances	34,226	36,691	39,476	41,435	45,973	50,616	48,516	52,820	56,876	64,168	74,423	84,491
Total Business	77,984	81,381	89,555	95,135	1,02,863	1,10,484	1,07,591	1,16,098	1,25,362	1,40,806	1,63,536	1,86,569
Total Income	5,680	5,977	6,150	6,405	6,600	6,779	7,145	6,389	6,357 ^{**}	7,675	9,863	11,508
Operating Profit	838	943	1,303	1,571	1,777	1,711	1,761	1,291	1,630 ^{**}	2,476	2,829	3,212
Net Profit	430	464	568	606	346	211	235	359	673	1,106	1,605	1,942
Return on Assets (%)	0.86	0.88	1.03	1	0.53	0.31	0.32	0.49	0.86	1.27	1.63	1.72
Cost of Deposit	8.24	7.96	7.4	6.6	5.99	5.8	5.76	4.96	4.3	4.27	5.19	5.61
Yield on Advance	12.28	12.14	11.67	11.34	10.3	9.75	9.63	8.93	8.47	8.93	9.93	10.15
EPS (Rs.)	40.08	39.86	46.59	9.95 [*]	4.78	2.64	2.94	4.5	8.42	13.81	19.99	24.13
Book Value(Rs.)	308.91	348.42	375.25	79.51 [*]	85.49	79.63	82.57	86.57	94.95	105.03	122.42	148.17 [^]
Dividend (%)	130	130	140	130	30	30	-	25	80	100	120	130 [#]
No of Employees	7,339	7,197	7,211	7,400	7,956	7,663	7,935	7,746	7,306	7,764	9,085	9,866
Business per employee	10.63	11.31	12.42	12.86	12.93	14.42	13.56	14.99	17.28	18.14	18	18.91
Branches (No.)	572	629	667	711	790	778	779	780	789	799	838	888

* During the Financial Year 2016-17, one Equity Share face value of Rs. 10/- each was subdivided into five Equity Shares of face value Rs.2/- each

** After reclassification of depreciation on investments as an item of other income

[^] Includes proposed dividend ; [#] proposed dividend subject to approval at AGM

GRI Content Index

GRI Standards	Disclosure	Section	Page No.
GRI 2: General Disclosures 2021	2-1 Organizational details	Building on Strength & Banking on Trust	4
	2-2 Entities included in the organization's sustainability reporting	BRSR Section A, Q23	104
	2-3 Reporting period, frequency and contact point	Our Approach to Reporting	1
	2-4 Restatements of information		1
	2-5 External assurance	BRSR Section A, Q14	102
	2-6 Activities, value chain and other business relationships	Stakeholder Engagement	32
	2-7 Employees	BRSR Section A, Q20(a)	103
	2-8 Workers who are not employees		103
	2-9 Governance structure and composition	Corporate Governance Report - Board of Directors	171
	2-10 Nomination and selection of the highest governance body	Corporate Governance Report - Board Committees - Nomination and Remuneration Committee	190
	2-11 Chair of the highest governance body	Corporate Governance Report - Board of Directors	171
	2-12 Role of the highest governance body in overseeing the management of impacts	Corporate Governance Report - Board Committees	185-201
	2-13 Delegation of responsibility for managing impacts	Corporate Governance Report - Board Committees	185-201
	2-14 Role of the highest governance body in sustainability reporting	Corporate Governance Report - Corporate Social Responsibility & Environmental, Social and Governance Committee (CSR & ESG)	200
	2-15 Conflicts of interest	BRSR Principle 1, LI, Q2 Conflict of Interest	116
	2-16 Communication of critical concerns	Social – Customers - Robust Grievance Redressal and Customer Feedback Mechanism	52
	2-17 Collective knowledge of the highest governance body	Corporate Governance Report	176-181
	2-18 Evaluation of the performance of the highest governance body	Directors' Report	86
	2-19 Remuneration policies	Policy on remuneration of directors	89
	2-20 Process to determine remuneration		89
	2-21 Annual total compensation ratio	BRSR Principle 5, Essential Indicator 3	125
	2-22 Statement on sustainable development strategy	Managing Director & CEO's Message	16-19
	2-23 Policy commitments	BRSR Section B	109-112
	2-24 Embedding policy commitments		
	2-25 Processes to remediate negative impacts		
	2-26 Mechanisms for seeking advice and raising concerns		
	2-27 Compliance with laws and regulations	BRSR Principle 7, Essential Indicator, Q 1	134
	2-28 Membership associations		
	2-29 Approach to stakeholder engagement		
	2-30 Collective bargaining agreements	BRSR Principle 3, Essential Indicator, Q 7	119

