

Accelerating into the Future

Annual Report 2025-26



STRONG PERFORMANCE

Strong growth
across key
parameters



CUSTOMER CENTRIC

Trusted relationships
Enduring Trust



DIGITAL INNOVATION

Technology led
solutions for a
better tomorrow



PRUDENT GOVERNANCE

Responsible
banking
Strong governance



SUSTAINABLE FUTURE

Committed to
sustainable future

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Corporate Information

Tamilnad Mercantile Bank Limited

57, Victoria Extension Road,
Thoothukudi 628 002

☎ 0461-2325136

🌐 www.tmb.bank.in

✉ shareholders@tmbank.in

Board Members

Thiru.K.Ramachandran

Non-Executive Part-Time Chairman
(Independent Director)

Thiru.Salee S Nair

Managing Director & CEO

Thiru.Vincent M.D

Executive Director

Thiru.A.Niranjana Sankar

Director

Thiru.K.V.Rama Moorthy

Director

Thiru.S.R.Aravind Kumar

Director

Thiru. R.Kodeeswaran

Director

Thiru.C.Chiranjeeviraj

Independent Director

Thiru.S.Sridharan

Independent Director

Thiru.R.Deepak Shankar

Independent Director

Tmt.R.Kanagavalli

Independent Director

Thiru.A.Shidambaranathan

Independent Director

Thiru.C.S.Ram Kumar

Additional Director, RBI Nominee

Thiru V.Srinivasan

Additional Director, RBI Nominee

Joint Statutory Central Auditors

Sundaram & Srinivasan

Chartered Accountants

23, C P Ramaswamy Road,
Alwarpet, Chennai – 600 018

Chandran & Raman

Chartered Accountants

No.2, Dr. RK Road, 2nd Street, Mylapore,
Chennai – 600 004

Secretarial Auditor

SPNP & Associates

Practising Company Secretaries

No.10/28, II Floor,
3rd Cross Street, R.K.Nagar,
Raja Annamalaipuram,
Chennai – 600 028

Registrar and Transfer Agent

MUFG Intime India Private Limited

Surya 35, Mayflower Avenue,
Behind Senthil Nagar,
Sowripalayam Road,
Coimbatore – 641 028.

☎ +91 (422) 231 4792, +91 (422) 253 9836,

☎ +91 (422) 253 9835, +91 (422) 4958 995

✉ investor.helpdesk@in.mpms.mufig.com

Vision and Mission

OUR VISION



To be a progressive bank with strong brand equity, enhancing value for all the stakeholders through excellence in performance and good governance.

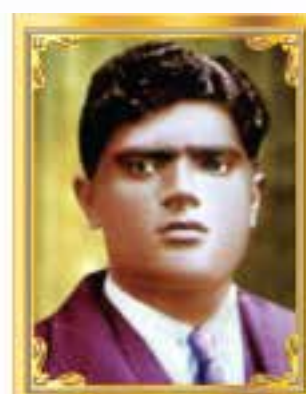
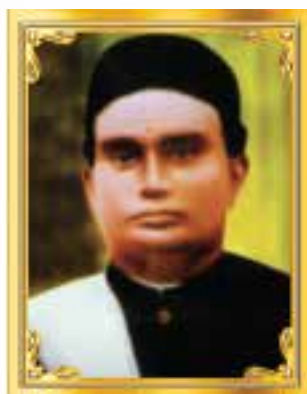
OUR MISSION



We shall provide exemplary service with highest delivery efficiency, based on ethics, honesty and sincerity with cutting edge technology and emerge as a truly national Bank.



Tribute to Founders



Chairman's Message

Dear Stakeholders,



I am pleased to present the Bank's Annual Report for the financial year 2025-26, which chronicles a year of landmark financial performance, sustained growth, and record profitability for the Bank. Our unwavering commitment to customer service, operational efficiency, institutional credibility, and customer-centric innovation has firmly solidified its position as a trusted financial partner. Looking ahead, we continuously strive to enhance long term value for its stakeholders while agilely navigating an ever-changing, dynamic macroeconomic landscape.

The Indian banking industry, during the financial year 2025-26, witnessed healthy credit growth, improved balance sheet strength, better asset quality and increasing digital penetration. The banking sector also witnessed planned and nascent steps in adopting artificial intelligence, data-driven banking models, enhanced cyber security frameworks, embedded finance ecosystems and digital-first customer engagement strategies ensuring start to finish digital journey in liability and asset products. In this rapidly transforming landscape,

Your Bank continued to strengthen its position amongst the comity of Banks, as a stable, customer-centric and professionally governed institution with a strong focus on sustainable growth and long-term value creation.

I am pleased to report that during the financial year 2025-26, your Bank delivered another year of strong financial growth and had introduced process changes for improved and effective operational performance. Your Bank recorded significant growth across all major business parameters while maintaining superior asset quality, healthy profitability, strong capital adequacy and prudent risk management standards.

During the year, your Bank's Total Business crossed ₹1.15 lakh crore, reflecting robust and consistent momentum in mobilizing both deposits and advances. Total Deposits increased to ₹61,712 crore, registering a healthy year-on-year growth of 14.94%, driven by enhanced new customer acquisition, sustained customer confidence, expansion in retail deposits and focused liability mobilization initiatives. Gross Advances increased to ₹53,379 crore recording a year-on-year growth of 20.32%, supported by calibrated credit expansion across Retail, Agriculture, MSME and other productive sectors of the economy.

Your Bank recorded its highest-ever annual Net Profit of ₹1,338 crore during the financial year, reflecting the inherent strength of the business model, operational discipline and its strategic focus on profitable growth. Net Interest Income and other core income streams witnessed healthy growth during the year, while operational efficiency improvements contributed to sustained earnings performance.

The Bank's strategic focus remained anchored on accelerating branch network expansion, Advancing the digitalization roadmap, Optimizing frontline sales capabilities, sustained improvement of asset quality and cultivating high-impact strategic partnerships. In the financial year 2025-26, in addition to the digital outreach, your Bank had expanded physical footprint through the planned addition of 44 new branches. The emphasis on branch expansion was primarily to ensure spreading the branch network throughout India, thereby, amplifying the Bank's market presence and penetration.



Your Bank made continued progress in strengthening digital banking adoption across various customer delivery channels by entering into new partnerships, redesigning and improving customer experience through revamped internet banking, mobile banking, UPI-based transactions, merchant payment ecosystems and digital onboarding solutions. Simultaneously, investments in information security, fraud risk management and cyber resilience were enhanced to address the ever-increasing threats and growing complexity of digital banking.

The financial year also highlighted the increasing importance of sustainability, ensuring excellence in governance and responsible banking practices. Your Bank continues to focus on responsible lending practices, financial inclusion, rural outreach, social impact initiatives and ensuring ethical business conduct. Through various Corporate Social Responsibility initiatives and community development activities, your Bank remains committed to creating meaningful and lasting value for the society.

During this financial year 2025-26, your Bank continued to strengthen its governance architecture, risk management policies and compliance framework so as to align with the evolving regulatory expectations and global best practices. Your Bank remains committed to maintaining the highest standards of transparency, accountability, integrity and stakeholder trust.

Your Bank is well-positioned to capitalize on emerging opportunities through its strong balance sheet, deep-rooted customer relationships, process changes focused on customer convenience and improved efficiency, robust capital position, contemporary technology-driven initiatives and disciplined operating philosophy.

Your Bank remains confident in its ability to fortify CASA (Current Account, Savings Account) franchise and accelerate the mobilization of core retail deposits, which would serve as the strong foundation for powering its strategic credit expansion initiatives. Concurrently, your Bank would lay emphasis on scaling its RAM (Retail, Agriculture and MSME) advances with uncompromising focus on net interest margins.

Your Bank's rigorous cybersecurity posture, coupled with mature risk management frameworks and strict regulatory and statutory compliance, provides the institutional resilience in our pursuit for planned growth initiatives in all spheres of business.

On behalf of the Board of Directors, I extend my sincere gratitude to all our valued customers for their enduring trust and confidence in the Bank. I also express my gratitude and thanks to the Reserve Bank of India and other regulatory authorities for their continued support and guidance. I also express my appreciation to our shareholders for their unstinted continued support and to all our stakeholders for their encouragement and cooperation.

I place on record my heartfelt appreciation for the dedication, professionalism and unwavering commitment demonstrated by our employees across all levels of the organization. Their relentless efforts and willingness to adopt and adapt to the ever-changing digital landscape coupled with their customer-centric approach continues to be the foundation for the Bank's sustained growth and success.

With a strong legacy, sound fundamentals and a clear strategic vision, your Bank remains confident in its ability to ensure stronger, more resilient and future-ready institution that continues to serve the aspirations of our customers, stakeholders, the community and the society it serves with commitment to service excellence.

Warm regards

K. Ramachandran
Chairman

MD & CEO's Message



Dear Stakeholders,

"Transforming Momentum into Sustainable Growth"

Driving disciplined growth through technology-led transformation, strong asset quality and a resilient business model

It gives me immense pleasure to present the performance of your Bank for the year under review. This has been a defining year in our journey, marked by strong financial performance, improved competitiveness and meaningful progress in our transformation agenda.

Over the past few years, your Bank has undertaken a focused effort to reverse a prolonged phase of relative underperformance and realign itself with industry growth. I am pleased to note that your bank not only matched but exceeded market growth trends during the year. Our total business registered a growth of over 17%, while advances grew by more than 20%, reflecting the effectiveness of our strategic initiatives and the resilience of our franchise.

Your Bank's financial performance continues to be supported by strong fundamentals and delivered a healthy return on assets of ~ 2% and a return on equity ~ 14%. Importantly, this growth has been achieved while preserving your Bank's long-standing commitment to prudent risk management. Asset quality remains robust with gross non-performing assets below 1% and Provision Coverage Ratio improved to 96.14%, underscoring the quality of your Bank's underwriting and monitoring practices.

A defining feature of approach has been your Bank's conservative risk culture, which continues to guide lending strategy. Your Bank remain focused on secured lending, with careful attention to borrower quality and collateral coverage. This disciplined approach has enabled us to grow confidently while maintaining one of the strongest asset quality profiles in the industry. Your Bank growth has been driven by a balanced expansion across key segments. The gold loan portfolio has emerged as a significant contributor, supported by favourable market conditions and rigorous loan-to-value monitoring. At the same time, your Bank reinvigorated focus on the MSME segment, which is central to our legacy and growth strategy. With improved systems, stronger customer engagement and enhanced risk frameworks, MSME advances would play an increasingly important role in future growth.

In parallel, your Bank is strengthening retail portfolio in a calibrated manner, with a clear emphasis on building robust systems and processes before scaling up. This measured approach reflects commitment to sustainable growth rather than short-term expansion.

Technology and digital transformation remain at the core of Bank's strategic priorities. During the year, Bank made significant progress in modernising technology infrastructure, including the implementation of a comprehensive Loan Management System and a business rule engine. These initiatives are expected to enhance operational efficiency, improve turnaround times and provide a scalable platform for future growth. Your Bank's digital initiatives have also enabled a substantial migration of transactions outside branches, enhancing customer convenience while improving productivity.



The Bank complemented these technology initiatives with important structural changes in operating model. The establishment of centralized Credit Management Centres has enabled a clear separation of responsibilities, allowing branch teams to focus on business development and customer relationships, while specialized units handle credit appraisal and processing. This transformation is expected to deliver sustained improvements in efficiency and service quality.

Strengthening our liability franchise remains another key priority. Your Bank had made steady progress in CASA growth supported by TBG & ESG initiatives and expanding our deposit base through focused efforts in transaction banking, institutional relationships and granular deposit mobilization. The Bank's strategy is to build a stable and diversified funding base that supports long-term growth.

Geographic diversification is an integral part of growth strategy. While the Bank continue to benefit from deep-rooted presence in Tamil Nadu, your Bank is consciously expanding footprint across other regions. By recruiting local talent and building region-specific capabilities, we aim to enhance competitiveness and reduce concentration risks over the time.

Your Bank remains well-capitalized with CRAR improved to 33.73% from 32.71% and capital adequacy comfortably above regulatory requirements. This strong capital position provides the flexibility to pursue growth opportunities while maintaining financial stability. As the Bank complete our ongoing modernization initiatives and will evaluate selective inorganic growth opportunities that align with strategic objectives.

Looking ahead, the Bank remains optimistic about the opportunities. The structural demand for credit in the economy, particularly in MSME and retail segments, continues to be strong. With the completion of technology transformation in the coming year, the Bank expects to further accelerate our growth trajectory while maintaining our focus on profitability and asset quality. Your Bank's aspiration is to sustain return on assets at around 2% over the medium term, supported by disciplined execution and continued operational improvements.

At the same time, your Bank remain mindful of the evolving regulatory landscape and competitive environment. The approach will continue to be guided by prudence, resilience and a long-term perspective, ensuring that growth is both sustainable and value-accretive.

In closing, I would like to express my sincere gratitude to our customers for their trust, our employees for their unwavering commitment and our shareholders for their continued support. I also extend my appreciation to our Board of Directors for their guidance and oversight during this important phase of transformation.

With a clear strategy, a strong foundation and an unwavering commitment to excellence, your Bank is well-positioned to build on its legacy and create enduring value for all stakeholders.

Let us move forward – stronger, smarter and more connected than ever before.

Warm regards

Salée S Nair
Managing Director & CEO

Message from Executive Director



Dear Shareholders,

It is a privilege to address you as Executive Director of Tamilnad Mercantile Bank. FY2026 has been a year of purposeful action — one where intent was converted into execution across every dimension of our operations. The results speak clearly: record profitability, the strongest asset quality metrics in forty quarters and a growth trajectory that has outpaced market expectations. Behind these numbers lies the disciplined institutional work of embedding new systems, new processes, and new capabilities into the DNA of this Bank.

Strengthening Credit Architecture

One of the most consequential structural change during the year was functionalisation of Credit Management Centres (CMCs). These hubs, each covering approximately fifty branches, represent a fundamental shift in how we underwrite and manage credit. By separating business origination from credit appraisal, we have strengthened accountability at every stage of the lending cycle, reduced turnaround times and materially improves the quality of decisions entering our books.

The impact is visible in our numbers. Gross NPA has declined to 0.73% — the lowest level in forty quarters — while stressed assets as a proportion of the portfolio have improved from 2.01% in FY25 to 1.14% in FY26. The slippage ratio has dropped to 0.19% and the SMA ratio to 1.29%, both multi-year lows. These outcomes are not coincidental; they reflect the rigour embedded in your Bank's new credit framework and the commitment of TMB teams to uphold it consistently.

Your Bank's provision coverage ratio has risen to 96.14%, with on-book PCR at 74.89%. With an average collateral coverage of 127.52% on NPA accounts, the balance sheet is well-protected against residual credit risk. Credit cost for the year stood at a remarkably low 0.03%, enabling profitability to compound without the drag of elevated provisioning.

Gold Loan: A Strategic Asset

The gold loan portfolio, at ₹24,790 crore as of 31 March 2026, represents over 46% of total advances and continues to be one of our most distinctive competitive strengths. With a CAGR of 26.04% over the past nine years, this portfolio has been built with a consistent emphasis on quality: average LTV of 53.25%, GNPA below 0.01%, and an SMA ratio of under 0.05%. The portfolio contributes an ROA of approximately 2.05% — well above the Bank's overall return metrics.

We have invested in the operational infrastructure to sustain this engine responsibly. Asset resolution team

at each CMC are being set up to manage margin calls, LTV discipline, and auctions efficiently. Stress testing of the gold portfolio is conducted daily and your Bank's systems are calibrated to absorb a 25% reduction in gold prices without material impact to the balance sheet. This proactive approach to risk management gives confidence to continue scaling this segment.

MSME and Retail: Building the Next Growth Layer

Your Bank's RAM (Retail, Agriculture, and MSME) portfolio constitutes approximately 95% of the book, with secured lending at 99.90% of advances. This is a portfolio built to endure. Retail advances stood at ₹14,912 crore, agriculture at ₹20,084 crore, and MSME at ₹15,532 crore, with collateral coverage on NPA accounts of approximately 170%, 165%, and 169% respectively.

The redesign of your Bank's MSME architecture — underpinned by system-led underwriting through Business Rule Engines (BRE) and Loan Management System (LMS) — has materially reduced turnaround times while improving the consistency and accuracy of credit decisions. RAM portfolio growth stood at 22.35% YoY in FY26, reflecting both improved capabilities and growing market confidence in offerings. We view the MSME segment as a strategic priority for FY27 and beyond, with a target of 15–20% growth supported by deeper cross-sell through our CX platform and data analytics capabilities.



Branch Expansion and Geographic Diversification

Your Bank network expanded to 622 branches by end of FY26, with 44 new branches opened during the year – 15 of these outside Tamil Nadu. The new branches opened since listing in 2022 have already contributed 15% to the incremental business, validating the returns on this expansion or investment. Revenue per branch stood at ₹5.47 crore in FY26, improving by 2 basis points YoY.

For FY27, Bank has proposed to open 60 new branches, with at least 20 located outside Tamil Nadu. Bank's medium-term objective is to grow the share of business from outside Tamil Nadu from the current 27% towards 30% and beyond. This geographic diversification reduces concentration risk and opens access to new customer pools, particularly in underserved markets where Bank's proposition is well-suited.

Technology as the Backbone of Scale

FY26 marked a significant milestone in TMB's technology journey. The Oracle Fusion Cloud suite – covering ERP, HCM, and CX functions – went fully live by March 2026, bringing cohesion and real-time visibility across the enterprise operations. Bank's dual-city IT architecture, with a primary hub in Chennai and a support cell in Thoothukudi, ensures operational continuity and redundancy across all 622 branches on 100% connectivity.

Digital transactions now constitute approximately 97% of all transaction volumes, with 170+ services available through digital channels. The introduction of an AI Hub providing 24/7 customer support, the Digital Engagement Hub, and an integrated back office are progressively reducing manual touchpoints while improving customer experience. The second phase of digital revamp, planned for Q3 FY27, will further deepen these capabilities and build the platform for your Bank's next stage of growth.

People: Investing in Institutional Capability

Your Bank has inducted 1,043 new employees during the year across carefully targeted profiles. This includes 48 technology professionals sourced from leading global firms, 200 Business Development Executives with proven CASA and term deposit expertise, 85 Senior Customer Service Executives deployed outside Tamil Nadu to anchor the geographic expansion, 20 high-performing Branch Heads to strengthen leadership at the front line, and 575 campus recruits from premier institutions to build the pipeline for the future.

Staff costs for the year were ₹795 crore, a 9.38% increase over FY25 – well within industry norms and reflective of the quality of talent we are adding. With the HR transformation supported by Oracle HCM implementation, your Bank have the infrastructure to manage talent at scale, measure performance consistently, and build a culture of accountability aligned with our strategic priorities.

Financial Performance: Delivering on Guidance

The Bank's financial performance in FY26 reflects the compounding effect of strategic investments made over the past eighteen months. Net Interest Income grew by 9.84% to ₹2,527 crore, while Profit After Tax grew by 13.10% to ₹1,338 crore. The fourth quarter was particularly strong, with quarterly PAT of ₹373.65 crore representing the highest in the Bank's history and a 28.01% increase over Q4 FY25.

NIM for Q4 FY26 stood at 4.18%, up 27 basis points over Q4 FY25, reflecting both repricing benefits and an improving asset mix. ROA for the year was 1.93%, with Q4 ROA at 2.05% – among the highest among peer group. The CASA ratio improved by 170 basis points YoY to 28.14%, validating the deposit franchise strategy. Across eight KPIs tracked against guidance, the Bank exceeded every single target in FY26.

Looking Ahead

FY27 begins with momentum. Your Bank's operational infrastructure is in place, teams are energised and the markets we operate to continue present meaningful credit demand. Your Bank will focus on three strategic outcomes: accelerating MSME and retail advances growth; deepening CASA through transaction banking, payroll management and merchant acquisition; and expanding our geographic footprint in a disciplined and profitable manner.

We are mindful of the risks inherent in a rapidly evolving environment – interest rate movements, regulatory developments including the transition to ECL-based provisioning and competitive pressures in the liability franchise. Each of these is actively managed within a robust risk framework, with adequate buffers in place. The Bank's capital adequacy ratio of 33.73% and LCR of approximately 139% provide with the financial resilience to navigate uncertainty while investing for growth.

I would like to place on record my appreciation for the dedication shown by every member of our team across branches, offices, and functions. It is their commitment that translates strategy into results. I am also grateful to our Board for their counsel, our customers for their continued trust, and our shareholders for the confidence they repose in us.

Tamilnad Mercantile Bank has a 104-year legacy of prudence and community service. Our task is to honour that legacy while building a Bank that is faster, more capable, and more impactful for the decade ahead. We are on the right path, and we will stay the course.

Yours sincerely

Vincent.M.D
Executive Director

Board of Directors



Thiru.K.Ramachandran
Non-Executive Part-Time Chairman
Independent Director



Thiru.Salee S Nair
Managing Director & CEO



Thiru.Vincent M.D.
Executive Director



Thiru.A.Niranjan Sankar
Director



Thiru.K.V.Rama Moorthy
Director



Thiru.S.R. Aravind Kumar
Director



Thiru.R.Kodeeswaran
Director



Thiru.C.Chiranjeeviraj
Independent Director



Thiru.S.Sridharan
Independent Director



Thiru.R.Deepak Shankar
Independent Director



Tmt.R.Kanagavalli
Independent Director



Thiru.A.Shidambaranathan
Independent Director



Thiru.C.S.Ram Kumar
Additional Director,
RBI Nominee



Thiru.V.Srinivasan
Additional Director,
RBI Nominee



Senior Management & KMP



Thiru.D.Ramesh
Executive Vice President –
HRD & Corporate Services



Thiru.J.Sundaresh Kumar
Executive Vice President –
Chief Compliance Officer



Thiru.K.Vijayan
Executive Vice President –
Chief Quality Control Officer



Thiru.P.R.Ashok Kumar
Executive Vice President –
Country Head Branch Banking



Thiru.Laxman Karkala Kudva
Executive Vice President –
Chief Risk Officer



Thiru.S.Ilangovan
Executive Vice President –
Head of Internal Audit



Thiru.K.Arvind
Executive Vice President –
Head of Integrated Treasury



Thiru.Ananda Ganesan R
Executive Vice President –
Credit



Thiru.Sanjoy Kumar Goel
Executive Vice President –
Chief Financial Officer



Thiru.Davis Jose Thettayil
Executive Vice President – IT



Thiru.Swapnil Yelgaonkar
Company Secretary





Accelerating into the Future

Driven by a strong strategic vision, the Bank is accelerating towards sustainable growth through deeper customer engagement, diversified retail and RAM-led business expansion, and a strengthened liability franchise across key segments.

Backed by calibrated branch expansion, technology-led transformation, enhanced digital capabilities, and disciplined risk governance, the Bank continues to build a scalable, resilient, and future-ready operating model.

Focused investments in customer experience, operational efficiency, recovery architecture, and non-interest income streams are expected to further strengthen profitability and long-term value creation.

With a future-ready workforce and unwavering commitment to governance excellence, the Bank remains well-positioned to enhance stakeholder confidence and deliver sustainable shareholder value in the years ahead.

Growth Momentum



FINANCIAL HIGHLIGHTS

₹ 373.65 Crore

Net Profit
28.01% YoY

₹ 1,15,091 Crore

Total Business
17.37% YoY

₹ 61,712 Crore

Deposits
14.94% YoY

₹ 704.45 Crore

Net Interest Income
24.04% YoY

₹ 522.31 Crore

Operating Profit
29.29% YoY

₹ 17,365 Crore

CASA
22.35% YoY

₹ 53,379* Crore

Advances
20.32% YoY

2.05%

ROA
Q4FY25 @ 1.81%

15.03%

ROE
Q4FY25 @ 13.79%

₹ 50,528* Crore

RAM Advances
22.35% YoY

* Excluding Inter-Bank Participation Certificate (IBPC) sale of ₹ 1,000 Crore



28.14

▮ (170 Bps YoY)

CASA Share

0.01%

▮ (15 Bps YoY)

Credit Cost

4.18%

▮ (27 Bps YoY)

Net Interest Margin

0.73 %

▮ (-52 Bps YoY)

GNPA

0.10%

▮ of Gross Advances

Unsecured Exposure

0.18%

▮ (-18 Bps YoY)

NNPA

44

▮ (YTD 31.03.2026)

New Branches opened

1.29%

▮ (-126 Bps YoY)

SMA (0,1&2)

44.80%

▮ (-262 Bps YoY)

Cost to Income Ratio

74.89%

▮ (387 Bps YoY)

PCR*

*PCR with technical write-off @ 96.14%

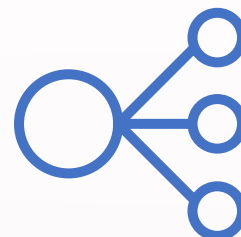


FY26 - A year of transformation

From turnaround to takeoff

Foundation for growth laid

- CASA share decline arrested, and reversed
- Highest Deposits growth recorded in the past 39 quarters
- Highest Advances growth recorded in the past 40 quarters
- Business growth 9.35% over the last 10 years CAGR



Credit portfolio quality improved

- On book PCR @ 10 year high
- Credit cost under Control
- Lowest GNPA% in the past 40 quarters
- Lowest ever SMA %

Business presence expanded

- 44 Branches opened, 15 in Non-TN States
- 12 CMCs setup to drive advances
- Liability RMs introduced to drive CASA/Deposits
- Digital transformation nearing completion



Shareholder value delivered

- 50%+ increase in share price in last 12 months
- Market capitalization crossed ₹10,600 crores (as of April 22, 2026)
- Shareholder funds crossed ₹10,000 crores, Book value @ ₹638
- Dividend of 125% recommended for FY2026*

* Subject to Shareholders' approval

Glimpse of 103rd AGM





Glimpse of 104th Foundation Day



TMB Celebrated its 104th Foundation Day in the august presence of Padma Shri. Dr. Mylswamy Annadurai, Moon Man of India, Former Director, ISRO.

Independence Day Celebration



Republic Day Celebration



Pongal Celebration



Christmas Celebration





HR-Strategic Initiatives during the FY2026



Vision / Digital Transformation

- Implementation of Oracle Cloud Fusion HCM (from Apr 2025)
- Shift towards HR automation & data-driven decisions
- Centralized, secure, cloud-based HR ecosystem
- Improved governance & employee experience



Core HR Digitization (Phase I)

- Digital onboarding & pre-boarding
- Employee master data management
- Attendance & leave system integration
- Reimbursement module
- Cloud document repository



Advanced HR Integration (Phase II)

- Payroll & pension processing
- TA bill & transfer automation
- Internal communication system
- Disciplinary tracking & compliance
- Employee profiles, assets & deputation
- Engagement features & job posting system



AI & Digital Workplace

- AI support for HR queries & policy guidance
- Automated document & reimbursement processing
- Paperless HR environment
- Digital records (Vision/Mission, Service Rules, Magazine)
- Fully digital promotions & appraisal system



Talent & Employee Management

- TMB ACE Bankers Programme (with Manipal Academy)
- Talent development & future workforce readiness
- Gratuity cover increased (₹4L → ₹10L)
- Employee health programs
- Family Day & engagement initiatives

Executives Cricket Tournament



Fitness Awareness Programme



Medical Camp



Family Day Celebration



Loan Mela



Credit Management Centre (CMC)



Integrated Back Office



Customer Experience (CX)



Vendor Management System (VMS)





Awards & Accolades



**Winner – Best Private Sector Bank
(Other Category), National Level – SFBCK
Banking Excellence Awards 2025**



**Winner – Gold in the Cyber Shield
Innovation category at the IBEX India
2026 BFSI Tech Awards.**



**Winner – Silver in the Digital CX
Trailblazer at the IBEX India 2026 BFSI
Tech Awards.**



**Winner – Enterprise-wide Digital
Transformation Excellence Award –
Oracle (AI Fusion Category)**

Branch Expansion



📍 Velandipalayam



📍 Kalapatti



📍 Davanagere



📍 Puthukadai



📍 Nikol



📍 Melaiyur



📍 Ponnamaravathi



📍 Chinnasalem



📍 Sholavandan



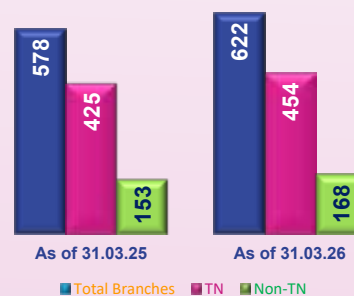
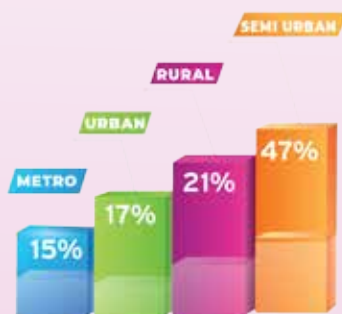
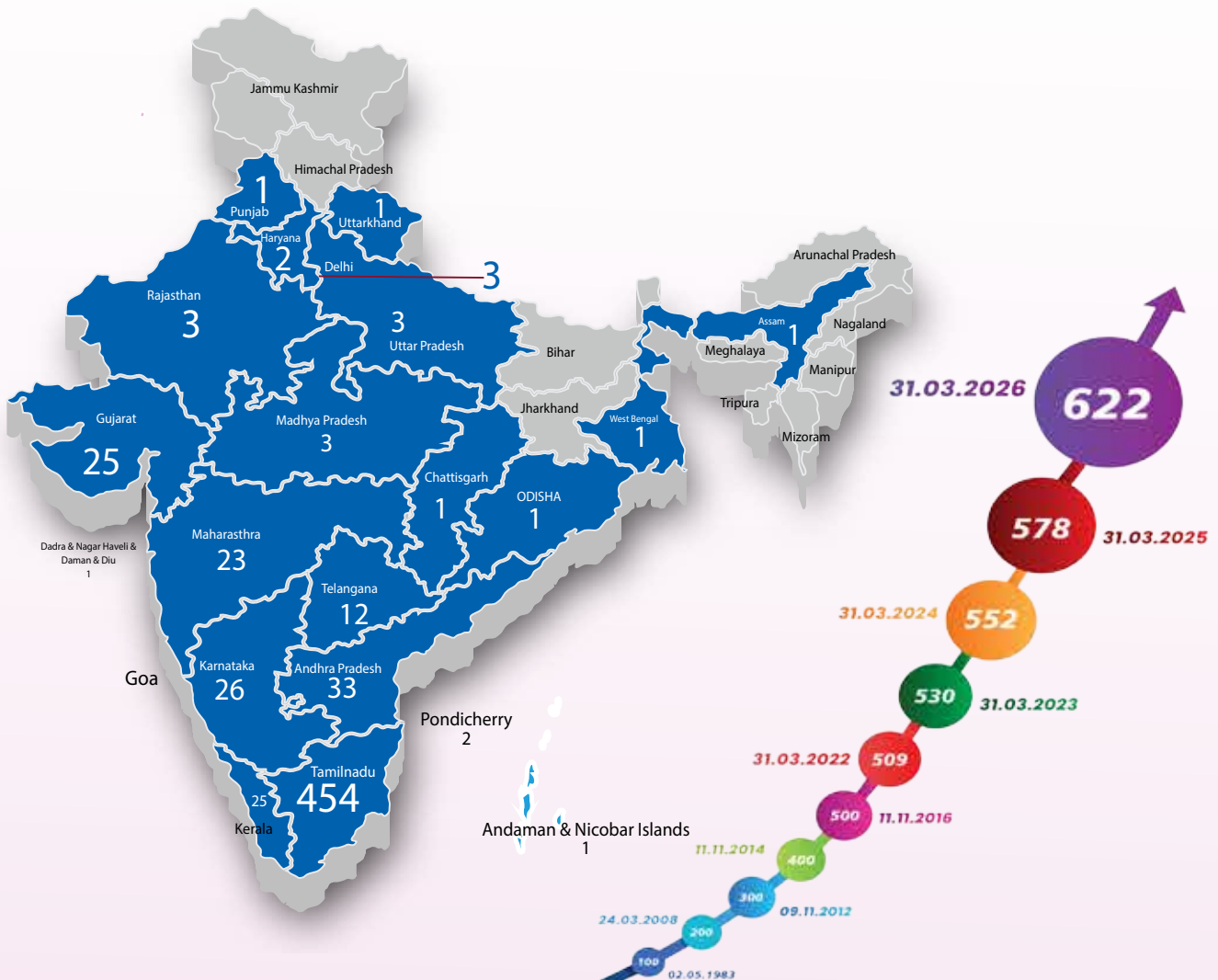
📍 Karamadai



📍 Vizhijam



Broadening our Presence to Drive Growth



CSR Activities



Donated to Lucia Society for the Blind and Other Disabled, Thoothukudi for purchase of Desks, Sports equipments and other items



Sponsored 1 lakh palm seeds to The District Rural Development Agency, Krishnagiri



Donated to the Kangeyam Municipality for purchase of Garbage collection E-Rickshaws and other items



Donated to TSM Mentally Retarded Differently Abled Special School, Punnaiyapuram



Donated to The District Collector, Thiruvallur, towards conducting various voter awareness programme in Thiruvallur District



Donated to Light Social Welfare Trust, Tiruchendur for purchase of one New EECO 5STR vehicle





TMB Foundation – CSR Initiatives 2025–2026

A Year of Purpose, Progress, and Community Impact

TMB Foundation continued its mission to advance equitable development across Tamil Nadu through focused interventions in **Healthcare, Education, Employability, Rural Development, Sports, and Community Welfare**. The initiatives undertaken during FY 2025–26 reflect our commitment to sustainable, long term impact through multiyear programmes and strategic partnerships.

A) Healthcare

1. Construction of Outpatient Block at Nellai Cancer Hospital – Multiyear - Project



TMB Foundation is supporting preventive and curative cancer care by strengthening access to quality healthcare infrastructure. In partnership with Udhavum Ulangal Public Charitable Trust, the Foundation is funding the construction of a dedicated outpatient block at **Nellai Cancer Hospital, Sengulam, Tirunelveli**, enabling early detection and improved treatment outcomes especially people from the southern district, where quality cancer care is limited.

B) Education and Employability

1. Advanced Skilling Programme in BFSI – Multiyear Project

In collaboration with **IIT Madras Pravartak**, TMB Foundation launched a flagship skilling programme in the **Banking, Financial Services & Insurance (BFSI)** sector to bridge the gap between academic learning and industry needs.

“A total of 5,917 students enrolled, with 500 shortlisted for advanced training; 492 successfully completed Phase I (150) and Phase II (350).”

In the third phase, the programme proposes to train another 350 students, with classes expected to commence in July 2026.

A Job Fair for Phase I and II students is scheduled in June 2026 will strengthen industry linkages for employment opportunities. The programme will scale to train 1,000 students annually across southern Tamil Nadu.



2. Skilling and Livelihood Development

The Foundation equips economically disadvantaged rural youth with practical, hands on skills for trades and technical roles, enabling them to become job ready or self employed. Training also includes communication, teamwork, and problem solving to enhance workplace adaptability.

Courses currently offered under Tamil Nadu Skill Development Corporation (**TNSDC**) include:

- Multi Skill Technician (Home Appliances)
- Aari Embroidery

One batch in each trade has been completed, with placements in Madurai industries and the formation of a women's self help group for entrepreneurship.

The **Skill Development Centre at Kappalur, Madurai**, now under construction on a 2 acre campus, will serve as a state of the art training hub featuring Industry 4.0 technologies such as 3D printing, Autodesk CAD, AI applications, and advanced digital manufacturing.



Bhoomi Pooja of the upcoming Skill Development Centre at Kappalur, Madurai on 25th March 2026.

3. TNPSC Group I Coaching for Rural Aspirants – Multiyear Project

In partnership with **Suresh IAS Academy**, a residential coaching programme was conducted for 30 deserving candidates from rural backgrounds.

“From this batch, 13 students cleared the examinations and await counselling for postings.”

This multiyear initiative is designed to support UPSC and TNPSC aspirants.





4. TMB Foundation Scholarship Programme

This scholarship scheme supports economically disadvantaged students pursuing higher education in arts and science colleges by covering tuition and examination fees.

“Over the last three years, 795 students have benefited; in FY 2025–26 alone, 799 students from 22 colleges received scholarships.

The programme continues to expand its reach, ensuring equitable access to higher education for rural youth.



5. Support for Vulnerable Children – Tenkasi District

The Foundation extended educational support to vulnerable children through the District Child Welfare Office, reinforcing its commitment to child protection and inclusive development.



C) Integrated Village Development

1. Empowering Small Scale Fishers – Multiyear Project

In collaboration with M.S. Swaminathan Research Foundation (MSSRF)

This initiative strengthens livelihoods in the coastal villages of **Keezhavaippar** and **Pattinamaruthur** through capacity building, safety measures, and community infrastructure.

Key Interventions

Keezhavaippar:

- Training 40 fishermen in GPS navigation and providing GPS devices
- Diesel engine troubleshooting training for 50 fishermen
- Advanced training and toolkits for 15 fisher youth to establish enterprises
- Solar dryer and insulated ice boxes for hygienic dry fish production and storage



Pattinamaruthur:

- Construction of a multipurpose community shed
- Diving apparatus for 25 chunk/shell collectors
- Occupational safety toolkits for 75 salt pan workers

An MoU was signed between TMB Foundation and MSSRF to formalise this multiyear collaboration.



D) Sports Development

1. Renovation of Swimming Pool – SDAT District Sports Complex, Thoothukudi

The swimming pool at the SDAT Sports Complex has been transformed into a modern facility with upgraded amenities, enhanced safety features, and improved accessibility for both children and adults.

A two year maintenance plan ensures sustained functionality and long term community benefit.





2. Sponsorship for PVC Sports Flooring – VOC College, Thoothukudi

The Foundation supported the installation of PVC sports flooring at the multipurpose gymnasium, enhancing training quality and safety for student athletes



3. Sponsorship for Mini Marathon – Tharuvai, Thoothukudi

Organised under the theme **“Leveraging Sports to Promote Drug Free Lifestyles Among Youth”**, the event brought together students, youth groups, and community members to promote healthy living and raise awareness on substance abuse.



E) Environment, Women & Senior Citizen empowerment

1. Upgradation of Parks infrastructure – Thoothukudi

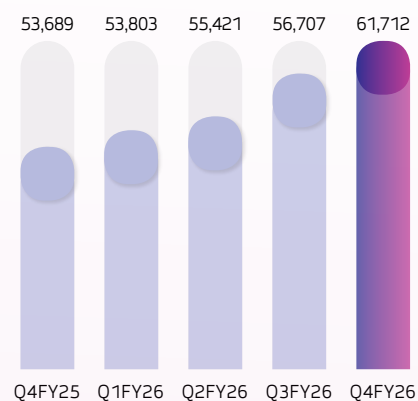


TMB Foundation participated in the development of 10 Parks in collaboration with the Thoothukudi Municipal Corporation.

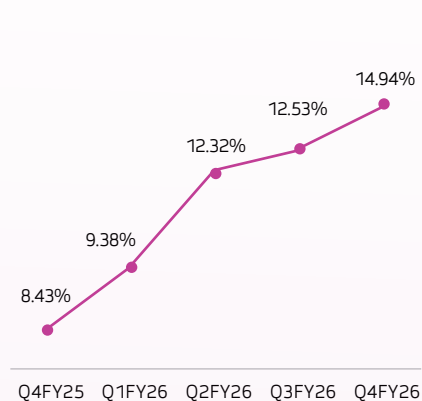
These parks will serve as safe, inclusive recreational spaces promoting the physical and emotional well being of the public.

Business Performance - Deposits

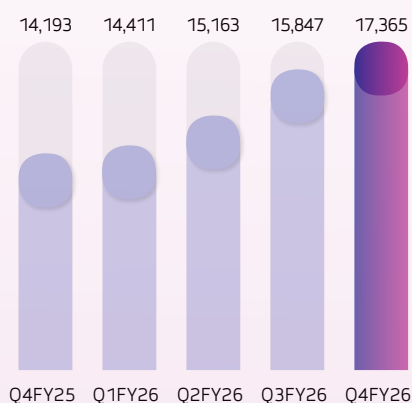
Total Deposits (₹ in Crore)



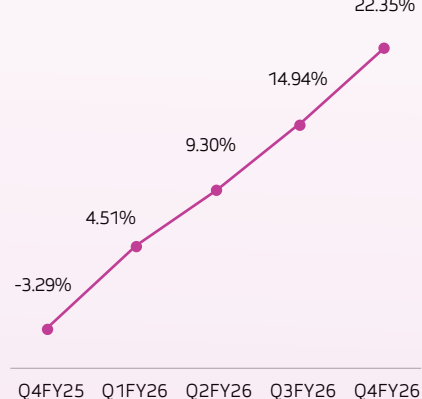
Total Deposits YoY Growth (%)



CASA (₹ in Crore)



CASA YoY Growth (%)



Our initiatives, including setting up Transactions Banking Group & Elite Service Group supported CASA & Deposits growth.

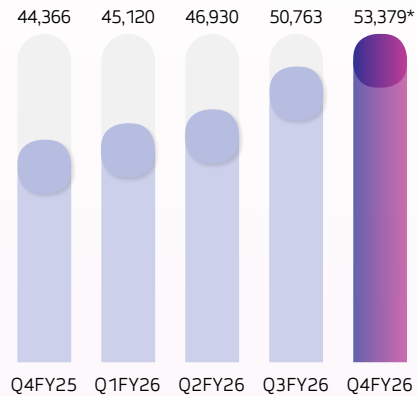
External Ratings - CRISIL Ratings





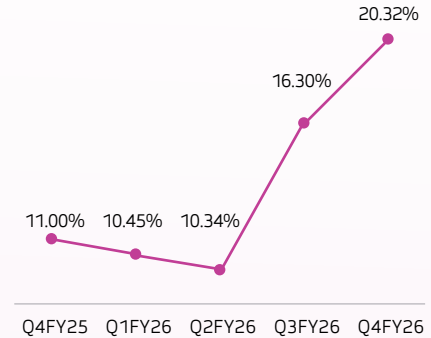
Business Performance - Advances

Gross Advances (₹ in Crore)

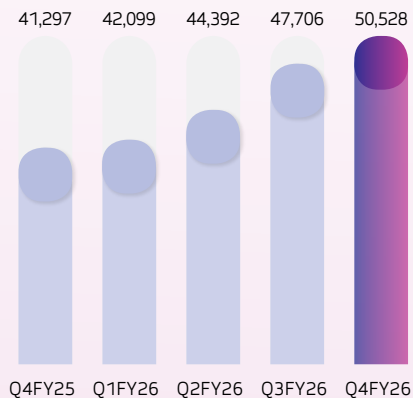


*Excluding: IBPC sale of ₹1,000 crore

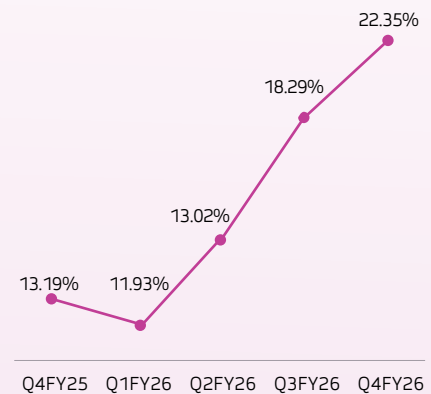
Advances YoY Growth (%)



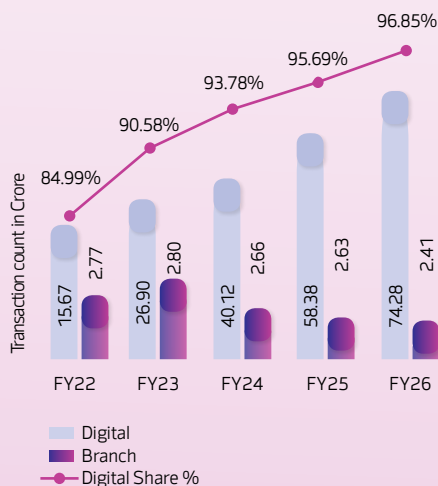
RAM Advances (₹ in Crore)



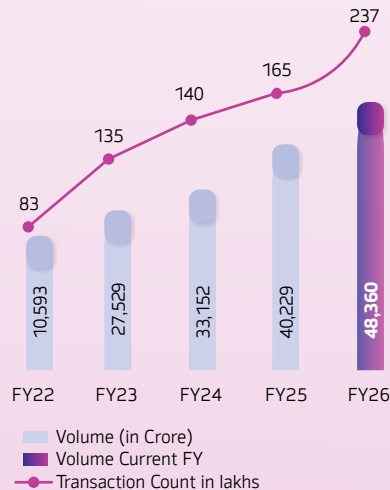
RAM YoY Growth (%)



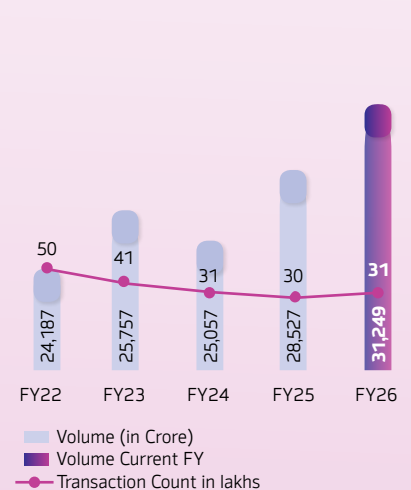
Shift in customer behaviour Digital Vs Branch Transactions count



TMB M-Bank usage trend Volume vs Transaction count

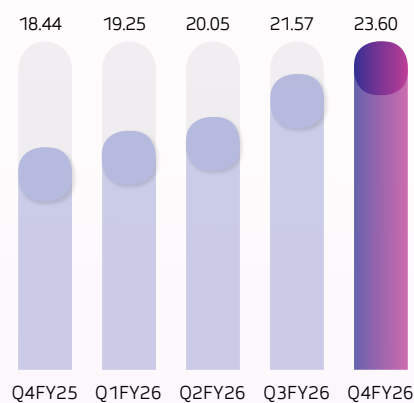


TMB E-Connect usage trend Volume vs Transaction count

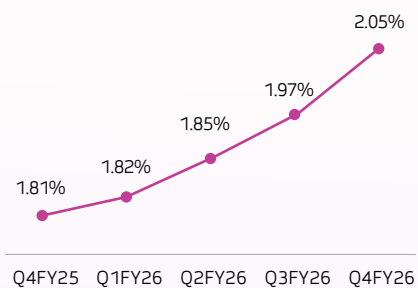


Enhanced Shareholder Value

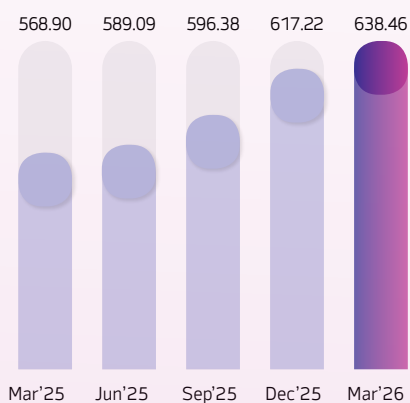
Earnings Per Share (in ₹)



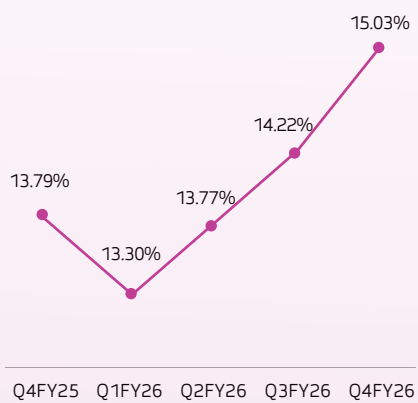
ROA (%)



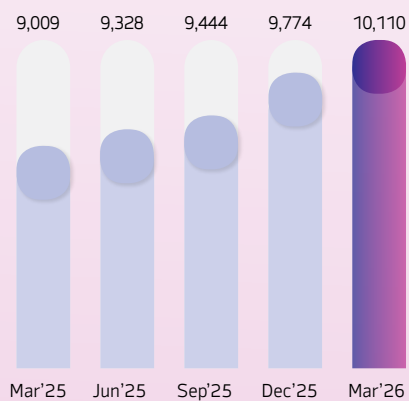
Book Value Per Share (in ₹)



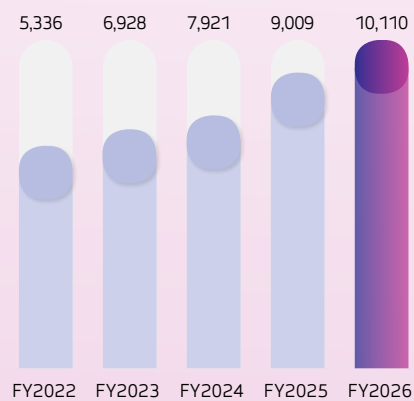
ROE (%)



Net Worth Q-o-Q (₹ in Crore)



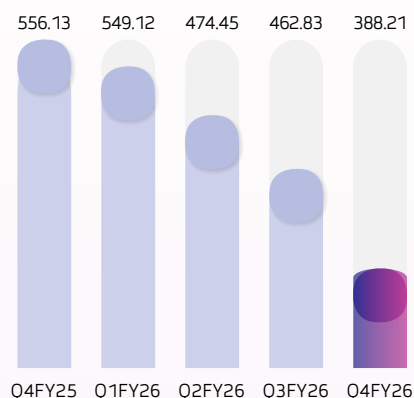
Net Worth Y-o-Y (₹ in Crore)



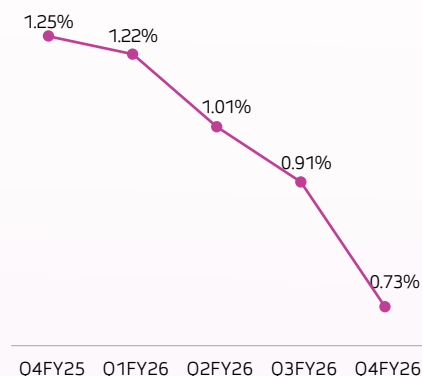


Asset Quality

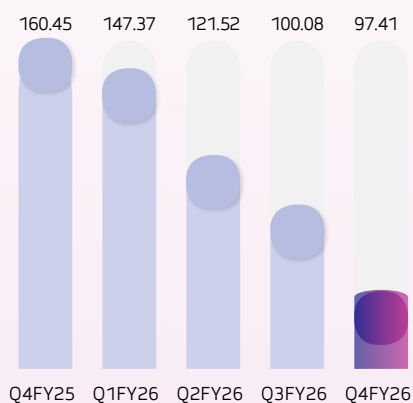
GNPA (₹ in Crore)



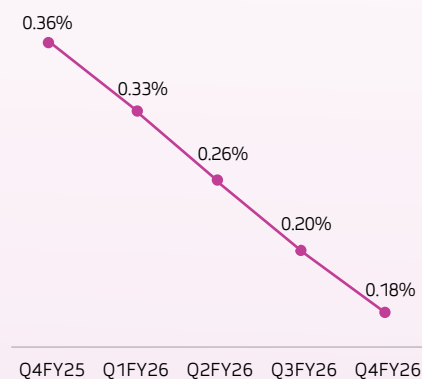
GNPA %



NNPA (₹ in Crore)

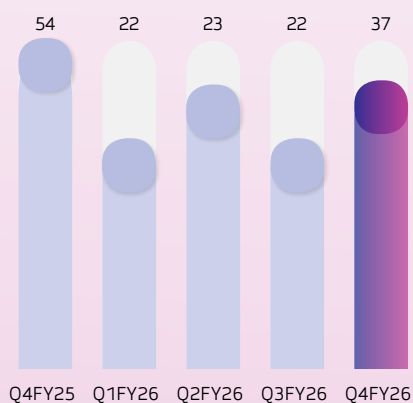


NNPA %

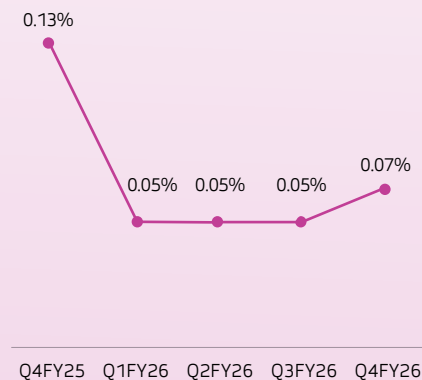


Slippage – Under Control

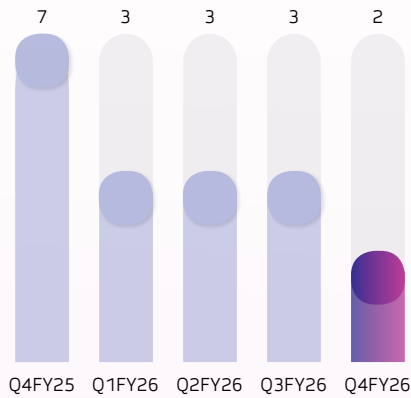
Fresh Slippage (₹ in Crore)



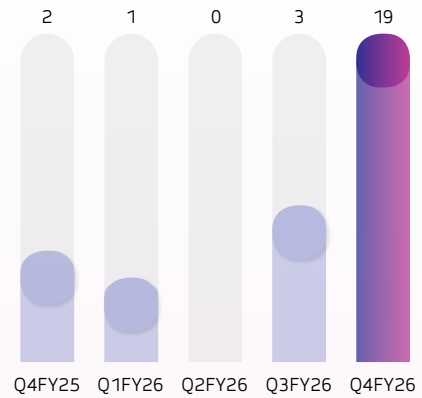
Slippage Ratio (%)



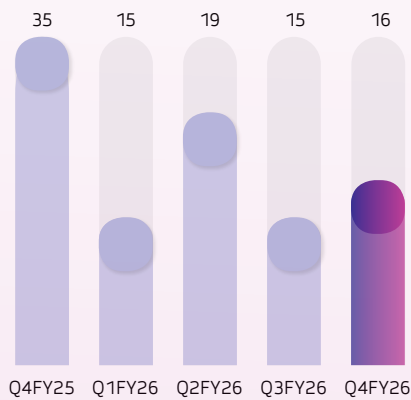
Slippage in Retail (₹ in Crore)



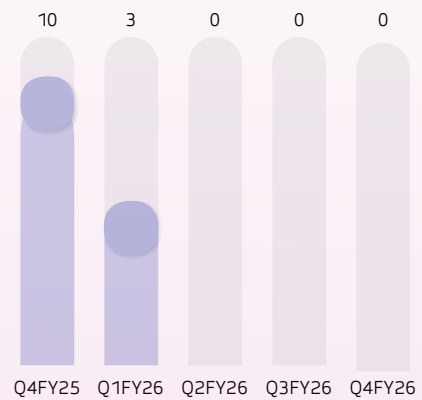
Slippage in Agri (₹ in Crore)



Slippage in MSME (₹ in Crore)

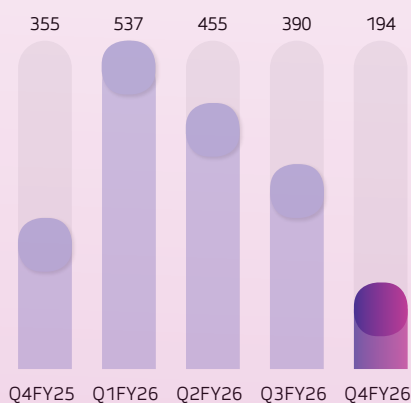


Slippage in Others (₹ in Crore)

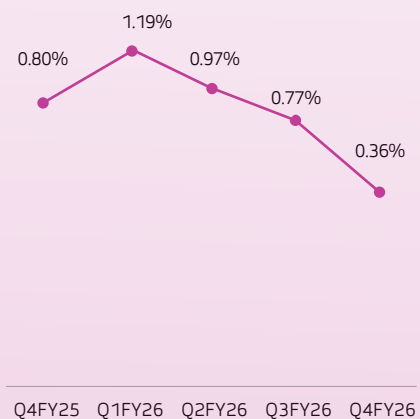


SMA – Trending Down

SMA 0 (₹ in Crore)

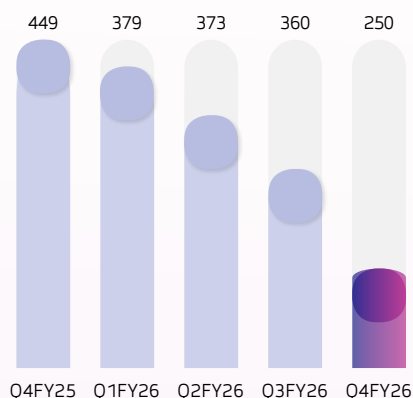


SMA 0% on Gross Advances

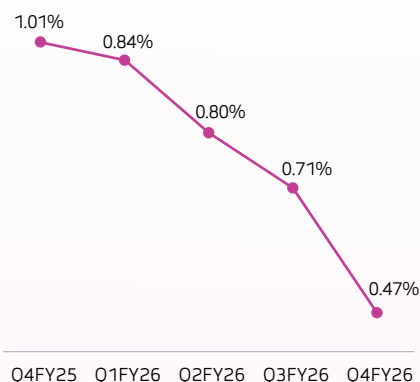




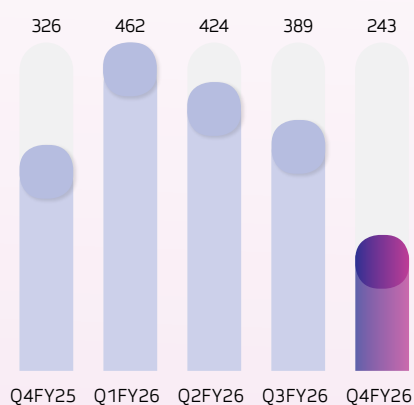
SMA 1 (₹ in Crore)



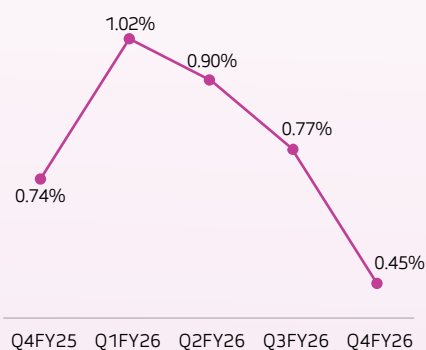
SMA 1% on Gross Advances



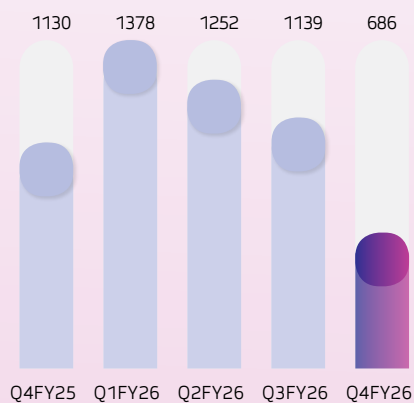
SMA 2 (₹ in Crore)



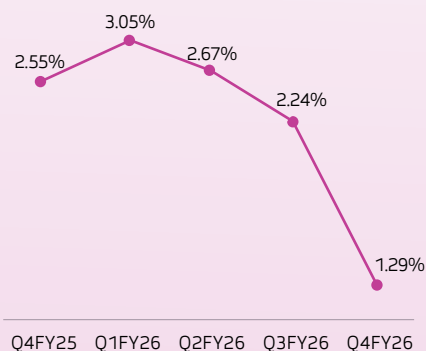
SMA 2% on Gross Advances



TOTAL SMA (₹ in Crore)

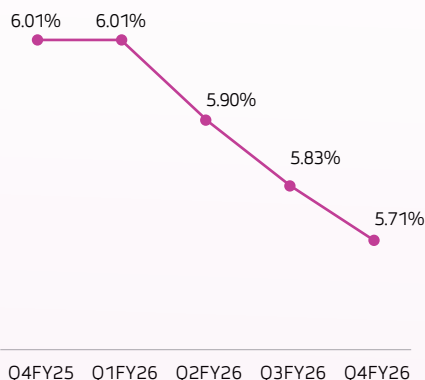


Total SMA on Gross Advances

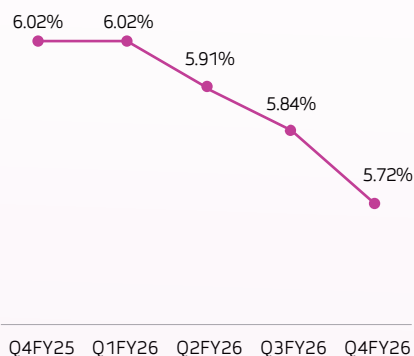


Key Ratios / Parameters

Cost of Deposits (%)



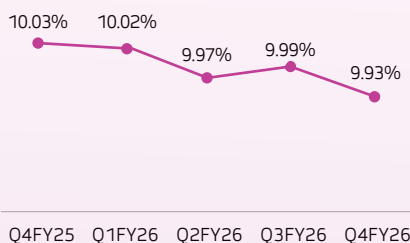
Cost of Funds (%)



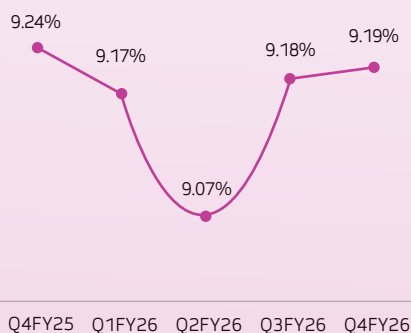
Credit Cost (%)



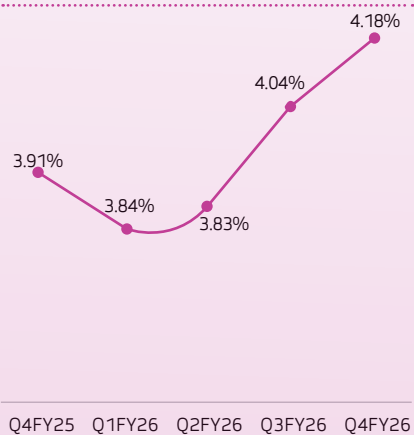
Yield on Advances (%)



Yield on Funds (%)



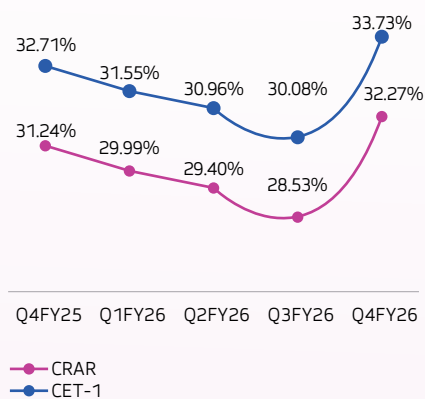
NIM (%)



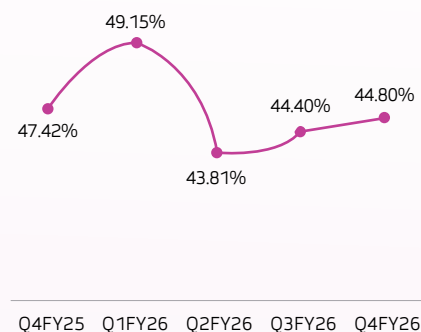


Key Ratios / Parameters

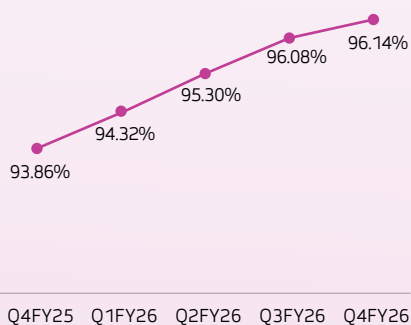
Capital Adequacy (%)



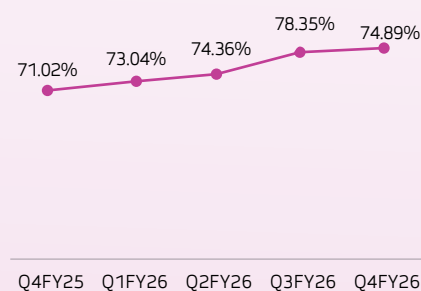
Cost to Income Ratio (%)



PCR% With technical write-off

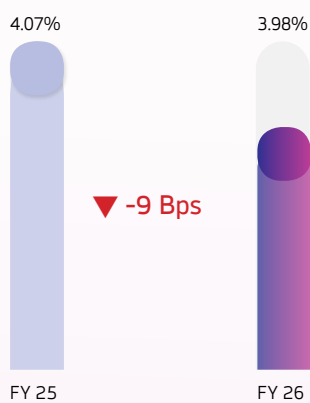


PCR% Without technical write-off



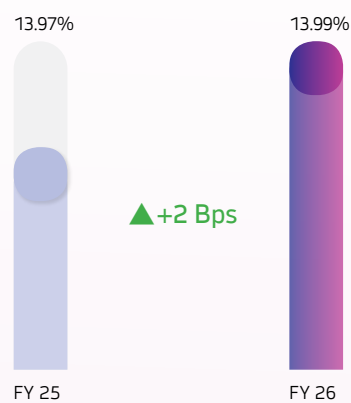
Key Ratios / Parameters

NIM (%)

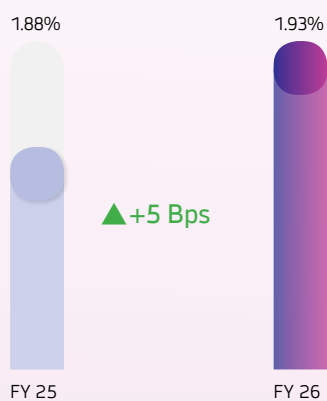


NIM with HOT interest recovery

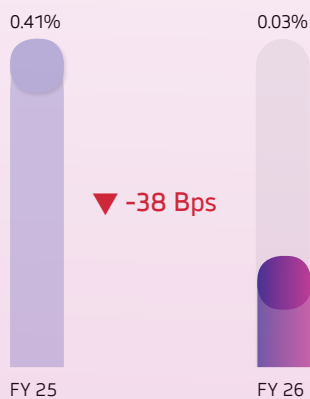
ROE (%)



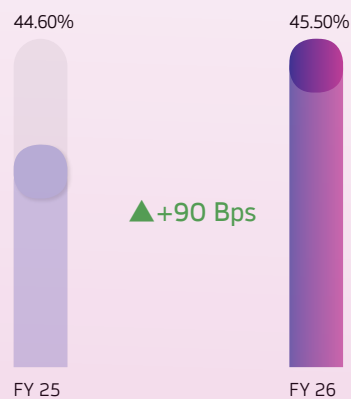
ROA (%)



Credit Cost (%)



Cost to Income Ratio (%)





DIRECTORS' REPORT

DIRECTORS' REPORT

DIRECTORS' REPORT FOR THE YEAR 2025-26

The Board of Directors have great pleasure in presenting the 104th Annual Report on the operations of the Bank, together with the Audited Financial Statements as on March 31, 2026, along with the Cash Flow Statement for the year ended March 31, 2026.

1. Business Performance

The Bank in its 104th year of existence had delivered an excellent performance in all spheres of its operations. During the year under review, the total business had increased from ₹98,054.49 Crore to ₹1,15,091.27 Crore registering a growth of 17.37%.

Performance Highlights:

- Operating profit increased from ₹1,745.74 Crore to ₹1,855.23 Crore (+6.27%).
- Net profit Increased from ₹1,182.61 Crore to ₹1,337.55 Crore (+13.10%).
- Deposits increased from ₹53,688.96 Crore to ₹61,712.35 Crore (+14.94%) during the year.
- Gross Advances increased from ₹44,365.52 Crore to ₹53,378.92 Crore (+20.32%) during the year.
- Net Advances increased from ₹43,983.67 Crore to ₹53,122.66 Crore (+20.78%) during the year.
- Gross NPA ratio decreased from 1.25% to 0.73%.
- Net NPA ratio decreased from 0.36% to 0.18%.
- Provision Coverage Ratio (PCR) increased from 93.86% to 96.14%.

The total income had increased by ₹554.74 Crore during the year from ₹6,141.75 Crore to ₹6,696.49 Crore during the year under review (+9.03%).

Interest income had increased from ₹5,291.26 Crore to ₹5,819.41 Crore. Other income had increased from ₹850.49 Crore to ₹877.08 Crore during the current year. Increase in total expenditure was at ₹445.25 Crore. The total expenditure increased from ₹4,396.01 Crore to ₹4,841.26 Crore during the current year and the increase in total expenditure was ₹445.25 Crore. Earnings per share increased from ₹74.68 to ₹84.47 and the book value of the share increased from ₹568.90 to ₹638.46.

2. Profit and Appropriation

The net profit stood at ₹1,337.55 Crore for the financial year ended March 31, 2026, after making all necessary provisions under various categories as per the prudential norms prescribed by the Reserve Bank of India. The appropriation out of the profit earned for the financial year 2025-26 are as under:

Transferred to:	₹ in Crore
Profit and Loss account opening balance	260.29
Less: Final Dividend for 2024-25 @ ₹11/- per share	174.19
Less: Investment Fluctuation Reserve	9.40
Add: Net profit during the year 2025-26	1,337.55
Available for appropriation	1,414.25
Statutory Reserve	401.27
Special Reserve u/s 36(1)(viii) of IT Act, 1961	38.00
Capital Reserve	19.82
Transfer to General Reserve	600.00
Balance carried over to next year	355.16
Total	1,414.25



DIRECTORS' REPORT (CONTD..)

3. Dividend

The Board of Directors of the Bank have recommended payment of a Final Dividend at the rate of ₹12.50 (Rupees Twelve and Fifty paise only) per equity share of the face value of ₹10/- each (125%) for the year ended March 31, 2026. The dividend pay-out is in accordance with the Bank's Dividend Distribution Policy (<https://www.tmb.bank.in/pages/Regulatory-Policies>), RBI guidelines and will be payable subject to approval of shareholders at the ensuing Annual General Meeting and deduction of tax at source, to the Shareholders whose names appear in the Register of Members as on the Cut-off date (i.e.) June 12, 2026.

4. Share Capital

The Bank's issued and paid-up capital was ₹158.35 Crore as on March 31, 2026.

5. Issue of Equity shares

During the year under review, there was no fresh issue of equity shares.

6. Earnings Per Share (EPS) and Book Value

The earnings per share stood at ₹84.47 (basic) and ₹84.47 (diluted) for the financial year ended March 31, 2026. This was ₹74.68 (Basic) and ₹74.68 (diluted) during the previous year. The book value per share has further improved to ₹638.46 as on March 31, 2026, as against ₹568.90 during the previous year.

7. Capital adequacy

The Capital to Risk Weighted Assets Ratio (CRAR) stood at 33.73% (as per Basel III) as on March 31, 2026, as against the minimum required level of 11.50% (including the Capital Conservation Buffer) stipulated by the Reserve Bank of India. The CRAR consisted predominantly of Common Equity Tier I (CET I) which was 32.27% out of 33.73% of CRAR.

8. Deposits

The aggregate Deposits as on March 31, 2026, stood at ₹61,712.35 Crore, registering a growth of 14.94% over ₹53,688.96 Crore as on March 31, 2025. The interest rates for deposits were kept aligned with the prevailing trends in the Banking Industry.

Being a Banking Company, the disclosures required as per Rule 8(5)(v) of the Companies (Accounts) Rules, 2014, are not applicable to your Bank.

9. Advances

The Bank continued its lending activities in conformity with its Board approved Policies and Guidelines of the Reserve Bank of India. The Gross Advances of the Bank increased from ₹44,365.53 Crore as on March 31, 2025 to ₹53,378.92 Crore as on March 31, 2026 registering a growth of 20.32%. The increase in advances is mainly due to the growth recorded in Retail, Agricultural and MSME advances. The CD ratio of the Bank is at 86.50% as on March 31, 2026. For the previous Financial Year, it was at 82.63%.

The Bank continued its thrust on lending to Priority Sectors (PS) including Agriculture and Micro and Small Enterprises. The level of advances to Priority Sectors stood at ₹37,570.67 Crore as on March 31, 2026. The Total PS Advances (Net of PSLCs Sold) stood at ₹25,633.85 Crore constituting 79.80% of Adjusted Net Bank Credit (ANBC) as on March 31, 2025, as against the regulatory minimum requirement of 40%. The achievement of PS Advances, based on the Quarterly Average level of PS Advances / Quarterly Average ANBC stood at 84.77%.

DIRECTORS' REPORT (CONTD..)

Agricultural Advances reached ₹20,056.79 Crore as on March 31, 2026. The Total Agricultural Advances (Net of PSLCs Sold) and including RIDF and other qualifying investments for Priority - Agriculture constitutes 25.28% of ANBC as on March 31, 2025, as against the regulatory minimum requirement of 18%. The achievement of Agriculture Advances, based on the Quarterly Average level of Agriculture Advances / Quarterly Average ANBC stood at 35.94%.

Total advances to Weaker Section stood at ₹9,703.48 Crore as on March 31, 2026. The Total advances to Weaker Section (Net of PSLCs Sold) at ₹6,803.48 Crore represents 21.18% of the ANBC as on March 31, 2025, as against the regulatory minimum requirement of 12.00%. The achievement of Advances to Weaker Section stood at 26.09% as on March 31, 2026.

The Bank achieved all the mandatory targets prescribed for the various sub-sectors like Loans to Small and Marginal Farmers (at 11.90% as on March 31, 2026, based on the ANBC as on March 31, 2025, as against the regulatory minimum requirement of 10.00%). The achievement of Advances to the Small and Marginal Farmers stood at 19.05%.

Advances to Micro Enterprises stood at 33.44% as on March 31, 2026, based on the ANBC as on March 31, 2025, as against the regulatory minimum requirement of 7.50%. The achievement of Advances to Micro Enterprises, based on the Quarterly Average level of Advances to Micro Enterprises / Quarterly Average ANBC is at 29.13%.

Under export credit, the Bank achieved a level of ₹669.28 Crore as on March 31, 2026, as against ₹597.76 Crore achieved as on March 31, 2025.

Due to the stress faced by the exporters, the Bank had sanctioned Loans to the extent of ₹86.12 Crore as at March 31, 2026, under the Credit Guarantee Scheme for Exporters introduced by the Government of India.

During the current year also, the Bank will strive further to increase the flow of credit to Agriculture, Retail and MSME Sectors apart from ensuring adequate and appropriate support to the Weaker Sections of the society.

The Bank had been actively participating in all the initiatives and schemes of the Government of India including Pradhan Mantri Mudra Yojana (PMMY), Pradhan Mantri Awas Yojana Urban 2.0 (PMAY 2.0), Entrepreneurship Development & Employment Generation Scheme (EDEGS), PM Street Vendors Atma Nirbhar Nidhi (PM SVANIDHI) etc. through all its eligible branches.

Sale of Priority Sector Lending Certificate (PSLCs)

The Bank has sold PSLCs worth ₹11,960.00 Crore till March 31, 2026, which fetched an income of ₹135.66 Crore. Category-wise, the Bank had sold PSLC-Small & Marginal Farmers for ₹2,900.00 Crore and PSLC-Agriculture for ₹9,060.00 Crore till March 31, 2026.

Sale of Inter Bank Participation Certificate (IBPC)

The Bank has also sold IBPCs totalling to ₹1000 Crore till March 31, 2026, in Small & Marginal farmers portfolio.

Financial Inclusion

Under the Financial Inclusion (FI) Programme, the Bank has covered 151 villages as on March 31, 2026. The total Basic Savings Bank Deposit Account (BSBDA) accounts of the Bank as on March 31, 2026, stood at 5.39 lakhs.

10. Investments and Treasury operations

During the Financial Year ended March 31, 2026, the Bank had achieved a turnover of ₹24,847.74 Crore in trading operations, resulting in a net profit of ₹57.72 Crore, as against ₹26.54 Crore in the previous year.



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The net investments of the Bank stood at ₹15,692.67 Crore as on March 31, 2026, as against ₹15,100.80 Crore as at the end of the previous year. The Investment-to-Deposit Ratio of the Bank was 25.43%, as against 28.13% at the end of the previous year.

The average realized yield on the investment portfolio for the year stood at 6.71% as against 6.77% in the previous year. The income earned during the year from investments, comprising of interest income and dividend income excluding income from RIDF was ₹1049.17 Crore as against ₹1017.42 Crore in the previous year.

The disclosures regarding particulars of loans, guarantee given and securities provided is exempt under the provisions of Section 186(11) of the Companies Act, 2013, since it is a Banking company.

11. Foreign Exchange Business

Foreign exchange business during the year under review as below: (₹ in Crore)

Financial Year	Inflow	Outflow
2025-26	10,211.49	6,924.09
2024-25	11,269.96	8,071.76

The total merchant turnover of the Bank for the year 2025-26 was ₹17,135.58 Crore against ₹19,341.72 Crore during the previous year 2024-25. The profit on foreign exchange business for the year 2025-26 was ₹39.67 Crore against ₹38.91 Crore during the previous year 2024-25.

Your Bank has correspondent relationship with 319 overseas banks by exchange of Relationship Management Application (RMA) under SWIFT (Society for Worldwide Interbank Financial Telecommunication). It facilitates smooth and fast flow of communication in the international business. The SWIFT arrangement has enabled the Bank to give timely and efficient service to its NRI customer.

During the year under review, 57 branches were linked to Forex Processing Centre (FPC) and the total number of branches linked to FPC has increased to 582 from 525 branches. Your Bank has the necessary infrastructure to render fast and efficient service relating to inward remittance of foreign currency and for crediting the beneficiaries accounts on receipt of the foreign currency funds in Nostro accounts.

Your Bank has taken several initiatives to increase the Foreign Exchange Business significantly for improved customer service and for improving the fee based income in the coming years. Your Bank has provided online Electronic Trading Platform named as TMBFXBRIDGE for concluding exchange rates in 39 old B Category branches & FPC and direct view access to the Bank's forex customers desirous of the same. FX-Retail platform has also been extended to customers on their request.

12. Branch network

During the year under review, your Bank had added 44 new branches and the branch network of the Bank has increased to 622 branches. In addition to that, the Bank has added 4 ATMs, 44 CRMs. The Bank's ATM and alternate delivery channel network stood at 1152 ATMs, 424 CRMs, 121 e-lobbies, covering 17 States and 4 Union Territories.

13. Human Resources Development

As on March 31, 2026, the Bank's total staff strength stood at 4,799 (including 11 contract employees) consisting of 2,466 Officers, 1,746 Customer Service Executives and 587 Supporting Staffs. During the year under review, 412 regular employees and 5 contract employees were recruited and 476 employees were promoted. Out of 4,799 employees, 3,948 employees are in Cost to Company (CTC) structure.

The Business per employee has increased from ₹20.67 Crore to ₹23.98 Crore in the FY 2025-26.

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The Bank's Staff Training College at Nagercoil and Chennai and Other Departments (like Credit, FPC, Operations, etc.) had conducted 142 physical training programmes and 10 online training sessions on various banking subjects like Credit, Forex, Recovery, Information Security, etc. 2,931 staff members had undergone training programmes during the FY 2025-26.

In addition to the above, your Bank has tied up with reputed training institutions like SIBSTC-Bengaluru (Southern India Banks' Staff Training College), Manipal Academy of BFSI-Bengaluru, NIBM-Pune, IIBF-Mumbai, IDRBT-Hyderabad, CAFRAL, etc. 1,045 staff members were trained in these leading institutions during FY 2025-26.

TMB eSMART, an online e-learning Management System was indigenously developed by the Bank to cater to the training needs of all staff members. It can be accessed 24x7x365 by the staff members in intranet and internet. Using TMB eSMART, the staff members can learn varied banking subjects like Credit, Forex, Information Security, KYC etc. To groom the staff members in different facets of Banking, we have 13 TMB Capacity Building examinations in various areas like KYC, Credit, Forex, Recovery etc.

We have also collaborated with One Hour Learning Mobile Application, as part of the ongoing commitment to foster continuous professional development. This initiative aims to provide employees with diverse learning opportunities to enhance their skills, acquire new competencies and confidently adapt to the evolving demands and challenges of the times.

Industrial relations in the Bank continued to be very cordial during the year with frequent interactions between the Management and the Officers' and Employees' Associations and various staff welfare activities were undertaken during the year. The Bank continues to lay emphasis on developing the individual skills of its employees and providing a healthy and cordial working environment so as to get maximum contribution from the employees of the Bank.

14. Inter branch adjustments

The Bank has continued to maintain a very good record in internal housekeeping. The core banking solution made it possible for the branches to balance all their accounts and tally balances up to March 31, 2026. Adequate importance was given to ensure timely submission and scrutiny of control returns.

15. Internal Control, Inspection and Audit

Risk Based Internal Audit system

The Bank has put in place an effective and strong Risk Based Internal Audit (RBIA) System. During the financial year 2025-26, RBIA was conducted in 504 branches (Totally 517 audits) of the Bank. Submission of compliance reports and closure of audits are followed up through the respective regional offices. RBIA was conducted for the following critical Departments: KYC and AML Cell, Risk Management Department, Credit Department, Information Technology Department, Integrated Back Office, Compliance Department, Treasury Department, International Banking Division.

The Bank has a proper and adequate internal control system. The Bank has standard operating procedures in monitoring the account operations to ensure effective internal controls.

Credit Audit

During the year under review, Credit Audit had been conducted for 950 borrowal accounts in 206 branches.

Concurrent Audit system

The Bank continued to have the system of Concurrent Audit which covered 268 branches and important departments. Concurrent Audit has been recognized as an important tool of internal control and is in force at major branches including all 'B' category branches designated to handle forex business.



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Further concurrent audit is implemented in the following important departments - International Banking Division, Treasury, DPS Cell, ATM Cell, Integrated Back Office, Credit Management Centre, Customer Value Enhancing Department, Human Resource Development Department, Integrated Back Office, Forex Processing Centre, RTGS Cell, Transaction reconciliation at various divisions of ITD, Accounts Department, Expense approval of ITD, Establishment Department and all the four Currency Chests located at Chennai, Podanur, Madurai and Pudukottai (Thoothukudi).

Submission of compliance reports and closure of audits are followed up through the respective regional offices / departments.

Information System Audit

Information System audits were conducted at 517 branches (along with Risk Based Internal Audit), 9 Departments and 12 Regional offices.

Every year, critical Information systems deployed in our Bank like Core Banking System, E-Banking, Mobile banking, ATM, RTGS, Treasury, CTS clearing process, Server, SOC, HRMS and network infrastructure etc., are subject to Information System audit by an external auditor.

Management Audit system

To assess the robustness of the systems and procedures established in various operational units of the Bank and to have an oversight on the effectiveness of the management, various departments at Head Office and all Regional Offices are subject to Management Audit.

In addition to the above audit the Bank regularly conducts revenue audit in the branches to monitor the revenue leakages.

Vigilance

The functions of the vigilance machinery of the Bank are broadly divided into 3 types, viz. preventive, surveillance and punitive. The Vigilance Department had undertaken a study of the existing procedures and practices prevailing in the organization with a view to modify those procedures or practices that provide scope for malpractice/fraud perpetrated by the staff members and also finding out the causes of delay in reporting and the points at which the delays occur and devising suitable steps to minimize delays at different stages. To educate the employees of the Bank, the Vigilance Department had brought out various fraud awareness circulars and conducted training programmes periodically.

Vigil Mechanism

The Bank has implemented the Whistle-Blower cum Protected Disclosure Policy, intended to promote the participation of employees at all levels to aid in detection of corruption, misuse of office, criminal offences, suspected/ actual fraud, failure to comply with the rules and regulations prescribed by the Bank and any events/acts detrimental to the interest of the Bank, depositors and the public resulting in financial loss/ operational risk, loss of reputation etc. Further, the mechanism adopted by the Bank encourages the Whistle Blower to report genuine concerns or grievances. It provides adequate safeguards against Whistle Blower's victimization for those who avail such mechanism and offers direct access to the Chief of Internal Vigilance (CIV). Further, there was no occasion where a person was denied access to the Audit Committee of the Board. The details of the Whistle-Blower cum Protected Disclosure Policy are posted on the Bank's website and available at the link: <https://www.tmb.bank.in/pages/policies>.

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16. Customer Service

Customer service is an important part of maintaining on going customer relationship, which is a key for continuous business growth and to retain the customer. The Bank is well known for its good, courteous and effective service to customers and is constantly re-designing its product and services to meet the expectations of the modern-day tech-savvy customers, by introducing new and innovative products for seamless digital experience.

The Internal Ombudsman examines customer complaints which are in the nature of deficiency in service on the part of the Bank, that are partly or wholly rejected by the Bank. The Bank shall internally escalate all complaints, which are not fully redressed to the Internal Ombudsman, before conveying the final decision to the complainant.

17. Technology Absorption

Your Bank is initiating various steps to provide technology-enabled products and services to customers by adopting latest and contemporary technology. Banking Services are extended to customers through Branches and ATMs by using multiple network technologies such as MPLS, Leased Line and GSM with redundant connectivity. As an alternative to traditional Branches / ATMs, the digital services are seamlessly offered to customers without any disruption through various delivery channels viz. Internet Banking, Mobile Banking, IMPS, UPI, AEPS, Point of Sale terminals, Cash Deposit Kiosk, Passbook Printing Kiosk, WhatsApp Banking etc.,

The availability of the services of all the alternate delivery channels to customers is ensured by way of active monitoring and attending to outages if any, instantly.

The Bank has 1,576 ATMs and CRMs as on March 31, 2026.

Core Banking

Your Bank has implemented "Finacle", Core Banking Solution and has implemented the current version of the software at all its branches.

Internet Banking

Your Bank had introduced "Internet Banking facility" to customers during November 2008 and during the year upgraded the Internet Banking Software to the Digital Experience Hub (DEH). The Bank has also introduced Corporate Net banking facility for customers with maker / checker facility to bring in more security to the transaction initiated by corporate customers. We have also tied up with multiple Payment Gateway service providers for extending utility bill payment services to the customers.

Facilities provided to customers through Internet Banking include Real-time Account Synchronisation, Self on-boarding for Retail Customers, RTGS, NEFT, IMPS, Opening of Deposit Accounts, e-Commerce transactions, online tax payment, online bills & Utility Services Payment, scheduled payments, Payments to TMB Credit Card dues and Prepaid Card Top-up etc. Currently the e-Banking facility has been extended to all customers.

Mobile Banking as Super App

Mobile Banking facility has been provided in both Android and iOS. Customers can self-onboard in Mobile Banking and also through branches. By using mobile banking facility, customer can perform SB/CA/loan/



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deposit inquiry, transfer of funds (Within TMB/NEFT/IMPS/RTGS), Deposit Opening, Bill payments (like TNEB payment, Mobile Recharge, etc), Cheque Book Issuance, ATM Card Blocking, Cheque Status Inquiry, etc., In addition, certain features like Transaction limit setting, Credit Card details and Payment Dues, Debit Card Blocking, Beneficiary Management, Beneficiary Name Lookup, Voice Authentication, Loan against Deposits, Overdraft against Deposits and Form 121 / 41 declaration are available for the Mobile Banking Customers. We are continuously adding new features in the Mobile Banking application. The Bank is continuously adding new products and features in its Mobile Banking Application.

UPI

Unified Payment Interface (Acquirer and Issuer) service is available as an additional feature in the TMB MBank Application to our customers. Customers using TMB MBank app can Send Money, Receive Money, Approve Payments, Scan, Pay QR and more, by linking the TMB Bank account or other Bank accounts in TMB MBank app, similar to various NPCI Certified Third Party UPI applications like BHIM.

UPI Lite facility with auto top-up is also available where customers can carry out UPI Payments up to ₹1000 without entering UPI PIN. Your Bank is now live in UPI International Payments, UPI numeric, Credit Card on UPI, UPI Circle (Delegate Payments), IPO Mandates, One Time Mandates, Recurring Mandates and Credit Line on UPI as issuer.

Your Bank is issuing UPI Merchant QR to customers at its branches to accept merchant payments.

Bank has initiated various steps to increase its digital footprint and promote ease of carrying out transactions with utmost security.

Server Infrastructure

Bank's Server infrastructure is maintained at its Primary Data Centre (DC) and Disaster Recovery (DR) Centre apart from a Near Disaster Recovery (NDR) site. The Bank has deployed Physical, Virtual, Hyper Converged Infrastructure and dedicated Storage devices at DC and DR Centres.

Hyper Converged infrastructure installed at the DC and DR locations, which is a three-node cluster arrangement, provides high availability, high scalability, cost effectiveness, improved workload performance and occupies less space.

Storage Infrastructure was upgraded from SAS to Flash storage to get high performance in Core Banking Solution (Finacle). It is scalable for future needs and ensures high availability.

Health of Server Infrastructure is monitored in a real time mode through monitoring tools for Server related parameters such as CPU Utilization, CPU Load, Memory Usage, Process, Threads, Disk Space Usage, Network Traffic, Uptime, Regexp (Regular Expression) based alerts etc.

PAM (Privileged Access Management) solution was implemented to provide access to the servers in a more secure way with Multi Factor Authentication. Our DR site is operational 24 hours everyday and the systems are kept upto date with the DC site on a continuous basis, to ensure that the Disaster Recovery Operations remain accurate, relevant and operable during adverse conditions. We confirm this readiness by carrying out planned and un-planned DR Drills on a regular basis.

Security Infrastructure

Your Bank has implemented contemporary Security Infrastructure through Security Operations Centre (SOC) to automate and respond to threat detection so as to protect the data, systems and network from external threats and system vulnerabilities.

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18. Product Innovation, New Products and Services

The Bank remains committed to expanding its service portfolio through strategic product development and digital integration. Major initiatives launched during the financial year 2025-26 include:

Enhanced Savings Solutions

- Introduction of JLPlus Savings Bank Account (designed as combo of Jewel Loan and Savings Bank Account)
Designed specifically for targeting the segment of customers who own gold jewellery and need short term credit simultaneously aspiring to grow their savings in the form of gold and liquid cash.
- Introduction of DepPlus Savings Bank Account
Designed as combo of Term deposit and savings bank account
- Introduction of Capital Gains Savings Account
Scheme launched as per Capital Gains scheme, 1988 under the Indian Income Tax Act, 1961. The scheme enables customers to temporarily park long term capital gains arising from the sale of certain assets, when they intend to reinvest in eligible assets such as residential property.

Strategic Current Account Re-alignment

- Revamping Current Account Products – Ordinary Current Account and Super Flexi Current Account
- Introduction of New Current Account Scheme – TMB Collection Account
- Introduction of New Current Account Scheme – TMB Super Value Current Account (TSVCA)

Specialized Groups & Operational Excellence

- **Formation of New Vertical: Elite Service Group (ESG)** – A dedicated team for premium customers to provide priority banking support, personalized relationship management, special assistance for HNI/VIP customers etc
- **Launch of Customer Experience (CX)** – Launched with an aim to improve faster and hassle-free customer service, personalized customer support, service requests, better communication, transparency etc
- **Launch of Vendor Management System (VMS)** – Launched with an aim to streamline the expenses, vendor payments, monitoring and centralized management in a transparent and controlled manner.

19. Awards / Ratings

The Bank has been honoured with several prestigious awards during the year under review, recognizing excellence in risk management, digital transformation and social security implementation.

Banking Performance & Risk Management

- **Winner** – Best Performance on Risk Management (Private Sector Bank – Small), awarded by Indian Chamber of Commerce (ICC).
- **Joint Winner** – Best Performance on Asset Quality in the Private Sector Bank (Small) category by the Indian Chamber of Commerce (ICC).
- **Winner** – Best Private Sector Bank (Other Category), National Level – SFBCK Banking Excellence Awards 2025.



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Digital & Technological Innovation

- **Winner** – Enterprise-wide Digital Transformation Excellence Award – Oracle (AI Fusion Category)
- **Winner** – Gold in the Cyber Shield Innovation category at the IBEX India 2026 BFSI Tech Awards
- **Winner** – Silver in the Digital CX Trailblazer at the IBEX India 2026 BFSI Tech Awards.

Accolades received for Implementing Atal Pension Yojana (APY)

- **First Place under Private Banks** – APY Trendsetter of the Year
- **Overall 2nd Place** – APY Annual Award of Ultimate Achiever
- **Second place under Private Banks**
 - 1) APY Premier League
 - 2) APL Runners up CUP
- **APY Retirement Revolutionaries** – Visionary Revolutionary & 4 Awards of Excellence
- **Exemplary Leadership Award (First Place under Private Banks)** – APY Leadership Pinnacle for MD & CEO
- **Second Place under Private Banks**
 - 1) APY Ultimate Champions Cup Exemplary Champion Cup & Silver Cup
- **Award of Par Excellence** – APY Circle of Excellence
- **Award of Par Excellence** – APY Big Believers
- **Award of Exemplary Achiever (Highest among each category, Overall First place)** – Amazing Achievers of APY

External Rating:

During the financial year 2025-26, CRISIL renewed the rating for the Certificate of Deposit programme of the Bank as follows:

Instrument category	Ratings	Instrument
Long Term	CRISIL A+	₹15,000 crore Fixed Deposits
Short Term	CRISIL A1+	₹25,000 crore short term Fixed Deposits ₹1,000 crore Certificate of Deposits

20. Risk Management

Your Bank has a proactive approach towards Risk Management. Its risk philosophy involves developing and maintaining its banking activities within its risk appetite and regulatory framework.

The Risk Management Architecture of the Bank comprises of an Independent Risk Management Organizational structure at the corporate level, Risk Management Policies, Risk Measurement Tools and Risk Monitoring and Management Systems. The Bank has a well-defined risk appetite statement and all the banking functions are dovetailed to the risk appetite statement.

The Board of Directors of the Bank is primarily responsible for laying down risk parameters and establishing an integrated risk management and control mechanism. The Board of Directors is supported by a Sub-Committee of the Board known as the Risk Management Committee of the Board (RMCB), which in turn is aided by the Asset Liability Committee (ALCO), Credit Risk Management Committee of Executives (CRMCE)

DIRECTORS' REPORT (CONTD..)

and Operational Risk Management Committee of Executives (ORMCE). The executive level Committees are headed by the MD & CEO of the Bank. The Bank's RMCB reviews its Risk Management policies and recommends to the Board for approval. The Board also sets out limits, taking into account the risk appetite of the Bank and the goals set.

The Bank's liquidity ratios, i.e., LCR & NSFR are also above the minimum stipulated level indicating comfortable position with regard to liquidity risk.

Your Bank has been proactively conducting internal assessment of adequacy of capital, liquidity ratios and leverage ratios in accordance with Basel-III standards. The Bank's capital position is in compliance with Basel-III expectations and well above the minimum requirements.

21. Board of Directors

The Bank's Board as on March 31, 2026, comprises of 14 Directors and the composition of Board are given below:

S. No	Name	Sector Represented / Area of specialized knowledge
1	Thiru K.Ramachandran	Majority Sector - Banking and Information Technology
2	Thiru Salee S Nair	Majority Sector - Banking
3	Thiru Vincent M.D.	Majority Sector - Banking
4	Thiru A.Niranjan Sankar	Minority Sector - Business Management and Human Resource
5	Thiru K.V.Rama Moorthy	Majority Sector - Agriculture & Rural Economy and Banking
6	Thiru S.R.Aravind Kumar	Minority Sector - SSI (MSME) and Information Technology
7	Thiru R.Kodeeswaran	Minority Sector - Business Management
8	Thiru C.Chiranjeeviraj	Majority Sector - Accountancy and Finance
9	Thiru S.Sridharan	Majority Sector - Banking, Economics and Law
10	Thiru R.Deepak Shankar	Minority Sector - SSI (MSME)
11	Tmt R.Kanagavalli	Majority Sector - Law
12	Thiru A.Shidambaranathan	Majority Sector - Accountancy, Banking and Finance
13	Thiru C.S.Ram Kumar	Additional Director, RBI
14	Thiru V.Srinivasan	Additional Director, RBI

All Directors, other than the Managing Director & CEO and the Executive Director, are Non-Executive Directors on the Board.

During the current year,

1. Thiru A. Shidambaranathan (DIN: 02904738) was appointed as an Additional Director in the capacity of Non-Executive Independent Director for a period of three years at the Board Meeting held on March 26, 2025. The Shareholders of the Bank had approved his appointment on June 04, 2025, through Postal Ballot.
2. Thiru B. Prabakaran (DIN: 00209875), Non-Executive Independent Director had resigned from the Board of the Bank on June 09, 2025, with effect from the close of the business hours on June 11, 2025, due to his pre-occupations and other personal commitments.



DIRECTORS' REPORT (CONTD..)

3. Your Board of Directors at their meeting held on June 12, 2025, on the basis of the recommendation of the Nomination and Remuneration Committee, had approved the appointment of Thiru K. Ramachandran (DIN: 08589628) as an Additional Director on the Board of the Bank, for a period of three consecutive years, with effect from June 12, 2025 to June 11, 2028, in the capacity of Non-Executive Independent Director, he shall not be liable to retire by rotation. The Board has further recommended the appointment of Thiru K. Ramachandran (DIN: 08589628) as Non-Executive Part-Time Chairman of the Bank, from the date of approval granted by RBI till the date of his tenure as Independent Director, with a remuneration of ₹18 lakh p.a.

The Reserve Bank of India, vide its order Ref.No.CO.DOR.HGG.No.S3873/08.55.001/2025-26 dated August 14, 2025 had approved the appointment of Thiru K. Ramachandran (DIN: 08589628) as Part-Time Chairman of the Bank w.e.f. the date of approval, i.e., from August 14, 2025 to June 11, 2028, at a fixed remuneration of ₹18 lakh p.a. The Shareholders of the Bank had approved his appointment on October 30, 2025, through Postal Ballot.

4. Thiru S.R.Ashok (DIN: 07933713) and Thiru D.N.Nirranjan Kani (DIN:00455352), Non-Executive Directors of the Bank demitted their office at the close of business hours on October 27, 2025, consequent to completion of their eight (8) years tenure in terms of Section 10A(2A)(i) of the Banking Regulation Act, 1949.
5. Your Board of Directors at their meeting held on November 19, 2025, on the basis of the recommendation of the Nomination and Remuneration Committee, had approved the appointment of Thiru S.R.Aravind Kumar (DIN: 02145836) and Thiru R. Kodeeswaran (DIN: 00466141) as Additional Directors of the Bank under "Non-Executive Director" category for a period of three consecutive years, with effect from November 19, 2025. In terms of Section 149(13) of the Companies Act, 2013, Thiru S.R.Aravind Kumar and Thiru R.Kodeeswaran shall be liable to retire by rotation. The Shareholders of the Bank had approved their appointments on December 28, 2025, through Postal Ballot.
6. The Reserve Bank of India, vide its order Ref.No.CO.DOR.HGG.No.S7192/08.55.001/2025-26 dated December 19, 2025, had appointed Thiru V.Srinivasan (DIN: 11444537), General Manager, Reserve Bank of India, as Additional Director of the Bank for a period of two years from December 20, 2025 to December 19, 2027, or till further orders, whichever is earlier in place of Thiru Thomas Mathew, Principal Chief General Manager (retired), Reserve Bank of India.

The other related details of Directors and Key Managerial Personnel are available in the Corporate Governance report, which forms part of this report.

22. Employee Stock Option Plan

The Board of Directors of the Bank in their meeting held on January 17, 2025, had approved the Tamilnad Mercantile Bank Limited (TMB) Employee Stock Option Plan 2024 ("TMB ESOP 2024") and the same was approved by the shareholders of the Bank on March 12, 2025, through Postal Ballot. The Bank had filed an application with the Stock Exchanges for obtaining in-principle approval from them for issuing new shares under TMB ESOP 2024.

The BSE Limited and the National Stock Exchange of India Limited (NSE) has issued In-principle approval letter dated July 24, 2025, for the listing of up to a maximum number of 15,83,514 Equity Shares of ₹ 10/- each to be allotted to the employees of the Bank (Company) under "TMB ESOP 2024".

The Bank has designated the Nomination and Remuneration Committee (NRC) of the Board as the Compensation Committee ("CC") and the CC in their meeting held on October 27, 2025, had approved the following grant to the MD&CEO and the Executive Director:

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S.No.	Name of the Grantee	No. of the Shares to be allotted	Financial Year/ deferment
1	Thiru. Salee S Nair (MD&CEO)	4509	2024-25 – to be allotted in the ratio of 30:30:40 over a period of three years
2	Thiru. Vincent M.D. (Executive Director)	3370	2024-25 – to be allotted in the ratio of 30:30:40 over a period of three years

Pursuant to Regulation 13 of the Securities Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, a certificate from the Secretarial Auditor is attached as **Annexure 9**.

The ESOP Scheme Document is posted on the Bank's website and available at the link: <https://tmb.bank.in/doc/8c2b7108-e74c-4a1c-8189-6aafdebc3be7.pdf>

23. Declaration by Independent Directors

Your Bank has received necessary declarations from all the Independent Directors under Section 149(7) read with Section 149(6) of the Companies Act, 2013 and Regulation 25(8) read with Regulation 16(1)(b) of the SEBI LODR Regulations, 2015, that they meet the criteria of independence laid down thereunder.

24. Woman Director

In terms of the provisions of Section 149 of the Companies Act, 2013 and Regulation 17 of the SEBI (LODR) Regulations, 2015, the Bank had appointed Tmt. R.Kanagavalli (DIN: 00883998) on August 19, 2024, as Woman (Non-Executive Independent) Director on the Board of the Bank.

25. Details of Subsidiaries and Associates

Your Bank does not have any Subsidiaries or Associates or Joint Ventures for the Financial Year ended March 31, 2026.

26. Change in the nature of Business

During the Financial Year ended March 31, 2026, there is no change in the nature of business of the Bank.

27. Directors' Responsibility Statement

Pursuant to Section 134(3)(c) read with Section 134(5) of the Companies Act, 2013, it is hereby confirmed that:

- In the preparation of the annual accounts for the Financial Year ended March 31, 2026, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- The Board of Directors have selected the accounting policies and applied them consistently and judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Bank at the end of the Financial Year 2025-26 and of the profit of the Bank for that period.
- The Board of Directors have 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;
- The Board of Directors have prepared the annual accounts for the Financial Year ended on March 31, 2026, on a going concern basis;
- The Board of Directors have laid down internal financial controls to be followed by the Bank and that such internal financial controls are adequate and were operating effectively; and
- The Board of Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.



DIRECTORS' REPORT (CONTD..)

28. Details of contracts or arrangements with related parties

Related Party Transactions that were entered, during the financial year under review, were on an arm's length basis and were in the ordinary course of business, pursuant to the approval of the Audit Committee of the Board. There were no materially significant related party transactions during the financial year, which could lead to potential conflicts with the interests of the Bank.

During the year, two gold overdraft facilities amounting to ₹0.14 crore each, were extended to the relatives of a Director of the Bank for their business and personal requirements. The Audit Committee of the Board in its subsequent meeting, reviewed and approved these related party transactions in accordance with the applicable framework. As on the date of this report, the said facilities have been fully repaid and closed.

Further, the Audit Committee of the Board reviewed and approved an interest rate concession in relation to a deposit overdraft of ₹0.67 crore availed by the entity in which a Director of the Bank is interested, on the security of third-party deposits.

There were no Related Party Transactions required to be reported in Form AOC-2. Your Bank has a Policy on Related Party Transactions which was reviewed by the Board on the recommendation of the Audit Committee of the Board, with certain amendments including amendments to align with the regulatory changes in SEBI LODR. The Policy is available on your Bank's website: <https://www.tmb.bank.in/pages/Regulatory-Policies>.

29. Board Level Performance Evaluation

Pursuant to the provisions of the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015, the Nomination and Remuneration Committee of the Board had laid down the criteria for Performance Evaluation of the Board as a whole, Individual Directors including the Chairman, Independent Directors and Non-Independent Directors as well as the process for such evaluation.

The Bank has aligned its Board Evaluation Framework in line with the Guidance Note on Board Evaluation issued by the SEBI as per Circular dated January 5, 2017. The Board of Directors has carried out the annual evaluation of the performance of the Board as a whole, Individual Directors including the Chairman, Independent Directors and Non-Independent Directors.

The performance of the Board as a whole, Individual Directors including the Chairman, Independent Directors and Non-Independent Directors have been evaluated / reviewed by the Nomination and Remuneration Committee, by the Independent Directors and by the Board of Directors.

The Board has formulated a Policy on Performance Evaluation which includes the aspects such as

- Acting in the best interest of the Bank
- Exercise of due and reasonable care, skill, diligence and independent judgement
- Avoidance of direct or indirect conflicts of interest
- Avoidance of undue gain or advantage either to self or relatives, partners or associates
- Maintaining confidentiality of information, including commercial secrets and unpublished market - sensitive information
- To oversee the Bank's financial reporting process and ensuring correct, adequate and credible disclosure of financial information.
- To review with the management, the financial statements with special emphasis on accounting policies and practices, compliance with accounting standards and other legal requirements, concerning financial statements

DIRECTORS' REPORT (CONTD..)

- To review the adequacy, quality and effectiveness of external and internal audit, internal control system, interaction with external auditors before finalization of Annual accounts and reports.
- To review Bank's finance and risk management policies.
- Striving to attend all committee Meetings
- Display of requisite knowledge and expected level of awareness of the Bank and external environment in meetings and comments
- Seeking appropriate clarification or amplification of information where necessary
- Contribution in terms of constructive ideas, guidance and knowledge of better decision making and management of Bank's affairs.

30. Bank's policy on Directors' appointment and remuneration

The Bank has a Board approved Nomination and Remuneration Policy for appointment of Directors and Senior Executives of the Bank.

The Bank also has a Board approved compensation policy which deals with the compensation & benefits of the Managing Director & CEO, the Executive Director and all Senior Executives of the Bank.

The remuneration of the MD & CEO and the Executive Director is recommended by the Nomination and Remuneration Committee (NRC) to the Board for approval after considering the factors prescribed under the Compensation Policy. The Board considers the recommendations of NRC and approves the remuneration, modifications, subject to shareholders' and regulatory approvals.

The other Non-Executive Directors are paid only sitting fees for attending the meetings of the Board and its Committees. None of the directors including the MD & CEO and the Executive Director receives any profit linked remuneration. The sitting fees payable to the Non-Executive Directors is ₹50,000/- for Board Meeting and ₹25,000/- for Committee Meetings for the year under review.

The terms and conditions of appointment of Independent Director are available on the Bank's website – <https://www.tmb.bank.in/doc/2point.pdf>

31. A statement regarding opinion of the Board with regard to integrity, expertise and experience (including the proficiency) of the Independent Directors appointed during the year

The details are available in the Corporate Governance Report.

32. Board / Committee meetings

During the year under review, total 14 meetings of the Board and 71 meetings of the Committees of the Board were held. For details of the meetings of the Board and its Committees, please refer to the Corporate Governance report forming part of this report.

33. Annual General Meetings

For the details of the Annual General Meetings, please refer to the Corporate Governance report forming part of this report.

34. Compliance Function

The Bank has embedded a strong compliance culture and robust mechanisms throughout the organization to advance its strategic goals of transparency and trust among all stakeholders. The Bank has implemented a robust compliance system, anchored by a comprehensive, Board-approved Compliance Policy that clearly outlines its compliance philosophy. Pursuant to Reserve Bank of India guidelines, the Bank has established



DIRECTORS' REPORT (CONTD..)

an independent Compliance Function, led by the Executive Vice President serving as Chief Compliance Officer (CCO). The Bank's Compliance department ensures that the overall business adheres strictly to regulator-mandated guidelines and statutory provisions. It also guides business units and stakeholders on regulatory requirements, emphasizing a deeper understanding of the intent and spirit. The key functions of the department include tracking and disseminating regulatory updates to functional units, monitoring timely implementation of regulatory instructions, reviewing processes from a regulatory compliance perspective, providing guidance on compliance-related matters among others. The Compliance Department serves as the nodal office for regular communication between the Bank and RBI, while also managing activities related to RBI's Risk Based Supervision process. To further strengthen compliance across the Bank, dedicated Compliance Officers are posted in each department, regional office and branch. The Bank continues its sustained efforts to enhance its compliance culture by raising employee awareness.

35. Compliance with the provisions of the Companies Act, 2013

The Bank had complied with all the provisions of the Companies Act, 2013 and the rules made thereunder, to the extent that are applicable to the Bank. However, the Bank had filed two suo moto applications before the Registrar of Companies, Chennai (ROC) under Section 454 of the Companies Act, 2013 on February 07, 2025. During the year under review, pursuant to the proceeding before the Registrar of Companies, vide its order dated September 18, 2025, imposed a penalty of ₹25,000 each on the Bank and the same was duly paid.

36. Internal Auditors

The Board is of the opinion that, the Bank is already governed by The Banking Regulation Act, 1949 and is under the purview of RBI Concurrent Audit framework, which involves continuous monitoring and regular compliance verification and the Inspection Department of the Bank conducts audit of the branches & various departments as per the Board approved policy and as per the RBI guidelines. The reports of the Concurrent Audit are placed before the Audit Committee of the Board.

Considering the extensive coverage of such audit, the Board is of the view that a separate Internal Auditor appointment may not be required under the Companies Act, 2013.

37. Statutory Auditors

Pursuant to provisions of Section 139 of the Companies Act, 2013 read with Section 30(1A) of the Banking Regulation Act, 1949, the Board of Directors had recommended the appointment of M/s.Sundaram & Srinivasan, Chartered Accountants, Chennai (Firm Registration No. 004207S) and M/s. Chandran & Raman, Chartered Accountants, Chennai (Firm Registration No. 000571S) as the Joint Statutory Central Auditors of the Bank for the Financial Year 2026-27. The Reserve Bank of India vide its letter dated May 07, 2026, had approved the same. It is subject to the approval of the members at the ensuing Annual General Meeting.

The proposed Auditors have confirmed their eligibility to be so appointed in terms of Section 141 of the Companies Act, 2013.

38. Comments on Auditors' Report

The Notes on Accounts and the Significant Accounting Policies referred to in the Auditor's Report and forming part of the annual accounts and the references made by the Auditors in their Report are self-explanatory. The Auditors have not made any observations or adverse comments warranting any explanation on the part of the Board as referred to in Section 134 (3) (f) of the Companies Act, 2013.

39. Details in respect of frauds reported by Auditors

During the year under review, the Auditors have not reported any instance of fraud committed in the Bank by its officers or employees to the Audit Committee of the Board under section 143 (12) of the Companies

DIRECTORS' REPORT (CONTD..)

Act, 2013.

40. Secretarial Audit

The Bank had appointed M/s. SPNP & Associates, Practicing Company Secretaries, Chennai, as the Secretarial Auditor to conduct the Secretarial Audit of the Bank for five consecutive financial years from the FY 2025-26 to 2029-30 and the appointment was approved by the shareholders of the Bank in the 103rd Annual General Meeting of the Bank, held on August 08, 2025. The report of the Secretarial Auditor for the financial year 2025-26 is enclosed as **Annexure 1**.

The Secretarial Auditor has made the following observations and your directors would like to submit the response to the observations as below;

- During the Financial Year under review, the bank had paid a penalty of ₹39.60 Lakhs for non-compliance of Payments and Settlements Act, 2007 (PSS Act).

The comment made by the Secretarial Auditor is self-explanatory in nature and your Bank has taken necessary steps to ensure compliance with regulatory guidelines as amended from time to time.

- During the Financial Year under review, the Adjudicating Authority under Ministry of Corporate Affairs had levied a penalty of ₹50,000 on the suo moto applications filed by the Bank for the non-compliances under Section 118(1) of the Companies Act, 2013 and the Secretarial Standards.

The comment made by the Secretarial Auditor is self-explanatory in nature and your Bank has taken necessary steps to ensure compliance with regulatory guidelines as amended from time to time.

- During the Financial Year under review, the bank had transferred ₹5.00 Crores to TMB Foundation on May 19, 2025, which was ratified at the Board Meeting held on June 12, 2025.

The amount was transferred to the TMB Foundation (Implementing Agency) due to business exigencies and the action of the Managing Director and CEO of the Bank was ratified by the Board in its subsequent meeting. Further, the comment made by the Secretarial Auditor is self-explanatory in nature and your Bank has taken necessary steps to ensure compliance with regulatory guidelines as amended from time to time.

- During the period under review, the Bank had not submitted the Secretarial Compliance Report in the prescribed filing procedure on the Stock Exchange. Therefore, it has been treated as a case of non-submission under Regulation 24A of SEBI (LODR) Regulations, 2015. Accordingly, the Bank paid a penalty of ₹52,000/- as per the notice received from BSE.

The comment made by the Secretarial Auditor is self-explanatory in nature and your Bank has taken necessary steps to ensure compliance with regulatory guidelines as amended from time to time.

- The Bank had received email communications from NSE on February 03, 2025 & February 18, 2025 and from BSE on February 25, 2025, regarding non-compliance of constitution of the Nomination & Remuneration Committee of the Board, in terms of Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for the period from October 09, 2024 to October 27, 2024. Subsequently, BSE levied a penalty of ₹38,000/- for the aforesaid non-compliance, which was paid by the Bank.

The comment made by the Secretarial Auditor is self-explanatory in nature and your Bank has taken necessary steps to ensure compliance with regulatory guidelines as amended from time to time.



DIRECTORS' REPORT (CONTD..)

41. Annual Secretarial Compliance Report

The Bank had undertaken an audit for the Financial Year ended March 31, 2026, for all applicable compliances as per the SEBI (LODR) Regulations, 2015 and Circulars / Guidelines issued thereunder. The Annual Secretarial Compliance Report duly signed by M/s. SPNP & Associates, Practicing Company Secretaries, Chennai, has been submitted to the Stock Exchanges and is enclosed as **Annexure 2** to this Directors' Report.

42. Compliance to Secretarial Standards

The Bank has complied with the provisions of the applicable Secretarial Standards issued by the Institute of Company Secretaries of India and has put in place systems which are adequate and are operating effectively.

43. Funding sources of renewable energy (Conservation of Energy)

The Bank has been supporting and financing various activities for development of alternative energy generation and transition. The Bank recognizes wind and solar energy as main sources of best renewable and pollution free energy throughout the year and considers funding these initiatives as its contribution towards the worldwide effort against global warming. Accordingly, Bank encourages setting up of solar panels by financing solar energy generation plants. The Bank has also taken various steps to conserve energy in its own premises, by establishing solar panels in 18 branches.

44. Corporate Social Responsibility

The Bank has constituted a Corporate Social Responsibility (CSR) Committee and has also adopted a CSR Policy. The CSR Policy is available on the Bank's website. The disclosure in respect of the CSR activities of the Bank as required to be made as per the Companies (Corporate Social Responsibility) Rules, 2014 is given in **Annexure 3**.

Total CSR obligation for your Bank for FY 2025-26 was ₹29.07 Crore. Out of the total ₹29.07 Crore, ₹8.76 Crore was spent towards various CSR activities during the FY 2025-26 whereas ₹20.31 Crore was transferred to our Implementing Agency "TMB Foundation" for carrying out ongoing and multi-year projects. These ongoing and multi-year projects are being implemented through our Implementing Agency in alignment with the activities outlined under Schedule VII of the Companies Act, 2013.

45. Annual Return

Annual Return Pursuant to provision of Section 134(3)(a) and Section 92(3) of the Companies Act, 2013, the Annual Return as at March 31, 2026, is available in the Bank's website. The same can be accessed at <https://www.tmb.bank.in/pages/Annual-Return>.

46. Disclosures Pertaining to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Maternity Benefit Act, 1961

The Bank has zero tolerance towards any act on the part of any executive / employee which may fall under the ambit of 'Sexual Harassment' at workplace and is fully committed to uphold and maintain the dignity of every woman working in the Bank. The Policy provides for prevention and protection against sexual harassment of women at workplace and for redressal of such complaints. All the employees (permanent, contractual, temporary or trainee) are covered under this policy.

Number of complaints pending as at the beginning of the Financial Year - Nil

Number of complaints filed during the Financial Year - 1 (The same has been disposed)

Number of complaints pending as at the end of the Financial Year - Nil

The Bank is in compliance with the Maternity Benefit Act, 1961, as amended from time to time.

DIRECTORS' REPORT (CONTD..)

47. Transfer of Equity Shares / Unclaimed Dividends to Investor Education and Protection Fund (IEPF) Authority.

The details of the Equity Shares / Unclaimed Dividends transferred to the Investor Education and Protection Fund (IEPF) Authority are available in the Corporate Governance report forming part of this report.

48. Strictures and Penalties

During the year under review, the Statutory bodies / Regulatory authorities have imposed the following penalties on the Bank:

1. RBI had imposed penalty of ₹3,90,000/- under the scheme of penalty for Non-replenishment of ATM.
2. RBI had imposed penalty of ₹12,250/- on April 30, 2025, for the reason of irregularities found during their visit at our Thoothukudi, Pudukottai Currency Chest and Officials of Currency Chest have not been provided training on CyM-CC portal operations
3. RBI had imposed a monetary penalty of ₹10 lakh (Rupees Ten lakh only) on November 13, 2025, for indirectly imposing charges on persons making payment by using UPI and ₹29.60 lakh (Rupees Twenty Nine Lakh Sixty Thousand only) for failure to credit to the DEA Fund an amount of ₹4,06,98,298 standing to the credit of 12,243 accounts within the prescribed time period under section 264 of the BR Act.
4. The Bank had submitted waiver applications to the Stock Exchanges namely BSE Limited and National Stock Exchange Limited in relation to certain instances of non-compliance of certain provisions of SEBI (LODR) Regulations, 2015. Pursuant to the decision taken by the Stock Exchanges on the applications, a sum of ₹38,000/- was paid as penalty to BSE Limited and similar communication from NSE Limited is awaited.

Further, BSE Limited levied a penalty of ₹52,000/- for non-compliance with Regulation 24A of SEBI (LODR) Regulations, 2015 and the penalty was paid to BSE Limited.

5. The Bank had filed two suo moto applications before the Registrar of Companies, Chennai (ROC) under Section 454 of the Companies Act, 2013. Pursuant to the proceeding before the Registrar of Companies, vide its order dated September 18, 2025, imposed a penalty of ₹25,000 each on the Bank and the same was duly paid.
6. NSDL had imposed penalty for Rs.1,500/- on December 09, 2025, towards deficiencies in DPM system.

49. Requirement for maintenance of cost records

The cost records as specified by the Central Government under Section 148(1) of the Companies Act, 2013, are not required to be maintained by the Bank.

50. Management Discussion & Analysis

The Management Discussion & Analysis as required under the SEBI (LODR) Regulations, 2015, is enclosed as **Annexure 4**, forming part of this Report.

51. Particulars of Employees and Remuneration

The information required under Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is enclosed as **Annexure 5** which forms part of this report.



DIRECTORS' REPORT (CONTD..)

52. Corporate Governance

Your Bank is committed to follow the best practice of corporate governance to protect the interest of all the stakeholders of the Bank, viz. shareholders, depositors and other customers, employees and the society in general and maintain transparency at all levels.

As required under Regulation 34(3) read with Schedule V(C) of the SEBI (LODR) Regulations, 2015, a report on Corporate Governance and the certificate as required under Schedule V(E) of the SEBI (LODR) Regulations, 2015, obtained from M/s. SPNP & Associates, Practicing Company Secretaries, Chennai, regarding compliance of conditions of Corporate Governance are enclosed as **Annexure 6 & Annexure 7** respectively, forming part of this report.

53. Business Responsibility and Sustainability Report

The 'Business Responsibility and Sustainability Report' (BRSR) of your Bank for the Financial Year ended March 31, 2026, is enclosed as **Annexure 8** as required under Regulation 34(2)(f) of the SEBI (LODR) Regulations, 2015. Your Bank continues to execute strong ESG proposition by working with all relevant stakeholders as well as in its own operations.

54. Material changes and commitment, if any, affecting the financial position of the Bank from the end of the financial year and till the date of this report

There are no material changes and commitments affecting the financial position of the Bank.

55. The details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Bank operations in future

During the Financial Year ended March 31, 2026, 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.

56. The details of difference between amount of the valuation done at the time of one-time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof

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

57. Insider Trading Compliances

The Bank has adopted a policy on the Code of Conduct to Regulate, Monitor and Report Trading by Insiders ('PIT Code'), adopted in line with the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015 ('PIT Regulations'). The policy is available on the website of the Bank at <https://www.tmb.bank.in/pages/Regulatory-Policies>. The PIT Code, inter-alia requires, pre-clearance for trading in the securities and prohibits the purchase or sale of securities while in possession of Unpublished Price Sensitive Information (UPSI) and during the closure of trading window.

The Board has also adopted a Board approved Code of Practices and Procedures for Fair Disclosure of UPSI, which is available on the website of the Bank at <https://www.tmb.bank.in/pages/Regulatory-Policies>. The Board reviews the PIT Code on an annual basis and whenever required. The PIT Code has been reviewed by the Audit Committee of the Board and the Board and made certain changes therein in order to provide more clarity in certain clauses as per recent development in the aforesaid Regulation. The Company Secretary of the Bank acts as the 'Compliance Officer' in terms of the PIT Code and Regulations and is responsible for implementation and overseeing compliance with the PIT Code across the Bank.

DIRECTORS' REPORT (CONTD..)

The Bank had also undertaken various initiatives during the financial year to spread awareness amongst the employees of the Bank about the provisions of the PIT Code and Regulations. The Bank had automated the process for submission of declarations and disclosures by designated persons electronically through software. Further, your Bank has maintained the Structured Digital Database ('SDD') internally with adequate internal controls, in compliance with the provisions of Regulation 3(5) of the PIT Regulations. The report on the compliance with the PIT Code is also submitted to the Audit Committee of the Board/ Board periodically.

58. Acknowledgment

The Board of Directors are grateful for the valuable guidance and support received from the Government of India, various State Governments, regulatory bodies such as RBI, SEBI, IRDAI, MCA, IBA, UIDAI, PFRDA, CERSAI, as well as to all the shareholders, Lenders, Credit Rating Agencies for their unwavering support and trust in the Bank.

The Board would further like to express appreciation to BSE Limited, National Stock Exchange of India Ltd., National Securities Depository Limited, Central Depository Services (India) Limited, Registrar & Share Transfer Agent, Vendors and Service Providers for their continued support & co-operation.

The Board also wishes to place on record its profound appreciation for the commitment and valuable contribution of the Bank's Staff at all levels and looks forward to their continued involvement with commitment towards achieving the future goals.

Lastly, our sincere thanks to all our customers in India and abroad and our shareholders for their patronage and continued faith in Brand TMB as we strive to improve the Bank's position and performance on an ongoing basis and remain strongly committed to creating value for our stakeholders.

59. Conclusion

This year your Bank had achieved significant milestones, marking 104 years since its establishment - a truly commendable accomplishment.

Both the banking sector as a whole and your Bank, in particular remain committed to supporting the MSME segment through the effective rollout of initiatives introduced by the government and regulatory authorities. The Bank has adopted a prudent approach in expanding its operations while maintaining strong financial performance.

The Bank had overcome numerous challenges in its 104 year journey and looking forward your Bank remains poised to face any likely economic and banking challenges. Your Bank is optimistic, confident and resilient to rise to the occasion and turn challenges into opportunities. Driven by shareholder trust, the loyal and steadfast customers, the vibrant management team and the unwavering dedication of the employees, your Bank can navigate the future with great hope, renewed vigour and focus.

For and on behalf of the Board of Directors

Place : Thoothukudi

Date : June 05, 2026

K. Ramachandran

Non-Executive Part-Time Chairman
(Independent Director)



CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To

The Members of

Tamilnad Mercantile Bank Limited

57, Victoria Extension Road,

Thoothukudi - 628002.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Tamilnad Mercantile Bank Limited** (CIN: L65110TN1921PLC001908) having registered office at 57, Victoria Extension Road, Thoothukudi - 628002 (hereinafter referred to as 'the Bank'), produced before us by the Bank in electronic mode, 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 Director Identification Number (DIN) status at the portal of Ministry of Corporate Affairs i.e., 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 for the Financial Year ending on March 31, 2026, have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No	Name of Director	DIN	Designation	Original Date of appointment in Bank	Date of appointment in the current Designation
1	Thiru. K.Ramachandran(%)	08589628	Non-Executive Independent Director, Part-Time Chairman	12.06.2025	12.06.2025
2	Thiru. Salee S Nair	09231101	Managing Director & CEO	29.08.2024	29.08.2024
3	Thiru. Vincent M.D	09850306	Executive Director	27.09.2024	27.09.2024
4	Thiru. A.Niranjan Sankar	00084014	Non-Executive - Non-Independent Director	28.10.2020	28.10.2020
5	Thiru.R. Kodeeswaran(#)	00466141	Non-Executive - Non-Independent Director	19.11.2025	19.11.2025
6	Thiru.S.R. Aravind Kumar(@)	02145836	Non-Executive - Non Independent Director	19.11.2025	19.11.2025
7	Thiru. K.V. Rama Moorthy	07034994	Non-Executive - Non-Independent Director	09.07.2024	09.07.2024
8	Thiru. C. Chiranjeeviraj	08730382	Non-Executive Independent Director	28.10.2020	16.07.2021
9	Thiru.S. Sridharan	07205781	Non-Executive Independent Director	27.02.2024	27.02.2024
10	Thiru. R. Deepak Shankar	05223027	Non-Executive Independent Director	09.07.2024	09.07.2024

Sr. No	Name of Director	DIN	Designation	Original Date of appointment in Bank	Date of appointment in the current Designation
11	Tmt. R. Kanagavalli	00883998	Non-Executive Independent Director	19.08.2024	19.08.2024
12	Thiru. A. Shidambaranathan(*)	02904738	Non-Executive Independent Director	01.04.2025	01.04.2025
13	Thiru. C.S. Ramkumar	09777115	Additional Director, RBI	04.10.2022	04.10.2022
14	Thiru.V.Srinivasan(\$)	11444537	Additional Director, RBI	20.12.2025	20.12.2025

(%) Thiru. K.Ramachandran was appointed as an Additional Director in the capacity of Non-Executive - Independent Director, for a period of three years at the board meeting held on 12th June, 2025. His appointment was regularized in the Annual General Meeting of the Bank held on 08th August, 2025.

The Reserve Bank of India, vide its order Ref.No.CO.DOR.HGG.No.S3873/08.55.001/2025-26 dated August 14, 2025, had approved the appointment of Thiru. K. Ramachandran as Part-Time Chairman of the Bank w.e.f. the date of approval, i.e., from August 14, 2025 to June 11, 2028, at a fixed remuneration of ₹18 lakh p.a. His appointment was approved by the shareholders on 30th October, 2025, through Postal Ballot.

(#) Thiru. R. Kodeeswaran was appointed as an Additional Director in the capacity of Non-Executive Non-Independent Director of the Bank, for a period of three years with effective from 19th November, 2025 at the board meeting held on 19th November, 2025. His appointment was regularized via Postal Ballot on 28th December, 2025.

(@) Thiru. S.R.Aravind Kumar was appointed as an Additional Director in the capacity of Non-Executive Non-Independent Director of the Bank, for a period of three years with effective from 19th November, 2025 at the board meeting held on 19th November, 2025. His appointment was regularized via Postal Ballot on 28th December, 2025.

(*) Thiru. A. Shidambaranathan was appointed as an Additional Director in the capacity of Non-Executive Independent Director for a period of three years at the board meeting held on 26th March, 2025. The Shareholders of the Bank had approved his appointment on 04th June, 2025, through Postal Ballot.

(\$) The Reserve Bank of India vide its Order, Ref.No.CO.DOR.HGG.No.S7192/08.55.001/2025-26 dated 19th December, 2025, has directed the Bank to appoint Thiru.V.Srinivasan, General Manager, Department of Payment and Settlement System, Reserve Bank of India, Chennai as an Additional Director, for a period of two years from 20th December, 2025 to 19th December, 2027 or till further orders, whichever is earlier.

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification.

FOR SPNP & ASSOCIATES

P. SRIRAM

FCS No. 4862/C P No: 3310

FRN: FR/CHENNAI CENTRAL/102/2020

PEER REVIEW NO: 1913/2022

UDIN: F004862H000439153

Date : May 22, 2026

Place : Chennai



Annexure – 1

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

for the Financial Year ended March 31, 2026

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To

The Members

TAMILNAD MERCANTILE BANK LIMITED,

57, Victoria Extension Road,

Thoothukudi – 628002.

We have conducted the Secretarial Audit in compliance of applicable statutory provisions and the adherence to good corporate practices by **Tamilnad Mercantile Bank Limited** (hereinafter called as “**Bank/TMB**”). 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 authorized 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 March 31, 2026 (“Audit Period”) 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, 2026, according to the provisions of:

1. The Companies Act, 2013 ('Act') and the rules made thereunder, as amended from time to time including applicable Secretarial Standards issued by the Institute of Company Secretaries of India ('ICSI') and as mandated by the Companies Act, 2013.
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder, as amended from time to time;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder, as amended from time to time;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings, as amended from time to time;
5. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
6. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'), as amended from time to time: –
 - (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)

Annexure – 1 (CONTD..)

- (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
 - (e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;
 - (f) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - (g) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
 - (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (Not Applicable to the Bank during the review period) and
 - (i) The Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018 (Not Applicable to the Bank during the review period)
7. With regard to specific laws and regulation applicable (Industry Specific Laws) to the Bank, based on representation made by audit officers of the Bank, we report that the compliance system, process and mechanism prevailing in the Bank for the compliance of specific laws, labour and employment is adequate. A list of industry specific laws as provided by the management is appended hereunder.
- (a) Banking Regulation Act, 1949 read with rules made thereunder;
 - (b) Reserve Bank of India Act, 1934 read with circulars, notifications & rules made thereunder;
 - (c) The Bankers Book Evidence Act, 1891;
 - (d) Banking Companies Rules, 1949;
 - (e) Prevention of Money Laundering Act, 2002 read with rules made thereunder;
 - (f) Information Technology Act, 2000 and;

During the period under review, the Bank has complied with the provisions of the Act, Rules, Regulations, Guidelines and Standards, etc., mentioned above except to the extent as mentioned below:

1. During the financial year under review, the bank has paid a penalty of ₹39.60 Lakhs for non-compliance of Payments and Settlements Act, 2007 (PSS Act).
2. During the financial year under review, the Adjudicating Authority under Ministry of Corporate Affairs has levied a penalty of ₹50,000 on the suo moto applications filed by the Bank for the non-compliances under Section 118(1) of the Companies Act, 2013 and the Secretarial Standards.
3. During the financial year under review, the bank has transferred ₹5.00 Crores to TMB Foundation on 19th May, 2025 which was ratified at the Board Meeting on 12th June 2025.
4. During the period under review, the Bank has not submitted the Secretarial Compliance Report in the prescribed filing procedure on the stock exchange. Therefore, it has been treated as a case of non-submission under Regulation 24A of SEBI(LODR) Regulations, 2015. Accordingly, the Bank paid a penalty of ₹52,000/- as per the notice received from BSE.
5. The Bank had received email communications from NSE on February 03, 2025 and February 18, 2025 and from BSE on February 25, 2025 regarding non-compliance of constitution of the Nomination & Remuneration Committee of the Board, in terms of Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for the period from October 09, 2024 to October 27, 2024. Subsequently, BSE levied a penalty of ₹ 38,000/- for the aforesaid non-compliance, which has been paid by the Bank.



Annexure – 1 (CONTD..)

We further report that the, apart from the instances mentioned above, Board of Directors of the Bank is constituted with proper balance of Executive Directors, Non-Executive Directors and Woman Director.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent to them at least seven days in advance or as the case may be and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Bank commensurate with the size and operations of the Bank to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that, during the audit period apart from the instances mentioned hereunder, there were no specific events / actions having major bearing on the bank's affairs in pursuance of the above referred laws, rules, regulations, guidelines, etc.

- i. During the period under review, the bank has amended the Articles of Association vide RBI letter dated 7th November, 2025.
- ii. During the period under review, the Bank has received in-principle approval for grant of options under the 'Tamilnad Mercantile Bank Limited Employee Stock Option Plan 2024' (TMB ESOP 2024) vide letter received from BSE & NSE dated 24th July, 2025 and also initiated grant of options to the eligible employees under the scheme.

FOR **SPNP & ASSOCIATES**

P. SRIRAM

FCS No. 4862/C P No: 3310

PEER REVIEW NO: 1913/2022

UDIN: F004862H000439131

Date : May 22, 2026

Place : Chennai

Annexure – 1 (CONTD..)

Annexure A

To,

The Members,

Tamilnad Mercantile Bank Limited

57, Victoria Extension Road

Thoothukudi – 628002

Tamil Nadu.

My report of even date is to be read along with this supplementary testimony.

1. Maintenance of secretarial record is the responsibility of the management of the Bank. My responsibility is to express an opinion on these secretarial records based on our audit.
2. I 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. I believe that the processes and practices, the Bank had followed provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Bank.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Bank nor of the efficacy or effectiveness with which the management has conducted the affairs of the Bank.

FOR **SPNP & ASSOCIATES**

P. SRIRAM

FCS No. 4862/C P No: 3310

PEER REVIEW NO: 1913/2022

UDIN: F004862H000439131

Date : May 22, 2026

Place : Chennai



Annexure – 2

SECRETARIAL COMPLIANCE REPORT OF TAMILNAD MERCANTILE BANK LIMITED FOR THE YEAR ENDED MARCH 31, 2026

I, P. Sriram, Partner of SPNP & Associates have examined:

- (a) All the documents and records made available to us and explanation provided by **TAMILNAD MERCANTILE BANK LIMITED** ("the listed entity/Bank"),
- (b) The filings/ submissions made by the listed entity to the stock exchanges,
- (c) Website of the listed entity,
- (d) Any other document/ filing, as may be relevant, which has been relied upon to make this certification,

For the year ended March 31, 2026 ("Review Period") in respect of compliance with the provisions of:

- (a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
- (b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include: –

- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; as amended
- (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, (*Not Applicable to the bank during the review period*)
- (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (*Not Applicable to the bank during the review period*)
- (e) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
- (f) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; (*Not Applicable to the bank during the review period*)
- (g) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; as amended
- (h) Securities and Exchange Board of India (Depositories and Participant) Regulations, 2018;
- (i) Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993

and circulars guidelines issued thereunder; and based on the above examination, I hereby report that, during the Review Period:

- (a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except as mentioned in **Annexure 1**
- (b) The listed entity has taken the following actions to comply with the observations made in previous report mentioned in **Annexure 2**

Annexure – 2 (CONTD..)

ADDITIONAL DISCLOSURES:

I hereby report that, during the review period the compliance status of the listed entity with the following requirements:

Sr. No.	Particulars	Compliance Status (Yes/No/NA)	Observations / Remarks by PCS*
1.	Secretarial Standards: The compliances of the listed entity are in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries India (ICSI).	Yes	
2.	Adoption and timely updation of the Policies: - All applicable policies under SEBI Regulations are adopted with the approval of board of directors of the listed entities. - All the policies are in conformity with SEBI Regulations and has been reviewed & timely updated as per the regulations/ circulars/ guidelines issued by SEBI	Yes	
3.	Maintenance and disclosures on Website: - The Listed entity is maintaining a functional website - Timely dissemination of the documents/ information under a separate section on the website - Web-links provided in annual corporate governance reports under Regulation 27(2) are accurate and specific which re-directs to the relevant document(s)/ section of the website	Yes	
4.	Disqualification of Director: None of the Directors of the bank are disqualified under Section 164 of Companies Act, 2013	Yes	
5.	Details related to Subsidiaries of listed entities: (a) Identification of material subsidiary companies (b) Requirements with respect to disclosure of material as well as other subsidiaries	NA	
6.	Preservation of Documents: The listed entity is preserving and maintaining records as prescribed under SEBI Regulations and disposal of records as per Policy of Preservation of Documents and Archival policy prescribed under SEBI LODR Regulations, 2015.	Yes	
7.	Performance Evaluation: The listed entity has conducted performance evaluation of the Board, Independent Directors and the Committees at the start of every financial year as prescribed in SEBI Regulations.	Yes	



Annexure – 2 (CONTD..)

Sr. No.	Particulars	Compliance Status (Yes/No/NA)	Observations / Remarks by PCS*
8.	Related Party Transactions: (a) The listed entity has obtained prior approval of Audit Committee for all Related party transactions; (b) In case no prior approval obtained, the listed entity shall provide detailed reasons along with confirmation whether the transactions were subsequently approved/ ratified/ rejected by the Audit committee.	Yes	
9.	Disclosure of events or information: The listed entity has provided all the required disclosure(s) under Regulation 30 along with Schedule III, SEBI LODR Regulations, 2015 within the time limits prescribed thereunder.	Yes	
10.	Prohibition of Insider Trading: The listed entity is in compliance with Regulation 3(5) & 3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015	Yes	
11.	Actions taken by SEBI or Stock Exchange(s), if any: No Actions taken against the listed entity/its promoters/directors/ subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under SEBI Regulations and circulars/ guidelines issued thereunder.	Yes	Please refer Annexure I
12.	Resignation of statutory auditors from the listed entity or its material subsidiaries In case of resignation of statutory auditor from the listed entity or any of its material subsidiaries during the financial year, the listed entity or its material subsidiary(ies) has complied with paragraph 6.1 and 6.2 of section V-D of chapter V of the Master Circular on compliance with the provisions of the LODR Regulations by listed entities.	NA	
13.	No additional non-compliances observed: No additional non-compliance observed for any of the SEBI regulation/ circular/ guidance note etc. except as reported above	NA	

Annexure - 2 (CONTD..)

ANNEXURE 1

Sr.No	Compliance Requirement (Regulations/ Circulars/Guidelines including specific clause)	Regulation/ Circular No.	Deviations	Action Taken by	Type of Action	Details of Violation	Fine Amount (In ₹)	Observations/ Remarks of the Practicing Company Secretary	Management Response	Remark
1.	The composition of the Board of Directors shall comprise of at least one-half independent directors if the listed entity does not have a regular Chairperson.	Regulation 17 (i) of SEBI (LODR) Regulations, 2015	There was a temporary deviation in the composition of board of directors due to completion of tenure of Tmt.Ezhil Jothi S, as an Independent Director.	BSE & NSE	Penal Action	The tenure of Tmt.Ezhil Jothi S, as Non-Executive, Independent Director of the Bank completed with effect from 26th March, 2025. As a result, the composition of the board was not in accordance with the Regulation 17(1).	29,500 (was waived off by the Stock Exchanges vide their email dated 06 th March, 2026)	The tenure of Tmt.Ezhil Jothi S, has completed as Non-Executive, Independent Director of the Bank with effect from 26th March, 2025. This led to a temporary non-compliance in the composition of the board of directors.	There were no Board / Committee meetings held during the period from March 27, 2025 to March 31, 2025 and no major decisions were taken by the Board / Committees during the said period. The bank submitted a waiver application dated 10th June, 2025 to the authorities in respect of the penalty imposed. The waiver request was subsequently considered and accepted, as communicated to the Bank via email dated 06th March, 2026.	Nil



Annexure - 2 (CONTD..)

Sr.No	Compliance Requirement (Regulations/Guidelines including specific clause)	Regulation/ Circular No.	Deviations	Action Taken by	Type of Action	Details of Violation	Fine Amount (In ₹)	Observations/ Remarks of the Practicing Company Secretary	Management Response	Remark
2.	Every listed entity shall submit secretarial compliance report in such form as specified, to stock exchanges, within sixty days from end of each financial year.	Regulation 24A of SEBI (LODR) Regulations, 2015	The Bank has not submitted the Secretarial Compliance Report to BSE through the prescribed submission path.	BSE	Penal Action	The Secretarial Compliance Report has not been submitted by the Bank through the prescribed submission pathway and was accordingly considered as not submitted.	52,000	The Secretarial Compliance Report was not submitted in the prescribed format and through the specified filing procedure on the stock exchange. Therefore, it has been treated as a case of non-submission.	The bank has uploaded the Secretarial Compliance Report (PDF format) on the BSE portal on June 27, 2025 and paid the penalty amount on the same day. The Bank assures that such instances will not occur in the future.	Nil
3.	As per Regulation 19(1) of the SEBI (LODR), at least two-thirds of the members of Nomination and Remuneration Committee must be independent directors	Regulation 19(1) of the SEBI (LODR) Regulations	During the period from October 09, 2024 to October 27, 2024, the Bank has not complied Regulation 19(1) of the SEBI (LODR) Regulations.	BSE and NSE	Penal Action	During the Financial year 2024-2025, the composition of NRC of the Bank was not in compliance with Regulation 19(1) of the SEBI (LODR) Regulations, as the committee had only 3 Independent Directors.	38,000	During the period from October 09, 2024 to October 27, 2024, the NRC was composed only with 3 Independent Directors instead of 4 Directors and thus in violation of Regulation 19(1) of the SEBI (LODR) Regulations.	The Bank has re-constituted the committee in line with the requirements of Regulation 19(1) of the SEBI (LODR) Regulations. BSE Limited has levied the penalty vide their Mail dated March 06, 2026 and the same was paid on March 09, 2026.	Nil

Annexure - 2 (CONTD..)

ANNEXURE 2

Sr.No	Observations/ Remarks of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ended	Compliance Requirement (Regulations/ circulars/ guidelines including specific clause)	Details of violation / deviations and actions taken / penalty imposed	Remedial actions, if any, taken by the listed entity	Comments of the PCS on the actions taken by the listed entity
1	During the period under review the Bank had appointed internal auditors. Though the Board of Directors of the Bank had approved the said appointment, the same ought to have been reviewed by the Audit Committee of the Bank	March 31, 2025	The Audit Committee (AC) shall mandatorily review the appointment, removal and terms of remuneration of the Chief Internal Auditor.	The AC had not reviewed the appointment and terms of remuneration of the Chief Internal Auditor. Deviation of Schedule II, Part C of Para B (5) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), 2015	Being in the banking industry, concurrent auditors function as internal auditors with AC approval and their reports are regularly placed before the AC. As per the Banking Regulation Act, banks are required to have an Internal Audit/Inspection Department headed by a General Manager-level officer reporting directly to the AC or Executive Director Accordingly, the auditors were introduced to the Audit Committee upon joining.	The Bank has taken appropriate initiatives
2	The Bank received a demand notice from the Income Tax Department on March 29, 2024. However, the intimation to Stock exchange was made only on April 2, 2024.	March 31, 2025	Any actions taken or orders passed by any Regulatory, Statutory, Enforcement authority should be intimated to stock exchange within 24 hours.	There was delay in intimation of demand notice received from Income Tax Department on March 29, 2024.	The above facts came to the knowledge of the Bank on March 30, 2024 and having consecutive holidays on March 31, 2024 and April 01, 2024, the said intimation was made on May 02, 2024. However, the filings submitted with the stock exchanges contains the factual condition also, which is reproduced as below: "Due to intervening holiday and Financial year end closure, the intimation is being provided today"	The Bank has taken appropriate initiatives



Annexure - 2 (CONTD..)

Sr.No	Observations/ Remarks of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ended	Compliance Requirement (regulations/ circulars/ guidelines including specific clause)	Details of violation / deviations and actions taken / penalty imposed	Remedial actions, if any, taken by the listed entity	Comments of the PCS on the actions taken by the listed entity
3	During the period under review the Bank had appointed CRO. Though the Board of Directors of the Bank had approved the said appointment, the same ought to have been reviewed by the Risk Management Committee	March 31, 2025	The appointment, removal and terms of remuneration of the Chief Risk Officer (CRO) shall be subject to review by the Risk Management Committee (RMC).	The RMC had not reviewed the appointment and terms of remuneration of the CRO. Deviation of Regulation 21 of SEBI (Listing Obligation and Disclosure Requirements) 2015, read with Schedule II Part A Para C sub rule 6	Being Banking Company, Risk Management is one of the core department of the Bank and headed by General Manager cadre. As per Banking Regulation Act, 1949 CRO reports to the RMCB and one level below to the Board. Upon their appointment, their introduction had been given to RMCB after their appointment.	The Bank has taken appropriate initiatives
4.	During the period under review the Bank had appointed CFO. Though the Board of Directors of the Bank had approved the said appointment, the same ought to have been approved by the Audit Committee.	March 31, 2025	The Audit Committee (AC) shall approve the appointment of Chief Financial Officer (CFO) after assessing the qualifications, experience and background, etc. of the candidate.	The appointment of CFO was not approved by the Audit Committee. Deviation of Regulation 18 of SEBI LODR, read with Schedule II, Part C of Para A (19)	Being Banking Company, accounts department needs to be headed by General Manager Cadre and the person shall have experience in Banking Company. As per Banking Regulation Act, 1949 CFO reports to the one level below to the Board and ACB. Upon their appointment, their introduction had been given to ACB after their appointment.	The Bank has taken appropriate initiatives

Annexure – 2 (CONTD..)

We further, report that the listed entity is in compliance with the disclosure requirements of Employee Benefit Scheme Documents in terms of regulation 46(2) (za) of the LODR Regulations.

Assumptions & limitation of scope and review:

1. Compliance of the applicable laws and ensuring the authenticity of documents and information furnished, are the responsibilities of the management of the listed entity.
2. Our responsibility is to report based upon our examination of relevant documents and information. This is neither an audit nor an expression of opinion.
3. We have not verified the correctness and appropriateness of financial records and books of account of the listed entity.
4. This report is solely for the intended purpose of compliance in terms of Regulation 24A (2) of the SEBI (LODR) Regulations, 2015 and is neither an assurance as to the future viability of the listed entity nor of the efficacy or effectiveness with which the management has conducted the affairs of the listed entity.

FOR **SPNP & ASSOCIATES**

P. SRIRAM

FCS No. 4862/C P No: 3310

FRN: FR/CHENNAI CENTRAL/102/2020

PEER REVIEW NO: 1913/2022

UDIN: F004862H000439087

Date : May 22, 2026

Place : Chennai



Annexure – 3

Annual Report on CSR Activities

1. A brief outline of the Bank's CSR policy:

The CSR Policy of the Bank outlines the type and scope of activities to be undertaken as part of the Bank's commitment to contributing to the overall progress of the society, people and the environment while aligning the same with the general policy prescriptions of the Government of India in the matter of growth and development. It also aims at complying with the requirements of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014 and allied notifications issued by the Government of India.

The specific activities to be undertaken by the Bank within the parameters as specified in Schedule VII of the Companies Act, 2013 are as follows:

- i. Financial inclusion – to cover under clause (ii) of Schedule VII,
- ii. Provision of solar powered street lights – to cover under clauses (iv) and (x)
- iii. Provision of food to orphanages/old age homes – clause (i)
- iv. Planting of trees/saplings – clause (iv)
- v. Donations to schools, vocational institutions etc. – clauses (ii) and (iii)
- vi. Organising blood donation camps, eye testing camps etc. – clause (i)
- vii. Donating bicycles, sewing machines etc. – clause (ii)
- viii. Setting up a library for the public – clause (v)
- ix. Providing RO plants to schools, old age homes etc. – clause (i)
- x. Construction of toilets etc. – clause (i)
- xi. Training centre for promotion of nationally recognised sports – clause (vii)
- xii. A vocational training/empowerment/skill building institute in the line of RSETI (Rural Self Employment Training Institute) or so could be started by the Bank for imparting training to various sections of people in the society especially rural youth and women. Providing financial assistance to ITIs also could be considered – clause (ii)
- xiii. Setting up bore-wells, water treatment plants, fresh water disposal plants including RO plants etc. in villages, schools etc. – clause (i).
- xiv. Developing rural market places– clause (iii), (x) and (xi)
- xv. Provision of infrastructure and aiding machinery for differently abled people, like wheel chairs, cycles, ramps etc. – clause (ii) and (iii)
- xvi. Electrification of villages, especially through solar energy – clause (x)
- xvii. Healthcare and sanitation facilities for villagers especially womenfolk– clause (i)
- xviii. Provision of free medical camps, medical consultancy, clinics etc. – clause (i)
- xix. Setting up of creches and day care centres– clause (iii)
- xx. Providing ambulances– clause (i)
- xxi. Providing financial assistance for fees, maintenance expenses and provision of various amenities to the schools and charitable trusts meant for the specially abled/differently abled/mentally unsound children– clause (ii).
- xxii. Any other activities as may be decided by the Board / Committee from time to time.

Annexure – 3 (CONTD..)

2. Composition of CSR Committee:

S. No.	Name of the Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Thiru.A.Niranjana Sankar	Non-Executive Director	3	3
2	Thiru.Salee S Nair	MD & CEO	3	3
3	Thiru.S.R.Ashok ^(*)	Non-Executive Director	2	2
4	Thiru.D.N.Nirranjan Kani ^(§)	Non-Executive Director	2	2
5	Thiru.S.R.Aravind Kumar ^(^)	Non-Executive Director	1	1
6	Thiru.R.Kodeeswaran ^(%)	Non-Executive Director	1	1
7	Thiru.B.Prabaharan ^(!)	Non-Executive Independent Director	1	1
8	Thiru.C.Chiranjeeviraj ^(#)	Non-Executive Independent Director	2	2
9	Thiru.R.Deepak Shankar	Non-Executive Independent Director	3	3
10	Thiru.A.Shidambaranathan ^(@)	Non-Executive Independent Director	3	3

(*) & (§) Retired on 27.10.2025

(%) & (^) Inducted into the Committee from 28.11.2025

(!) Resigned w.e.f. 11.06.2025

(#) Inducted into the Committee from 12.06.2025

(@) Inducted into the Committee from 24.04.2025

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

Composition of the CSR committee shared above and is disclosed in the Corporate Governance Report. The web-link to access CSR Policy and CSR projects are given below.

CSR Policy: <https://www.tmb.bank.in/pages/Regulatory-Policies>

CSR Projects: <https://tmb.bank.in/pages/CSR>

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:

There are no projects undertaken during the reporting period, for which the impact assessment report is applicable.

5. (a) Computation of average net profit of the company as per section 135(5) :

Particulars	FY 2024-25	FY 2023-24	FY 2022-23
Net Profit After Tax for the year as per Profit and Loss Account	1182,60,71,645.59	1072,03,24,552.34	1029,25,90,538.35
Less: Deductions as per sub-section (3) of section 198	Nil	Nil	Nil
Add: Additions as per sub-section (5) of section 198 – of the Companies Act, 2013	392,28,18,025.00	321,54,69,678.00	363,32,30,540.00
Less: Dividend Received from Companies who complied with CSR Activities as per CSR Rules	3,75,525.00	7,79,300.00	9,82,500.00
Net Profit for the year as per section 198	1574,85,14,145.59	1393,50,14,930.34	1392,48,38,578.35
Average Net Profit for the last 3 years		1453,61,22,551.42	
2% of the average net profit to be spent towards CSR		29,07,22,451.02	



Annexure – 3 (CONTD..)

(b) Two percent of average net profit of the company as per section 135 (5): ₹2907.22 lakh

(c) Surplus arising out of the CSR projects or programmes or activities of the previous Financial years: Nil

(d) Amount required to be set off for the financial year if any: NA

(e) Total CSR obligation for the financial year: [(b)+(c) - (d)] ₹2907.22 lakh

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project) – ₹20,31,44,560.02

(₹ in Crore)

S.No	Name of the project	Items from the list of activities in Schedule VII of the Act	Local area Yes / No	Location of the project		Project Duration	Amount allocated to the project	Amount spent in the current financial year	Amount transferred to unspent CSR amount for the project as per section 135(6)	Mode of implementation - through implementing agency	Mode of implementation - through implementing agency	
				State	District						Name	CSR registration number
1.	TMB Foundation Training Institute	Clause(ii)	Yes	TN	Thoothukudi	3 years	20.31	20.31	-	Yes	TMB Foundation	CSR 00000375

Details of CSR amount spent against other than ongoing projects for the financial year

S.No	Name of the project	Items from the list of activities in Schedule VII of the Act	Local area Yes / No	Location of the project		Amount spent in the current financial year	Mode of implementation - Direct Yes / No	Mode of implementation - through implementing agency	
				State	District			Name	CSR registration number
1	Providing RO plants to schools, old age home etc	Clause (i)	Yes	Tamil Nadu	Multiple Districts	31,45,939.00	Direct	-	-
2	Protection of National Heritage, art and culture	Clause (v)	Yes	Tamil Nadu	Thoothukudi	2,28,71,332.00	Direct	-	-
3	Healthcare and sanitation facilities	Clause (i)	Yes	Tamil Nadu & West Bengal	Multiple Districts	1,03,17,729.00	Direct	-	-
4	Provision of free clinics, medical consultancy etc	Clause (i)	Yes	Tamil Nadu	Multiple Districts	8,56,910.00	Direct	-	-
5	CSR Donations to schools for setting of various facilities etc.	Clause (ii)	Yes	Tamil Nadu	Multiple Districts	4,17,06,111.00	Direct	-	-
6	Setting up of homes and hostel for women and orphans, old age homes etc	Clause (iii)	Yes	Tamil Nadu	Multiple Districts	7,96,190.00	Direct	-	-

Annexure – 3 (CONTD..)

S.No	Name of the project	Items from the list of activities in Schedule VII of to the Act	Local area Yes / No	Location of the project		Amount spent in the current financial year	Mode of implementation – Direct Yes / No	Mode of implementation-through implementing agency	
				State	District			Name	CSR registration number
7	Provision of infrastructure and aiding machinery for differently abled people	Clause (iii)	Yes	Tamil Nadu	Multiple Districts	36,97,032.00	Direct	-	-
8	Setting up a library for the public	Clause (v)	Yes	Tamil Nadu	Multiple Districts	9,94,000.00	Direct	-	-
9	Providing financial assistance to Charitable trusts meant for the differently abled etc	Clause (ii)	Yes	Tamil Nadu	Multiple Districts	16,41,000.00	Direct	-	-
10	Providing education, employment enhancing vocational skills	Clause(ii)	Yes	Tamil Nadu	Multiple Districts	5,648.00	Direct	-	-
11	Planting of trees / saplings	Clause (iv)	Yes	Tamil Nadu	Multiple Districts	5,46,000.00	Direct	-	-
12	Providing training to promote rural sports nationally recognised	Clause (vii)	Yes	Tamil Nadu	Multiple Districts	10,00,000.00	Direct	-	-
					Total	8,75,77,891.00			

(b) Amount spent in administrative overheads: NIL

(c) Amount spent on Impact Assessment, if applicable: NIL

(d) Total amount spent for the Financial Year: [(a)+(b)+(c)] ₹ 2907.22 lakh

(e) Excess amount for set off, if any

(₹ in lakh)

S.No.	Particular	Amount
(i)	Two percent of average net profit of the company as per section 135 (5)	2907.22
(ii)	Total amount spent for the Financial Year	2907.22
(iii)	Excess amount for the financial year {(ii) – (i)}	Nil
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years {(iii – iv)}	Nil



Annexure – 3 (CONTD..)

7. Details of unspent CSR amount for the preceding three financial years:

S.No	Preceding Financial Year	Amount transferred to unspent CSR account under section 135 (6)	Amount spent in the reporting financial year	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
				Name of the fund	Amount	Date of Transfer	
NA							

8. In case of creating or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year

NA

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

NA

Salee S Nair

Managing Director & CEO

A. Niranjana Sankar

Chairman of CSR Committee

Annexure – 4

Management Discussion and Analysis Report

(a) Industry structure and Developments

Global Economy

Resilient growth amid geopolitical and structural shifts

The global economic environment in 2025–2026 has been confronted with high tariffs, policy uncertainty and geopolitical tensions. Early optimism, driven by easing trade frictions and strong investment in artificial intelligence (AI), initially supported a stable global growth outlook of around 3.3%. However, this trajectory was disrupted by the escalation of conflict between the United States and Iran in March 2026, culminating in the blockade of the Strait of Hormuz—a critical artery for nearly 20% of global oil and gas trade.

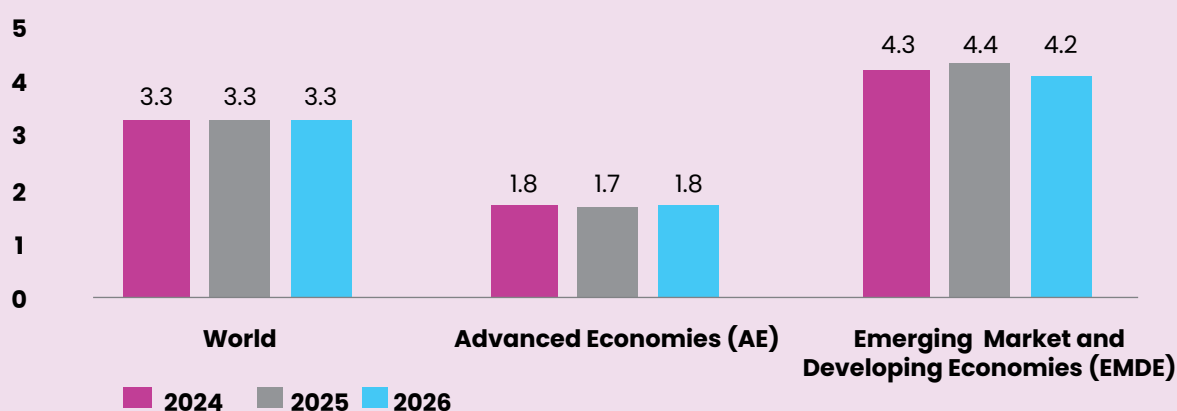
This event triggered a significant supply shock, pushing oil prices above \$120 per barrel and raising the risk of stagflation. Consequently, global growth forecasts were revised downward to approximately 2.9% for 2026. The disruption has had widespread ripple effects, increased transportation and manufacturing costs while intensifying inflationary pressures. Additionally, supply chain interruptions—particularly in energy, fertilizers and essential goods—have led to acute shortages and price spikes, especially in import-dependent regions like the Gulf.

Despite these challenges, the rapid expansion of AI and digital infrastructure investment has provided a partial cushion. Advanced economies, particularly the United States, have benefited from productivity gains linked to AI adoption, helping offset some economic headwinds. However, this technological advantage remains unevenly distributed, widening disparities between developed and emerging economies.

Central banks, which had begun shifting toward monetary easing, have now adopted a cautious stance. Rising inflation risks have delayed rate cuts, with policymakers prioritizing stability amid uncertainty. Overall, the global economy remains resilient but increasingly vulnerable to geopolitical shocks and structural imbalances.

Source: IMF World Economic Outlook, January 2026

Growth outlook across country groups





Annexure – 4 (CONTD..)

Domestic Economy

Resilient Growth Amid Structural Reset and Global Shock

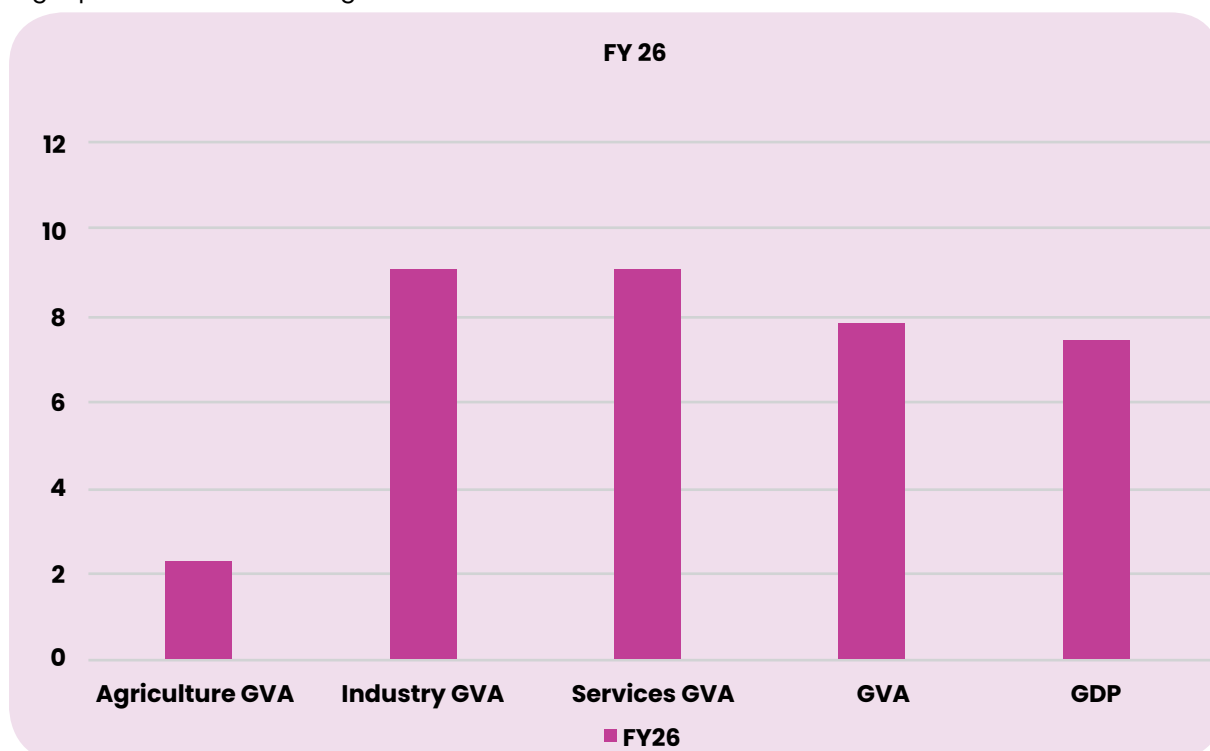
India's domestic economy in FY26 reflects a balance between strong structural fundamentals and emerging external pressures. The country continues to be the fastest-growing major economy, supported by a revised GDP series (base year 2022–23) that better captures economic dynamics through improved data integration such as GST. While earlier estimates placed GDP growth at 7.6%, the escalation of the Middle East conflict and resulting energy shock have led to a moderation in projections to around 7.3%, highlighting the sensitivity of growth to global disruptions.

The Reserve Bank of India has maintained a cautious “neutral” stance, keeping the repo rate at 5.25% to balance inflation and growth. India's heavy dependence on crude oil imports—over 85%, with a significant portion routed through the Strait of Hormuz—has exposed the economy to rising input costs and potential inflationary pressures. Consequently, CPI inflation is expected to rise to 4.6% in FY27 from the low levels of 3.4% recorded in FY26.

Sectorally, agriculture remains a stabilizing force despite slower growth of 2.4%, supported by allied activities like livestock and fisheries. However, margin pressures may increase due to higher fertilizer and energy costs. The industrial sector has demonstrated strong momentum, with manufacturing growth remaining robust, though rising input costs and supply chain disruptions are beginning to compress margins.

The services sector continues to be the primary growth driver, expanding at over 9%, supported by digital services, financial activity and strong exports. Growth in AI-led services and Global Capability Centres reinforces India's global positioning, although rising input costs may eventually affect pricing.

On the demand side, consumption and investment remain key pillars. Private consumption has strengthened, while capital expenditure—both public and private—continues to drive growth. Strong foreign exchange reserves and manageable external balances provide resilience. Overall, despite global uncertainties, India's structural strength position it as a stable growth leader.



Source: MoSPI, GDP Estimates (Constant Prices, SAE FY26)

GVA - Gross Value Added

Annexure – 4 (CONTD..)

(b) Banking Sector:

i) Deposits & Credit Growth:

All Scheduled Commercial Banks (ASCB):

During the Financial Year 2025–26, ASCB Deposit registered an absolute growth of approximately ₹31.66 lacs crore, maintaining a Y-o-Y growth of 13.40%. Concurrently, Credit expanded by approximately ₹30.12 lacs crore, with a robust Y-o-Y growth of 15.96%. This sustained credit momentum, outstripping deposit accretion in several fortnights, has pushed the Incremental Credit-Deposit (CD) Ratio to nearly 97.00% for the fiscal year, with the overall CD ratio of 81.71%.

TMB

During the Financial Year 2025–26, the Bank registered a growth in Deposit by ₹8,023 crore, with a Y-o-Y growth of 14.94%. Loans and Advances grew by ₹9,013 crore, a Y-o-Y growth of 20.32% which has pushed the incremental CD Ratio to 86.50%

ii) Lending Rate Movements:

The banking sector witnessed significant downward transmission following cumulative repo rate cuts (totaling 125 bps) during 2025, with the policy rate standing at 5.25% as of March 2026.

- **The Weighted Average Lending Rate (WALR) (Fresh):** WALR on fresh Rupee loans of SCBs stood at 8.40% in March 2026, compared to 9.35% in March 2025.
- **WALR (Outstanding):** The WALR on outstanding Rupee loans of SCBs declined to 8.99% in March 2026 (from 9.77% in March 2025).
- **1-Year MCLR:** The median 1-Year Marginal Cost of Funds-based Lending Rate (MCLR) of SCBs decreased to 8.40% in March 2026 (compared to 9.00% in March 2025).
- The WALR on fresh as well as outstanding rupee loans exhibited a mixed movement across sectors in March 2026

iii) Deposit Rate Movements:

- **The Weighted Average Domestic Term Deposit Rate (WADTDR) (Fresh):** WADTDR on fresh rupee term deposits of SCBs stood at 6.70% in March 2026, reflecting the impact of the easing cycle (6.65% in March 2025).
- **WADTDR (Outstanding):** The WADTDR on outstanding rupee term deposits of SCBs moderated to 6.62% in March 2026 (down from 7.03% in March 2025).

iv) Asset Quality & Capital

The Banking Sector continues to demonstrate high resilience and a “cleaner” balance sheet as of the end of FY 2025–26.

- **GNPA & NNPA:** The Gross Non-Performing Assets (GNPA) ratio of SCBs reached a historic low of 2.15% (reported as of February 2026), while the Net NPA (NNPA) ratio improved to 0.93% (as of December 2025), supported by falling slippages and steady write-offs.
- **CRAR:** The overall Capital to Risk-Weighted Assets Ratio (CRAR) for SCBs remains robust at 16.8%, significantly above the regulatory minimum, providing an ample buffer for credit expansion in the upcoming fiscal year.



Annexure – 4 (CONTD..)

Performance highlights of the Bank

- Total Business portfolio of the Bank crossed ₹1,15,000 crore, registering a 17.28% Y-o-Y growth from ₹98,055 crore
- Total Deposit portfolio of the Bank crossed ₹61,712 crore.
- Gross Advances increased to ₹53,379 crore, recording a 20.31% Y-o-Y growth from ₹44,366 crore.
- Expanded branch network with the opening of 44 new branches during FY2025–26, which has helped strengthening the Bank's footprint and future growth platform.
- Book Value per Share improved to ₹638, reflecting a 12.13% Y-o-Y increase from ₹569.
- Net Profit rose to ₹1,338 crore, delivering a 13.10% Y-o-Y growth over ₹1,183 crore.
- Interest Income improved to ₹5,819 crore from ₹5,291 crore Y-o-Y.
- Total Income moved to ₹6,696 crore from ₹6,142 crore Y-o-Y.
- The RAM (Retail, Agri & MSME advances) segment constituted 95% of the total advances, up from 93%.
- The CRAR% increased to 33.73% from 32.71% Y-o-Y.
- Total SMA to Gross Advances declined to 1.29% from 2.55% Y-o-Y.
- Stressed Assets ratio decreased to 1.14% from 2.01% Y-o-Y.
- The Bank's Net worth increased to ₹10,110 crores (PY ₹9,009 crores) with an absolute rise of ₹1,101 crores registering a growth rate of 12%.

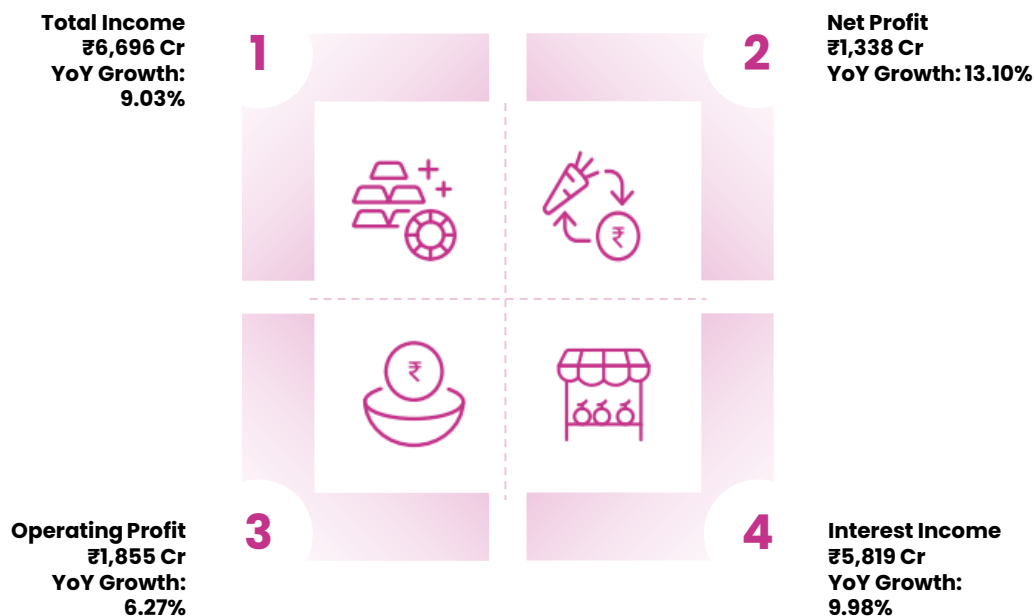
(c) Segment-wise / Product-wise Performance: Advances

(₹ in Crores)

Particulars	Mar'25	Mar'26	YoY Growth (Mar'26 vs Mar'25)
Gross Advances	44,366	53,379	20.32%
Of Which			
Retail Sector	9,186	14,912	62.33%
Agriculture Sector	18,591	20,084	8.03%
MSME Sector	13,520	15,532	14.88%
Total of RAM	41,297	50,528	22.35%
RAM % to Gross Advances	93%	95%	1.58%
Others	3,069	2,851	-7.10%
CD Ratio (%)	82.64%	86.50%	3.86%

- GNPA reduced to 0.73% (lowest in ~40 quarters)
- NNPA improved to 0.18%
- Provision Coverage Ratio (PCR) improved to 96.14% (with write-offs)
- Credit cost remained very low at 0.03%
- Stressed assets ratio declined to 1.14%, showing better risk control
- 44 new branches opened during FY 2026 (including expansion outside Tamil Nadu)
- Digital transformation nearing completion with increasing digital transactions share (~97%)
- CASA growth driven by new initiatives like Transaction Banking Group & Elite Services Group
- Focus on secured lending with very low unsecured exposure (~0.10%)

Annexure – 4 (CONTD..)



(d) SWOT Analysis

Strengths

- Over 104 years in the Banking Industry with an impeccable track record.
- Total business crossed ₹1.15 lakh crore, supported by advances growth of over 20% and deposits growth of nearly 15%, representing the strongest expansion in recent years
- Consistently maintained relatively lower Gross NPA and Net NPA levels compared to peer Banks.
- Stable customer relationships and loyal depositor base support low-cost funding.
- A dedicated and proficient workforce.
- Consistent dividend payment record.
- A rich heritage, a dedicated customer base and a commitment to enhancing our service framework.
- Known for prioritizing customer service above all.
- Comprehensive bouquet of products – both in liabilities and assets.
- Continues to enjoy a strong presence in Southern India, particularly among MSME and trader communities
- Consistent financial performance.
- Diversified Loan Portfolio
- High Customer Retention



Annexure – 4 (CONTD..)

Weakness

- Business operations remain concentrated in Southern markets, particularly Tamil Nadu, limiting nationwide market penetration
- Limited presence in Metro or Urban centers, outside Tamil Nadu.
- Competition from digital-first banks and fintech players poses challenges in attracting younger customers
- Revenue concentration tilted towards interest income rather than diversified fee-based businesses.

Opportunities

- Formation of CMC to handle entire life cycle of advance other than jewel loans making the branch liability focused and to grow rapidly in Advances.
- Formation of Integrated Back Office Team (IBOT) to optimize resource utilization, streamline workflows, improve turnaround times (TAT) and consolidate various back-office support functions under a unified administrative and operational framework. The initiative will reduce the back office work in the branch and it will lead the branch to concentrate on business considerably.
- Opportunities for expansion in the digital domain through the introduction of lending services on Internet and Mobile platforms.
- Increasing the CASA portfolio to improve Net Interest Margin (NIM).
- Establishing branches at various locations outside Tamil Nadu to expand our footprint and enhance business opportunities.
- Developing and offering innovative financial products and services to meet evolving customer needs and preferences.
- Adapting to regulatory changes and leveraging them to improve operational efficiency and compliance.
- Focusing on improving customer service and experience to retain existing customers and attract new customers.
- Rising digital transaction volumes can enhance customer acquisition and engagement.
- Expansion into potential unbanked rural areas to increase penetration.

Threats

- Increasing competitive pressure from large Private Banks, PSU Banks, Small finance banks and fintech companies
- Rising digitalization increases exposure to cyber threats, frauds and operational risks.
- MSME and Agriculture focused lending portfolio may face stress during adverse economic conditions.
- Customers are increasingly prioritizing investments to different asset classes over traditional investments such as savings and term deposits.
- Continued Geopolitical tensions.

Annexure – 4 (CONTD..)

(e) Outlook

Focus Area	- The 'Viksit Bharat' Pillars: Continued emphasis on Saptarishi priorities with a refined focus on Digitization of Agriculture, Energy Transition and High-Tech Manufacturing (Semiconductors/EVs). - Engine Growth: Driven by a "Triple-I" framework: Infrastructure, Innovation and Inclusivity.
Macro-economic Indicators	Nominal GDP Growth: Estimated at 10.5% for FY27. Fiscal Deficit: Pegged at 4.0% of GDP (₹16.20 lakh crore), adhering to the glide path from 4.4% in FY26. - Market Borrowings: Gross borrowing estimated at ₹15.5 lakh crore; Net borrowing at ₹12.1 lakh crore.
Rural & Agricultural Initiatives	Digital Public Infrastructure (DPI) for Agri: Implementation of 'Agri-Stack' in 150 districts to provide 2.5 crore farmers with digital identities and crop surveys. Climate-Resilient Seeds: Introduction of 109 high-yielding, climate-resilient varieties across 35 crops. Kisan Credit Card (KCC) 2.0: Integrated with the 'Grameen Credit Score' to enable instant, paperless limit enhancements.
Banking & Financial Sector Reforms	Unified Lending Interface (ULI): Nationwide rollout to reduce credit appraisal time for rural and MSME borrowers from weeks to minutes. Climate Finance Taxonomy: Launch of a standardized framework to facilitate green lending and "Green Deposits." IFSC Expansion: New incentives for "Aircraft Leasing" and "Ship Leasing" to be centralized in GIFT City.
MSME Growth	Credit Guarantee Scheme: Limit for collateral-free loans increased to ₹10.00 crore for manufacturing MSMEs. TReDS Platform Expansion: Mandatory onboarding for all companies with turnover >₹250.00 crore to ease MSME liquidity. New 'Udyam Assist' Certificates: To bring 5 crore informal micro-enterprises into the formal banking fold.
Infrastructure Development	Capex Outlay: Increased by 12% to ₹12.8 lakh crore (approx. 3.4% of GDP). PM Gati Shakti: Allocation of ₹2.5 lakh crore for "Railway Corridors" and "Port Connectivity" projects. Housing: PM Awas Yojana (Urban & Rural) 2.0 targeting an additional 3 crore houses.

Budget Impact on (CASA)

Higher disposable Income

- Tax Efficiency:** The increase in the effective tax-free threshold to ₹12 lakh (under the New Tax Regime via enhanced rebates) and the hike in Standard Deduction to ₹75,000 has significantly boosted the marginal propensity to save. This is expected to drive steady inflows into Savings Bank (SB) accounts.
- Rural Velocity:** The nationwide rollout of Kisan Credit Card (KCC) 2.0 and integrated rural credit stacks has increased transaction frequency in Rural and Semi-Urban (RUSU) areas, enhancing low-cost float.

Digital & Credit Inclusion

- Unified Lending Interface (ULI):** The implementation of ULI for friction-less credit has automated the flow of funds, keeping credit disbursements within the banking ecosystem longer and supporting Current Account (CA) balances.
- Bharat Trade Net (BTN):** This platform has streamlined trade finance documentation, attracting higher CA balances from exporters and importers through integrated settlement accounts.



Annexure – 4 (CONTD..)

Budget Impact on (Deposits)

Tax-Advantaged Savings

- Senior Citizen Incentives: The interest deduction limit under Section 80TTB remains at an elevated ₹50,000 ensuring the continued attractiveness of Term Deposits for the retail segment.
- Middle-Class Surplus: Reduced tax outgo for the ₹7L–₹15L bracket has channeled systemic liquidity toward Fixed Deposits (FDs) as a primary volatility hedge.

Fiscal Stability & Safe Haven Appeal

- Consolidation: A lower Fiscal Deficit target of 4.3% for FY27 (down from 4.4% in FY26) has stabilized bond yields, making bank deposits more competitive relative to debt mutual funds.
- Sovereign Linkage: Stable government borrowing (Gross: ₹15.5 lakh crore) has allowed banks to offer attractive G-Sec linked deposit products without aggressive repricing.

Challenges

Increased “cannibalization” of deposits by equity-linked products remains a risk as retail participation in capital markets continues to hit record highs.

Budget Impact on (Advances)

MSME & Rural Expansion

- Credit Guarantees: The expansion of the CGTMSE coverage for manufacturing MSMEs and the launch of ₹10.00 lakh MSME Credit Cards have created a massive pipeline for high-yield unsecured and semi-secured lending.
- Agri-Stack Integration: The digital mapping of 2.5 crore farmers facilitates better underwriting for agricultural loans, reducing the risk premium and boosting credit demand.

Infrastructure Momentum

- Capex Push: The ₹12.8 lakh crore central capex outlay (3.4% of GDP) acts as a multiplier for corporate credit, specifically in the cement, steel and green energy sectors.
- PM Awas Yojana 2.0: Allocation for 3 crore additional houses has revitalized the affordable housing finance segment for banks and NBFCs.

Challenges

- Rising cost of funds may pressure Net Interest Margins (NIMs) if deposit repricing lags behind the credit growth curve.

Strategic Roadmap (FY 2026–27)

To capitalize on this macroeconomic environment, the Bank is executing the following strategies:

- Focused Liability Acquisition: Leveraging the Transaction Banking Group (TBG) and Global NRI Centre (GNC) to capture high-velocity CA and NRI deposit flows.
- Centralized Credit Lifecycle: Full operationalization of the Credit Management Centre (CMC) across all Regional Hubs (RH) to handle the entire lifecycle of advances (excluding Jewel Loans), allowing branches to remain “Liability Focused”.
- Tiered CASA Strategy: Aggressive marketing of Royal and Premium Savings accounts, alongside Flexi-Current and TASC (Trusts, Associations, Societies and Clubs) accounts to improve the granular deposit base.
- Inclusion & Loyalty: Expansion into deep-rural geographies via Business Correspondents (BCs) and the introduction of data-driven loyalty programmes to minimize customer churn.

Annexure – 4 (CONTD..)

Technology Enablement

These strategies are underpinned by a robust technology stack functional for FY 2025-26/27:

- Loan Origination System (LOS) / Loan Management Systems (LMS) Platform: A comprehensive system with a Business Rule Engine (BRE) for instant digital credit decisions and state-of-the-art Customer Relationship Management (CRM) features.
- Digital Engagement Hub (DEH) Platform: The revamped Internet Banking platform (by Edgeverve/Infosys) for superior digital Customer Experience (CX). Tax Integration: Direct leveraging of CBDT and GST payment facilities to drive non-interest income and transaction-based float.
- Vendor Management System (VMS): A state-of-the-art Vendor Management System for a unified Single Expense Management System across the bank's entire operational network.

(f) Risks & Concern

The Risk Management philosophy of your Bank is to accept risk as an essential aspect of business and take necessary steps to manage and mitigate the risk. Your Bank seeks to build business which expands but always within the framework of the risk management principles. As with all banks in the banking system, your Bank is exposed to various risks that are inherent to any banking business. The major risks are credit risk, market risk including interest rate risk and liquidity risk, Operational risk, Reputational and strategic risks. Your Bank has put in place a very responsive risk management framework. The Bank has robust risk management policies, well laid out procedures, processes and methodologies to manage the risks envisaged.

The overall responsibility for establishing a strong risk management framework lies with the Board of Directors. The Risk Management Committee of the Board (RMCB) oversees the implementation of various measures for efficient risk management with the support of the Executive Level Committees.

Risk Management Department is headed by the Chief Risk Officer, who is responsible for the risk management functions of your Bank. An independent risk governance structure has been put in place, duly ensuring independence of risk measurement, monitoring and control functions. The bank has a well-articulated risk appetite statement and activities of the bank are structured to fall in line with the risk appetite, which is defined.

Your Bank has an internal rating mechanism, which forms the basis for risk linked pricing framework. The bank also has a scoring structure for the retail loans. The loan policy of the Bank ensures that the underwriting standards are maintained, online and offline monitoring methods are devised to strengthen supervision of credit and whenever weaknesses are perceived, risk mitigation measures are implemented. The Bank has implemented an EWS (Early Warning System) which is an automated environment for early detection of incipient weakness or stress in loan accounts.

The Bank has exposures in RAM segment i.e. Retail, Agriculture and MSME. The bank has been traditionally strong in these areas and proposes to build on the expertise it has gained over the years for further growth in these segments. Retail has a specific focus of home loans and the Bank intends to increase the exposure in this portfolio. The risk management structure for identifying, measuring, monitoring, controlling and mitigating the risks for these portfolios are well entrenched.

With regard to industry exposure, in addition to good underwriting skills strengthened by established appraisal norms, there are also mechanism of capping various exposures on the basis of the borrower group, industry, credit rating grades and geography, amongst others. Further major sectors are also monitored by having caps in place. Concentration risk is tracked by putting proper limits.

Credit risk is managed in your Bank through its various policies, risk assessing tools and risk mitigating measures, relying upon internal rating, external rating, post-disbursement monitoring and Early Warning System (EWS), which forms the base for good credit growth coupled with better asset quality.



Annexure – 4 (CONTD..)

Your Bank has put in place proper framework for market risk management. The Bank has a conservative approach to investment and mainly invests in Government securities. In case of investing in bonds of corporate entities, the Bank ensures that the external rating of the entity is investment grade only.

The forex activities are mainly trade finance oriented, purchasing, discounting and negotiating bills drawn on various currencies on account of the bank customers. The Bank has put in limits with regard to its foreign currency position like Net Overnight Open position, Currency wise aggregate gap limits etc., so that the fluctuations of foreign currencies does not lead to any substantial loss to the Bank. Counterparty limits for exposures with banks are also in place to ensure that the Bank does not enter into any high exposures with banks. Most of the currencies dealt with/by the Bank are settled through CCIL and CLS mechanism thereby reducing counterparty risks.

The Bank also understands that the Operational risk is one of the major risks faced by banks and there is a need to have bank wide structure in place to identify, monitor and mitigate this risk. The Bank conducts Risk and control Self-assessment (RCSA) on its products and processes to understand the control deficiencies, if any and take steps to address the same. Further, the Bank is laying great emphasis on training and educating its staff on all banking matters especially in various types of products and processes so that errors can be minimized. System based checks are also in place to ensure that the mistakes can be prevented. Your bank is taking all the steps necessary to ensure that the impact of operational risk is reduced.

(g) Internal control systems and their adequacy.

INSPECTION AND AUDIT

Inspection and Audit independently evaluates the adequacy, completeness, operational effectiveness and efficiency of all internal controls, risk management systems and processes of the Bank. The Audit Committee of the Board provides direction and reviews the adequacy of internal audit function, including its reporting structure, staffing, coverage and frequency of audits. The Head of Inspection Department (HIA) reports directly to the Executive Director (the reporting authority); the ACB serves as the reviewing authority in matters of performance appraisal of the HIA, as required under the RBI circular on RBIA Framework dated January 07, 2021. An executive level committee, named the "Audit Committee of Executives", headed by Executive Director and MD & CEO as Invitee, oversees the audit and inspection functions and reviews the audit procedures and methodologies, effectiveness of audit systems, progress in completion of audits, risk rating of branches and significant audit findings. The Risk Based Internal Audit Policy, Credit Audit Policy, Management Audit Policy, Concurrent Audit Policy and Information System Audit Policy which serve as the basic guidance documents for internal Audit function, were subjected to annual review during the year. The review covered appropriate modifications and refinements based on regulatory guidelines, changes in internal rules and guidelines, directions of the Audit Committee of the Board and the Board of Directors. The review and modifications ensured that the audit systems and procedures are contemporary and continue to be an effective tool for monitoring control and compliance in the Bank. Inspection & Audit Department is responsible for self-assessment of the Bank's internal financial controls by testing and validating the effectiveness of controls on an ongoing basis. The major audits undertaken by the Bank during the financial year are:

Risk Based Internal Audit

Your Bank has leveraged on Risk Based Internal Audit (RBIA) as a tool to assess the risks in its processes, operations and effectiveness of related controls. Risk Based Internal Audit conducted at branches focus on evaluating the branches based on the level of inherent business risks and control risks. 517 branch Risk Based Internal Audits were conducted during the Financial Year 2025-26.

Information System Audit

Information System Audit collects and evaluates the evidence to determine whether the information system safeguards assets, maintains data integrity and availability, achieves organizational goals effectively.

Annexure – 4 (CONTD..)

It focuses on the risks that are relevant to information assets and assesses the adequacy of controls implemented for mitigating the risks. All critical IT infrastructures in the Bank are subjected to Information System Audit by External Audit firms and Internal Auditors of the Bank. Information System Audit is covering various security aspects of IT systems and business continuity procedures is conducted at branches/ offices. During the financial year 2025-26, Information System Audit was conducted in 538 audits (517 branches and 21 Departments).

Management Audit

Management Audit in the Bank essentially focuses on identifying the adequacy and effectiveness of processes adopted for decision making in Regional Offices, various Head Office Departments of the Bank i.e. International Banking Division, Integrated Treasury Department, Information Technology Department, Inspection Department, including IS Audit Cell, Human Resources Development Department, Vigilance Department, Accounts Department, MIS Department, Credit Resolution Department, Credit Department, Credit Monitoring Department, KYC/AML Cell, Risk Management Department, Secretarial Section, Compliance Department, Customer Value Enhancing Department, Operations & Services Department, Customer Service Cell, Office of the Internal Ombudsman, Legal Department, Staff Training College, Bancassurance cell, DPS cell, Establishment Department, RTGS Cell, Integrated Back Office, Disciplinary Action Cell (DAC). The feedback from management audit is relied upon by the auditee units to improve the processes, procedures and systems in place in such offices.

Offsite Audit

Offsite audit is a forward-looking diagnostic tool to identify gaps in the systems and procedures of the Bank. The revenue audit in the Bank is undertaken through Offsite Audit. OTMS (Offsite Transactions Monitoring System) is validating 33 different nature of alerts in the CBS system and generate the respective alerts and communicated to the branches to take immediate corrective action.

Concurrent Audit

Your Bank is relying on 'Concurrent Audit' as an early warning system to ensure near real-time detection of irregularities and lapses and is also used as a tool to prevent frauds. Your Bank has implemented the revised Concurrent Audit framework, duly approved by the Audit Committee of the Board, as per RBI circular dated September 18, 2019, with effect from April 1, 2020. During the year under review, Concurrent Audit was in place at 268 branches and 30 offices, covering 69.05% of total advances and 80.06% of total deposits of our Bank. The offices covered under the Concurrent Audit include all the Regional offices, Integrated Back Office, International Banking Division, Treasury Department, DPS Cell, RTGS Cell, Forex Processing Centre, ATM Cell, Accounts Department, Information Technology Department, Establishment Department, Customer Value Enhancing Department and Branches where RBIA risk rating is assessed as "High". Concurrent Audit is also conducted in all the currency chests as required by the Reserve Bank of India. 277 External Auditors / Audit Firms were engaged for concurrent audit assignments during the period.

Credit Audit

In your Bank, verification of account operations, end-use, stock, documents, etc. of big borrowal account limits (above ₹3 crore) are carried out periodically at post-sanction level and referred as Credit Audit. During the Financial Year 2025-26, 950 Credit Audits were conducted.

Audit of Outsourced Activities

A Comprehensive Risk Based Due Diligence of Partners/Service providers is conducted to ensure that they are financially stable, comply with all regulatory norms and have all the required information security controls in place to safeguard the interests of all the stakeholders of the Bank. During the Financial Year 2025-26, 24 outsourced agencies were audited.



Annexure – 4 (CONTD..)

(h) Key Financial and Operating Ratios:

Operating Performance:

(₹ in Crore)

Particulars	Mar'25	Mar'26
Total Income	6,141.75	6,696.49
Total Expenditure	4,396.02	4,841.26
Net Interest Income	2,300.93	2,527.27
Non-Interest Income	850.48	877.07
Operating Expenses	1,405.68	1,549.11
Operating Profit	1,745.73	1,855.23
Net Profit	1,182.61	1,337.55

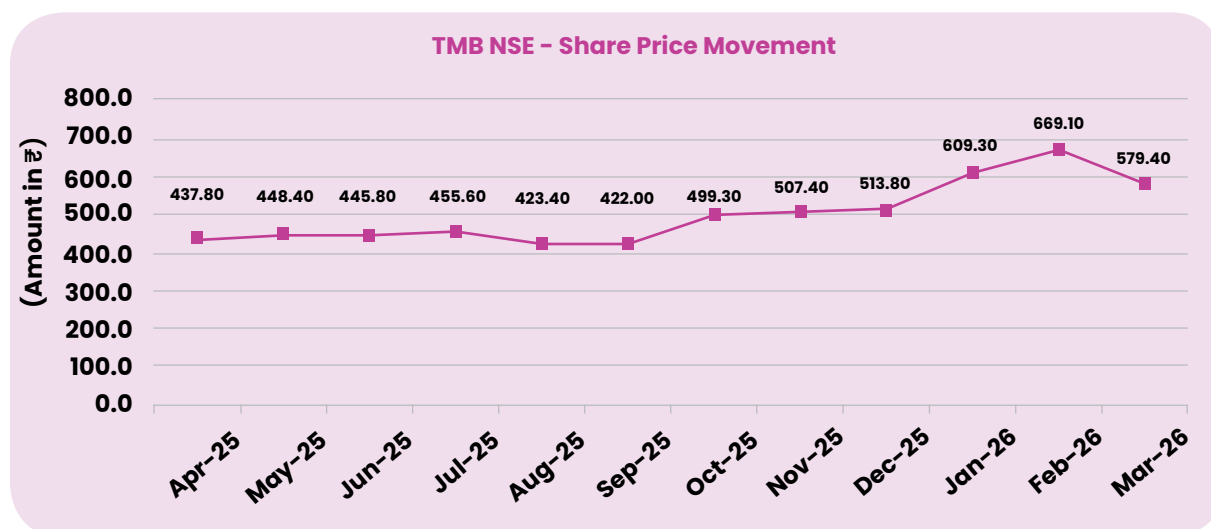
Key Financial Ratios

Particulars	Mar'25	Mar'26
Cost to Income Ratio	44.60%	45.50%
Yield on Advances	10.03%	9.93%
Book Value per Share (₹)	568.90	638.46
Net Worth (₹ in Crore)	9,009	10,110

The Bank's Net worth has increased by ₹ 1,101 crore i.e. 12% over the previous year.

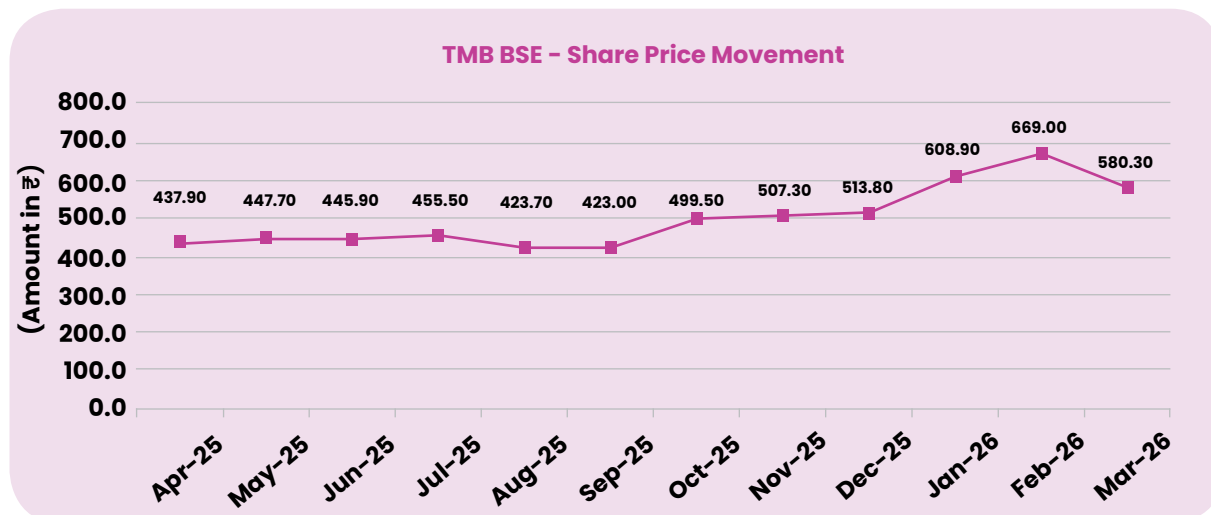
Movement of Your Bank's share price vis-à-vis NSE and BSE Index for the period from April 2025 to March 2026

This graph shows your Bank's share price movement in NSE for the period from April 2025 to March 2026.



Annexure - 4 (CONTD..)

This graph shows your Bank's share price movement in BSE for the period from April 2025 to March 2026



(g) Material developments in Human Resources / Industrial Relations front, including number of people employed.

Job Analysis and Position Description: The HRD Department conducts a comprehensive job analysis to identify the key competencies and qualifications required for each position. Based on this analysis, they create detailed position descriptions outlining job responsibilities, required skills and desired experience.

Training Needs Assessment: The HRD Department conducts regular training needs assessments to identify skill gaps and development areas among employees. This involves collecting feedback from managers, conducting performance evaluations and analyzing organizational objectives to determine the training priorities.

Designing and Implementing Training Programmes: Based on the training needs assessment, the HRD Department designs and implements various training programmes. These programmes may include technical skills training, leadership development, customer service enhancement and compliance training. They utilize internal trainers or collaborate with external training agencies to deliver high-quality programmes.

Employee Development Plans: The HRD Department collaborates closely with managers and staff members to establish personalized development plans that are in line with the organization's objectives and the individual's career ambitions. These plans delineate targeted developmental initiatives, including mentorship, coaching, job rotations and online courses, all designed to augment employees' skills and competencies.

Employee and Industrial Relations:

During the past year, the Industrial Relations climate remained favourable, with due importance given to various representative bodies in order to foster harmonious relations.

Capability Building:

To facilitate individual growth and to contribute to the overall progress of the organization, our Bank's Staff Training College is dedicated to creating a continuous learning ecosystem for employees. A diverse range of focused training and learning solutions is offered, including:

- (a) Self-learning TMB eSMART Certifications,
- (b) Support for capacity - Building certifications,
- (c) Talent Pool System - Grooming of Talented employees in an efficient way,
- (d) One Hour Learning



Annexure – 4 (CONTD..)

These initiatives provide employees with multiple avenues to continuously enhance their skills, acquire new competencies and confidently adapt to the evolving demands and challenges of the times.

Digital Training Programs –

- Programme in IT and Cyber security for CXOs and Senior Management
- Programme on Big Data Analytics for Banks
- Programme on Security, Scale and Access for Digital Payments
- Programme on Intelligent Banking Unlocking the Power of AI / ML in Banking
- Oracle Fusion Cloud Unplugged HCM & EPM Workshop
- Programme on Cyber Security for IS Auditors
- Programme on Business Analytics, Machine Learning and Artificial Intelligence and its Implication in Banks

Equity and Diversity –

Executive Development Programme for Women Officers of the Banks/FIs, in addition to multiple internal women leadership training.

- CERT-In's Cyber security awareness Session "Cyber Hygiene Essentials for Women Officials"
- CERT-In's Cyber security technical Session "Cyber Threats and Countermeasures for Women Officials"

Professional Development Networks –

Tie-ups/arrangements with 'One Hour Learning for Communication upskilling, Confidence building, managerial effectiveness and Soft Skill Development'.

Online Training Programs –

- Programme on KYC / AML / CFT
- Cyber Security and Phishing Mail
- Programme on Guidelines related to Export & Import Transactions
- Sensitization on Interaction with Persons with Disabilities and Accessibility Support
- Programme on Marketing of Retail Loan Products and its Assessment
- Programme on Regulatory and Statutory Guidelines on Anti Money Laundering including KYC and Combating Financial Terrorism Risks
- Programme on Cyber Resilience in Banking – Mastering IT Risk & Financial Crime Prevention

Emerging Leaders Initiative: –

- Advanced Management Programme in Banking and Finance-IIBF
- Programme on Strategic Leadership in Banking Industry and Organizational Change Management
- Programme on Effective Branch Management, Leadership and Administrative Competency
- Enhancing Proficiency in Branch Business Performance for First Time Branch Heads
- Enhancing Proficiency in Branch Banking Business for Officers
- Risk Management Training Programme for Senior Management

Learning Accelerator e-Smart– Capacity building programme in TMB eSMART

In eSMART, staff are encouraged to get certified; due weightage for promotion and placement will be accorded to staff getting certified. TMB eSMART Certificate is given due weightage in our Staff Annual Appraisal and Promotion Appraisal.

Annexure – 4 (CONTD..)

Evaluation and Feedback: The HRD Department evaluates the effectiveness of training programmes and development initiatives through feedback surveys, post-training assessments and performance evaluations. This feedback loop helps in continuously improving the training interventions and ensures that employees receive valuable learning experiences.

Communication and Feedback Channels:

The HRD Department establishes effective communication channels to ensure transparent and open communication between employees and management. This includes regular team meetings, suggestion boxes, online platforms and anonymous feedback mechanisms, enabling employees to express their ideas, concerns and suggestions.

Work-Life Balance Initiatives: Recognizing the importance of work-life balance, the HRD Department implements various initiatives to support employees in achieving harmony in their personal and professional lives. These initiatives may include flexi-time, wellness programmes, employee assistance programmes and stress management workshops.

Team Building Activities: The HRD Department organizes team-building activities and events to foster a sense of camaraderie, collaboration and trust among employees. These activities include sports events, social gatherings and cross-functional projects, enhancing teamwork and employee relationships.

Employee Wellness Programs: To promote employee well-being, the HRD Department implements wellness programmes focused on physical, mental and emotional health. These programmes include Yoga sessions, health screenings, mindfulness sessions and access to counselling services. By prioritizing employee wellness, the HRD Department contributes to a healthier and more productive workforce.

Employee Satisfaction and Retention: Through its various initiatives, the HRD Department plays a significant role in enhancing employee satisfaction and retention. By ensuring fair recruitment processes, providing training and development opportunities and implementing effective performance management systems, the HRD Department creates a positive work environment that fosters employee loyalty and reduces turnover rates. The attrition rate in the bank is at 6.18%.



Annexure – 5

Particulars of Employees Remuneration

Pursuant to Section 197 of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

- I. None of the employees employed throughout the financial year, was in receipt of remuneration, in the aggregate amounted to not less than Rupees One crore and Two lakhs.

Top Ten Employees in terms of Remuneration drawn during the Financial Year 2025-26

S. No	Name	Designation	Remuneration in INR – In lakh	Qualification	Experience (No. of years) (Overall experience including TMB)	Date of commencement of employment	Age (Yrs)	Last employment held by such employee before joining the Bank (with Designation)	Percentage of Equity Shares held (#)
1.	Thiru.Salee S. Nair (M00007)	MD & CEO	99.66	M.Sc. Physics (Applied Electronics), CAIIB	38	29.08.2024	61	Deputy Managing Director & Chief Credit Officer at State Bank of India	0.0011
2.	Thiru Vincent M.D (M00008)	Executive Director	77.90	B.Com., LLB, CAIIB	39	27.09.2024	61	Chief General Manager at State Bank of India	0.0003
3.	Thiru. Ramesh D (7152)	Executive Vice President	49.68	B.Com, M.B.M (Banking), CAIIB	30	09.10.2019	53	Vice President at Axis Bank	0.0008
4.	Thiru. Ashokkumar P R (7158)	Executive Vice President	49.24	B.Com, CAIIB	31	30.10.2019	52	Deputy Vice President at Equitas Small Finance Bank	0.0000
5.	Thiru. J. Sundaresh Kumar (1937)	Executive Vice President	48.16	B.Com, M.Com, CAIIB	33	18.05.1992	55		0.0002
6.	Thiru. Vijayan K (2137)	Executive Vice President	46.62	B.B.A., CAIIB	31	06.06.1994	52		0.0009
7.	Thiru. Sanjoy Kumar Goel (C00168)	Executive Vice President	46.61	B.Com., ICAI	35	20.03.2025	62	Deputy CFO and General Manager at State Bank of India	-
8.	Thiru. P.A. Raja (2233)	Vice President	42.99	B.B.A., JAIIB	31	30.06.1994	53		-
9.	Thiru. Jebananth Julius P (2009)	Vice President	42.68	B.Sc., CAIIB	32	17.05.1993	53		-
10.	Thiru. R. Gouthaman (2307)	Vice President	41.86	B.Sc., CAIIB	31	27.03.1995	53		-

(#) The percentage of equity shares held by the employee in the Bank within the meaning of clause (iii) of sub-rule (2) of Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Note 1: All the employees mentioned above are on the rolls of the Bank except at S.No.7

Note 2: None of the employees are relative of any Director or Manager

Annexure – 5 (CONTD..)

- II. None of the employees employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than Rupees Eight lakhs Fifty thousand only per month
- III. None of the employees employed throughout the financial year or part thereof, was in receipt of remuneration in that year which is in excess of that drawn by the Managing Director or Whole-Time Director or Manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the Bank

Details as per Section 197 of the Companies Act 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

1. The ratio of the remuneration of each director to the median remuneration of the employees of the Bank for the financial year:

S.No.	Name of the Director	Ratio of the remuneration of director to the median employee remuneration ^(#)
1.	Thiru. Salee S. Nair	7.32:1
2	Thiru. Vincent M. D.	5.41:1
3	Thiru. K.Ramachandran (Non-Executive Part-Time Chairman) ⁽ⁱ⁾	0.26:1

(#) Except the above executives, no other directors are drawing remuneration from the Bank other than sitting fee for attending the Board / Committee meetings.

(i) w.e.f. August 14, 2025

2. Percentage increase in remuneration:

S.No.	Name	Designation	Percentage increase/ decrease in remuneration
1.	Thiru. Salee S Nair	MD and CEO	10.45
2.	Thiru. Vincent M. D.	Executive Director	10.30
3.	Thiru. Sanjoy Kumar Goel	CFO	-
4.	Thiru. Swapnil Yelgaonkar	Company Secretary	30.19
5.	Thiru.K.Ramachandran (Appointment date: August 14, 2025)	Non-Executive Part-Time Chairman	-

3. Percentage increase in the median remuneration of employees:

The percentage of increase in the Median employee remuneration is 0.79% as compared to the previous year.

4. The number of permanent employees on the rolls of the Bank

The Number of Permanent Employees on the rolls of the Bank as on March 31, 2026 is 4,786 employees.



Annexure – 5 (CONTD..)

5. Other details:

S. No.	Particulars	Remarks
1.	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year	During the FY 2025-26, the overall salary increased to employees around 4.82% (which excludes Managerial Remuneration)
2.	Percentile increase in managerial remuneration	17.21%
3.	The comparison with the percentile increase in the employee remuneration with managerial remuneration and justification thereof	Variable pay were paid to the Managing Director & CEO (MD & CEO), Executive Director (ED) and Company Secretary during FY 2025-26; consequently, this resulted in an increase over the previous year.
4.	Any exceptional circumstances for increase in the managerial remuneration	The remuneration for the current year includes the Part-Time Chairman's salary, unlike the previous year. Additionally, the Managing Director & CEO (MD & CEO) and Executive Director (ED) received variable pay, contributing to the increase over the prior year.

6. We hereby affirm that the remuneration paid to the Directors and Employees are as per the remuneration policy of the Bank.

Annexure – 6

REPORT ON CORPORATE GOVERNANCE

Philosophy of Corporate Governance:

The Bank's approach to Corporate Governance is deeply rooted in its unwavering dedication to ethical business practices and its continuous efforts to enhance stakeholder value. The Bank consistently strives to implement exemplary governance standards across all areas of its operations. It upholds key principles such as transparency, accountability, integrity, responsible disclosure, social responsibility and compliance with regulatory requirements. The Bank diligently complies with the Corporate Governance norms and guidelines issued by the Reserve Bank of India (RBI), Securities and Exchange Board of India (SEBI), Ministry of Corporate Affairs (MCA), Insurance Regulatory and Development Authority of India (IRDAI), Pension Fund Regulatory and Development Authority (PFRDA) and the Stock Exchanges (BSE & NSE) from time to time. In addition, the Bank remains committed to its longstanding traditional values, which emphasize ethical conduct and meaningful contributions to society.

Your Directors present below the Directors' Report in compliance to Corporate Governance requirements as prescribed in Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Board of Directors:

Composition of the Board:

The Composition of the Board consists of an optimum combination of Executive and Non-Executive Directors, which not only meet the legal obligation but also make a diversified Board with a mixed blend of experiences, expertise and professionals. The Board, while discharging its responsibilities and providing effective leadership to the business, uphold the corporate value, promote the ethical culture, endorse sustainability and leverages innovation. Independent Directors play a pivotal role in upholding Corporate Governance norms and ensuring fairness in decision-making. Being experts in various fields, they also bring independent judgement on matters of strategy, risk management, controls and business performance.

As on March 31, 2026, the Board of Directors of the Bank comprised of fourteen Directors including the Managing Director & CEO, Executive Director and two Additional Directors nominated by RBI, six Independent Directors and four Non-Executive Directors. The constitution of the Board conforms to the provisions of Section 10A of the Banking Regulation Act, 1949, Section 149 of the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015. Except the MD & CEO and the Executive Director, all other members of the Board are Non-Executive Directors and six directors out of the total fourteen directors are Independent Directors. Details of directors as on March 31, 2026, are as under:

S.No.	Name	Sector Represented / Area of specialized knowledge
1	Thiru K.Ramachandran	Majority Sector - Banking and Information Technology
2	Thiru Salee S Nair	Majority Sector - Banking
3	Thiru Vincent M.D.	Majority Sector - Banking
4	Thiru A.Niranjana Sankar	Minority Sector - Business Management and Human Resource
5	Thiru K.V.Rama Moorthy	Majority Sector - Agriculture & Rural Economy and Banking
6	Thiru S.R.Aravind Kumar	Minority Sector - SSI (MSME) and Information Technology
7	Thiru R.Kodeeswaran	Minority Sector - Business Management
8	Thiru C.Chiranjeeviraj	Majority Sector - Accountancy and Finance
9	Thiru S.Sridharan	Majority Sector - Banking, Economics and Law
10	Thiru R.Deepak Shankar	Minority Sector - SSI (MSME)
11	Tmt R.Kanagavalli	Majority Sector - Law
12	Thiru A.Shidambaranathan	Majority Sector - Accountancy, Banking and Finance
13	Thiru C.S.Ram Kumar	Additional Director, RBI
14	Thiru V.Srinivasan	Additional Director, RBI



Annexure – 6 (CONTD..)

Changes in the composition of the Board of Directors and other Key Managerial Personnel:

Your Board reflects a balanced mix of experience and expertise across banking, financial markets, economy, risk management, finance, credit, information technology, human resource management, small-scale industries, agriculture, rural economy, law and corporate law.

The following changes in the composition of the Board of Directors and Key Managerial Personnel has taken place in your Bank during the period from 01.04.2025 to 31.03.2026.

S. No	Name of Directors	Designation	Appointment / Retirement Resignation / Co-opted
1	Thiru B.Prabaharan	Non-Executive Independent Director	Resigned w.e.f. 11.06.2025
2	Thiru K.Ramachandran	Non-Executive Independent Director	Appointed on 12.06.2025
3	Thiru K.Ramachandran	Non-Executive Part-Time Chairman	Appointed on 14.08.2025
4	Thiru S.R.Ashok	Non-Executive Director	Retired on 27.10.2025
5	Thiru D.N.Nirranjan Kani	Non-Executive Director	Retired on 27.10.2025
6	Thiru S.R.Aravind Kumar	Non-Executive Director	Appointed on 19.11.2025
7	Thiru R.Kodeeswaran	Non-Executive Director	Appointed on 19.11.2025
8	Thiru Thomas Mathew	RBI Nominee Director	Retired on 19.12.2025
9	Thiru V.Srinivasan	RBI Nominee Director	Appointed on 20.12.2025

During the year under review,

1. Thiru. A. Shidambaranathan (DIN: 02904738) was appointed as an Additional Director in the capacity of Non-Executive Independent Director for a period of three years at the board meeting held on March 26, 2025. The Shareholders of the Bank had approved his appointment on June 04, 2025, through Postal Ballot.
2. Thiru B.Prabaharan (DIN: 00209875), Non-Executive Independent Director had resigned from the Board of the Bank on June 09, 2025, with effect from the close of the business hours on June 11, 2025, due to his pre-occupations and other personal commitments.
3. Your Board of Directors at their meeting held on June 12, 2025, on the basis of the recommendation of the Nomination and Remuneration Committee, had approved the appointment of Thiru K.Ramachandran (DIN: 08589628) as an Additional Director on the Board of the Bank, for a period of three consecutive years, with effect from June 12, 2025 to June 11, 2028 in the capacity of Independent Director, he shall not be liable to retire by rotation. The Board has further recommended the appointment of Thiru K.Ramachandran (DIN: 08589628) as Non-Executive Part-Time Chairman of the Bank, from the date of approval granted by RBI till the date of his tenure as Independent Director, with a remuneration of ₹18 lakh p.a.

The Reserve Bank of India, vide its order Ref.No.CO.DOR.HGG.No.S3873/08.55.001/2025-26 dated August 14, 2025, had approved the appointment of Thiru K.Ramachandran (DIN: 08589628) as Part-Time Chairperson of the Bank w.e.f. the date of approval, i.e., from August 14, 2025 to June 11, 2028, at a fixed remuneration of ₹18 lakh p.a. The Shareholders of the Bank had approved his appointment on October 30, 2025, through Postal Ballot.

4. Thiru S.R.Ashok (DIN: 07933713) and Thiru D.N.Nirranjan Kani (DIN:00455352), Non-Executive Directors of the Bank demitted their office at the close of business hours on October 27, 2025, consequent to completion of their eight (8) years tenure in terms of Section 10A(2A)(i) of the Banking Regulation Act, 1949.
5. Your Board of Directors at their meeting held on November 19, 2025, on the basis of the recommendation of the Nomination and Remuneration Committee, had approved the appointment of Thiru S.R.Aravind Kumar (DIN: 02145836) and Thiru R.Kodeeswaran (DIN: 00466141) as Additional Directors of the Bank under

Annexure – 6 (CONTD..)

“Non-Executive Non-Independent Director” category for a period of three consecutive years, with effect from November 19, 2025. In terms of Section 149(13) of the Companies Act, 2013, Thiru S.R.Aravind Kumar and Thiru R.Kodeeswaran shall be liable to retire by rotation. The Shareholders of the Bank had approved their appointments on December 28, 2025, through Postal Ballot.

6. The Reserve Bank of India, vide its order Ref.No.CO.DOR.HGG.No.S7192/08.55.001/2025-26 dated December 19, 2025, had appointed Thiru V.Srinivasan (DIN: 11444537), General Manager, Reserve Bank of India, as Additional Director of the Bank for a period of two years from December 20, 2025 to December 19, 2027, or till further orders, whichever is earlier, in place of Thiru Thomas Mathew, Principal Chief General Manager (Retired), Reserve Bank of India.

Material Events occurred after the Balance Sheet date:

Your Board of Directors at their meeting held on June 05, 2026, on the basis of the recommendation of the Nomination and Remuneration Committee of the Board, had approved the re-appointment of Thiru.C.Chiranjeeviraj (DIN: 08730382) as a Non-Executive (Independent) Director on the Board of the Bank for a second term of two years and three months, i.e. with effect from July 16, 2026 to October 15, 2028, subject to the approval of the shareholders at the ensuing AGM of the Bank. In terms of Section 149(13) of the Companies Act, 2013, he shall not be liable to retire by rotation during his tenure as an Independent Director of the Bank.

Competency at the Board level:

The chart mapping the skills/expertise/competence of the Board of Directors of the Bank (as on March 31, 2026) is as under:

S. No	List of Core skills/ expertise/ competencies required in terms of statutory requirement as per BR Act	Thiru. K.Ramachandran	Thiru. Salee S Nair	Thiru. Vincent M.D.	Thiru. A.Niranjana Sankar	Thiru. K.V.Rama Moorthy	Thiru. S.R.Aravind Kumar	Thiru. R.Kodeeswaran	Thiru. C.Chiranjeeviraj	Thiru. S.Sridharan	Thiru. R.Deepak Shankar	Tmt. R.Kanagavalli	Thiru. A.Shidambaramanathan	Thiru. C. S. Ram Kumar	Thiru. V.Srinivasan
1	Accountancy								✓				✓		
2	Agriculture and rural economy					✓									
3	Banking	✓	✓	✓		✓				✓			✓	✓	✓
4	Co-operation & SSI						✓				✓				
5	Economics									✓					
6	Finance								✓				✓		
7	Law									✓		✓			
8	IT	✓			✓		✓								
9	Risk Management	✓								✓				✓	✓
10	Payment & Settlement													✓	✓
11	HR				✓										
12	Business Management				✓			✓							



Annexure – 6 (CONTD..)

BOARD MEETINGS:

The Bank's Board met 14 times and its sub-committees including the Committee of Directors held a total of 71 meetings during the Financial Year 2025-26. The date of Board meetings conducted are as detailed below:

Date of Board Meeting		
23.04.2025	20.08.2025	12.01.2026
12.06.2025	18.09.2025	04.02.2026
24.06.2025	27.10.2025	23.02.2026
08.07.2025	19.11.2025	24.03.2026
25.07.2025	17.12.2025	

Details of the attendance of Directors at the Board / Committee meetings during the year under report and at the last Annual General Meeting are as under:

Name of the Director	No of Board meetings attended / held	No of Committee Meetings attended / held	Whether attended the last AGM (08.08.2025)
Thiru K.Ramachandran ^(@)	13/13	18/18	Yes
Thiru Salee S Nair	14/14	46/47	Yes
Thiru Vincent M.D.	14/14	39/44	Yes
Thiru A.Niranjana Sankar	14/14	18/18	Yes
Thiru D.N.Nirranjan Kani ^(!)	8/8	23/23	Yes
Thiru S.R.Ashok ^(&)	8/8	18/18	Yes
Thiru K.V.Rama Moorthy	14/14	32/34	Yes
Thiru S.R.Aravind Kumar ^(\$)	6/6	9/9	NA
Thiru R.Kodeeswaran ^(^)	6/6	10/10	NA
Thiru B.Prabaharan ^(*)	1/1	4/4	NA
Thiru C.Chiranjeeviraj	14/14	40/40	Yes
Thiru S.Sridharan	14/14	54/54	Yes
Thiru R.Deepak Shankar	14/14	22/22	Yes
Tmt R.Kanagavalli	14/14	15/15	Yes
Thiru A.Shidambaranathan	14/14	42/42	Yes
Thiru Thomas Mathew ^(#)	10/10	16/17	No
Thiru C.S.Ram Kumar	14/14	21/25	No
Thiru V.Srinivasan ^(%)	4/4	6/6	NA

(@) Appointed w.e.f. 12.06.2025

(!) Retired on 27.10.2025

(&) Retired on 27.10.2025

(\$) Appointed on 19.11.2025

(^) Appointed on 19.11.2025

(*) Resigned w.e.f. 11.06.2025

(#) Retired on 19.12.2025

(%) Appointed w.e.f. 20.12.2025

Annexure – 6 (CONTD..)

Directorships/committee positions held in other companies as on March 31, 2026:

S. No	Name of the Director	Directorship in other public Limited Companies	Committee positions in other Public Limited Companies	Directorship in other listed entity	Nature of Directorship in other listed entity
1	Thiru K.Ramachandran	Nil	Nil	Nil	Nil
2	Thiru Salee S Nair	Nil	Nil	Nil	Nil
3	Thiru Vincent M.D.	Nil	Nil	Nil	Nil
4	Thiru A.Niranjana Sankar(*)	Nil	Nil	1	Non-Executive Director
5	Thiru K.V.Rama Moorthy	Nil	Nil	Nil	Nil
6	Thiru S.R.Aravind Kumar	Nil	Nil	Nil	Nil
7	Thiru R.Kodeeswaran	Nil	Nil	Nil	Nil
8	Thiru C.Chiranjeeviraj	Nil	Nil	Nil	Nil
9	Thiru S.Sridharan	Nil	Nil	Nil	Nil
10	Thiru R.Deepak Shankar	Nil	Nil	Nil	Nil
11	Tmt R.Kanagavalli	Nil	Nil	Nil	Nil
12	Thiru A.Shidambaranathan	Nil	Nil	Nil	Nil
13	Thiru C.S.Ram Kumar	Nil	Nil	Nil	Nil
14	Thiru V.Srinivasan	Nil	Nil	Nil	Nil

(*) He is also a Non-Executive Director in India Gelatine & Chemicals Limited.

None of the Directors of the Board serve as members of more than ten Committees or acts as Chairpersons of more than five Committees across all listed entities in which they are directors. In the opinion of the Board, all the Independent Directors fulfill the criteria of independence as specified under the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015 and are independent of the management.

Relationship between Directors inter-se:

None of the Directors of the Board are related to each other.

Details of shareholding of the Non-Executive Directors of the Bank as on March 31, 2026:

S. No.	Name of the Director	Designation	Number of shares held as on March 31, 2026
1	Thiru K.Ramachandran	Non-Executive Part-Time Chairman Independent Director	Nil
2	Thiru A.Niranjana Sankar	Non-Executive Director	84,978
3	Thiru K.V.Rama Moorthy	Non-Executive Director	Nil
4	Thiru S.R.Aravind Kumar	Non-Executive Director	4,43,385
5	Thiru R.Kodeeswaran	Non-Executive Director	39,567
6	Thiru C.Chiranjeeviraj	Non-Executive Independent Director	Nil
7	Thiru S.Sridharan	Non-Executive Independent Director	Nil
8	Thiru R.Deepak Shankar	Non-Executive Independent Director	400
9	Tmt R.Kanagavalli	Non-Executive Independent Director	3,006



Annexure – 6 (CONTD..)

S. No.	Name of the Director	Designation	Number of shares held as on March 31, 2026
10	Thiru A.Shidambaranathan	Non-Executive Independent Director	10,970
11	Thiru C.S.Ram Kumar	RBI Nominee Director	Nil
12	Thiru V.Srinivasan	RBI Nominee Director	Nil
		Total	5,82,306

Details of Familiarization Programme imparted to Independent Directors:

The Directors of the Bank were nominated to various training programmes in specialized areas such as IT, Governance, Cyber Security, Risk Management and Corporate Governance etc., conducted by IDRBT, CAFRAL, NIBM etc., and the details of training undergone during the reporting period are posted on the website of the Bank at the URL <https://www.tmb.bank.in/pages/Disclosure-as-per-Regulation>. These training courses are in addition to the familiarization programme relating to Bank's internal process & systems and procedures.

Remuneration of Directors:

Remuneration of Non-Executive Part-Time Chairman / Managing Director & CEO / Executive Director:

The Bank has adopted a "Compensation Policy for Non-Executive Part-Time Chairman, Managing Director and Chief Executive Officer, Executive Director, Material Risk Takers and Control Function staff, etc.,". The policy is designed to support key business strategies and provide reasonable remuneration commensurate with the performance of the Bank taking into account alignment of compensation with prudent risk taking etc. as per guidelines issued by the Reserve Bank of India on 'Compensation of Whole Time Directors/Chief Executive Officers/Material Risk Takers and Control Function staff etc.' vide Master Direction No. RBI/DOR/2025-26/149 DOR. HGG.GOV. No.68/29.67.001/2025-26 dated November 28, 2025. The Compensation arrangements shall consider prudent risks that are consistent with bank's long-term value creation and time horizons of risk as they are responsible for the entire Bank's risk posture and performance. The compensation packages of the Managing Director & CEO and the Executive Director include the fixed pay and allowances as approved by Reserve Bank of India. Besides, the compensation policy provides for a variable pay (VP), maximum up to 200% of the fixed pay, payable after evaluation of the performance and risk score assigned thereon and subject to approval of the RBI each year. The said variable pay is having upfront and deferred portions. The policy has malus / clawback arrangements in line with the RBI guidelines.

The Bank has implemented Employee Stock Option Scheme, 2024 and the Nomination and Remuneration Committee (NRC) of the Board / Compensation Committee ("CC") in their meeting held on October 27, 2025, had approved the grant of 4,509 Equity Shares & 3,370 Equity Shares to the MD&CEO and the Executive Director respectively, to be allotted in the ratio of 30:30:40 over a period of three years.

The remuneration structure of the Non-Executive Part-Time Chairman, Managing Director & CEO and the Executive Director is recommended by the NRC to the Board for approval, in accordance with the aforesaid policy. The Board of Directors on the basis of recommendation of the NRC approves the remuneration, subject to approvals from Reserve Bank of India and the shareholders of the Bank.

Remuneration of Non-Executive Directors:

The other Non-Executive Directors are paid only sitting fees for attending the meetings of the Board and its Committees except Non-Executive Part-Time Chairman. None of the directors including the MD & CEO and the Executive Director receive any profit linked remuneration. The sitting fees payable to the Non-Executive Directors is ₹50,000/- for Board Meeting and ₹25,000/- for Committee Meetings during the year 2025-26.

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The details of remuneration paid to Whole Time Directors and Non-Executive Part-Time Chairman during the year under report are as under:

(Amount in ₹)

Particulars	K.Ramachandran ^(*) (Part-Time Chairman)	Salee S Nair (MD & CEO)	Vincent M.D. (Executive Director)	S.Krishnan ^(#) (Ex MD & CEO)
Gross Salary	11,37,097.00	69,00,000.00	51,00,000.00	-
Perquisites (excluding ESOP)	-	7,95,756.00	3,98,439.00	-
Provident fund (Bank's Contribution)	-	8,28,000.00	6,12,000.00	-
Leave fare concession facility	-	-	-	-
House rent allowance	-	-	3,60,000.00	-
Gratuity	-	-	-	-
PL