GRI Content Index

GRI Standards	Disclosure	Section	Page No.
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Materiality Assessment	36-37
	3-2 List of material topics		
	3-3 Management of material topics		
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Balance Sheet	232
	201-2 Financial implications and other risks and opportunities due to climate change	Management Discussion & Analysis - Risk Management – Climate Risk	163
	201-3 Defined benefit plan obligations and other retirement plans	BRSR Principle 3, Essential Indicator, 2	118
	201-4 Financial assistance received from the government	Not Applicable	-
GRI 202: Market Presence 2016	202-1 Ratios of standard entry-level wage by gender compared to local minimum wage	BRSR Principle 5 Essential Indicator Q2	125
	202-2 Proportion of senior management hired from the local community	Corporate Governance Report – Profile of Board of Directors	176-181
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	14. 14a. Corporate Social Responsibility (CSR)	304
	203-2 Significant indirect economic impacts	BRSR Principle 8, Leadership Indicator, Q6	136
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	BRSR Principle 8 Essential Indicator Q4	135
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	BRSR Principle 1 Essential Indicator Q4	114
	205-2 Communication and training about anti-corruption policies and procedures		114
	205-3 Confirmed incidents of corruption and actions taken	Director's Report	81
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	BRSR Principle 7, Essential Indicator Q2	134
GRI 207: Tax 2019	207-1 Approach to tax	SCHEDULE 17 - Significant Accounting Policies - Income Tax	250
	207-2 Tax governance, control, and risk management		
	207-3 Stakeholder engagement and management of concerns related to tax		
	207-4 Country-by-country reporting		
GRI 301: Materials 2016	301-1 Materials used by weight or volume	Not Applicable	-
	301-2 Recycled input materials used		
	301-3 Reclaimed products and their packaging materials		
GRI 302: Energy 2016	302-1 Energy consumption within the organization	BRSR Principle 6, Q1	128
	302-2 Energy consumption outside of the organization	Not Applicable	-
	302-3 Energy intensity	BRSR Principle 6, Q1	128
	302-4 Reduction of energy consumption	BRSR Principle 6, Q1	128
	302-5 Reductions in energy requirements of products and services	Not Applicable	-
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	BRSR Water Management, Principle 6, Q2, Q4	128
	303-2 Management of water discharge-related impacts		128
	303-3 Water withdrawal		128
	303-4 Water discharge		129
	303-5 Water consumption		128

GRI Content Index

GRI Standards	Disclosure	Section	Page No.
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	BRSR Principle 6, Q7. Scope 1	130
	305-2 Energy indirect (Scope 2) GHG emissions	and Scope 2 Emissions	130
	305-3 Other indirect (Scope 3) GHG emissions	The bank is in the process of measuring its Scope 3 Emissions	
	305-4 GHG emissions intensity	BRSR Emission Intensity	130
	305-5 Reduction of GHG emissions	Principle 6, Q8	130
	305-6 Emissions of ozone-depleting substances (ODS)	Not Applicable	-
	305-7 Nitrogen oxides (NOX), sulfur oxides (SOX), and other	Not Applicable	-
GRI 306: Effluents and Waste 2016	306-1 Water discharge by quality and destination	BRSR Principle 6, Essential Indicator Q4	129
	306-2 Waste by type and disposal method	BRSR Principle 6, Essential Indicator Q9	131
	306-3 Significant spills	Not Applicable	-
	306-4 Transport of hazardous waste	Not Applicable	-
	306-5 Water bodies affected by water discharges and/or runoff	Not Applicable	-
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Not Applicable	-
	308-2 Negative environmental impacts in the supply chain and actions taken		
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Social- People	44-45
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	BRSR Principle 3 Essential Indicator Q1, Q5	118
	401-3 Parental leave		119
GRI 402: Labor/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes	In the event of operational changes, the concerned stakeholders are notified well in advance to allow them to adapt to these operational changes.	
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	BRSR Principle 3 Essential Indicator Q10 & Q11	120
	403-2 Hazard identification, risk assessment, and incident investigation		
	403-3 Occupational health services		
	403-4 Worker participation, consultation, and communication on occupational health and safety		
	403-5 Worker training on occupational health and safety		
	403-6 Promotion of worker health		
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships		
	403-8 Workers covered by an occupational health and safety management system		
	403-9 Work-related injuries		
	403-10 Work-related ill health		
GRI 404: Training and Education 2016	404-1 Average hour of training per year per employee	Key Highlights - Social	7
	404-2 Programs for upgrading employee skills and transition assistance programs	Learning & Development	46
	404-3 Percentage of employees receiving regular performance and career development reviews	BRSR Principle 3, Essential Indicator, Q9	120

GRI Content Index

GRI Standards	Disclosure	Section	Page No.
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Corporate Governance Report – Board Diversity, Social – People Diversity and Inclusion	172, 47
	405-2 Ratio of basic salary and remuneration of women to men	Director's Report Annexure II	96
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	BRSR Principle 5, Essential Indicator, Q7	126
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	BRSR Principle 3 Essential Indicator Q7	119
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	BRSR Principle 5, Leadership Indicator, Q4	127
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	BRSR Principle 5, Leadership Indicator, Q4	127
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	The Security personnel are deployed through third party agencies, and the bank is ensuring that the necessary trainings are imparted to them.	
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of Indigenous peoples	Not Applicable	-
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Social- Communities	54-59
	413-2 Operations with significant actual and potential negative impacts on local communities		54-59
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	No New suppliers were assessed.	
	414-2 Negative social impacts in the supply chain and actions taken	Not Applicable	-
GRI 415: Public Policy 2016	415-1 Political contributions	Corporate Governance Report – Political Contributions	211
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	The Bank adheres to all the regulatory standards.	
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Not Applicable	-
GRI 417: Marketing and Labelling 2016	417-1 Requirements for product and service information and labelling	Social – Customers - Our Robust Grievance Redressal Framework	53
	417-2 Incidents of non-compliance concerning product and service information and labelling	BRSR Principle 9, Essential Indicators, Q3	137



THE KARUR VYSYA BANK LIMITED

Registered & Central Office

No. 20, Erode Road,
Vadivel Nagar, L.N.S., Karur - 639002.
Phone : 04324 - 269000

CIN : L65110TN1916PLC001295

e-mail : kvb_sig@kvbmail.com

website : www.kvb.co.in

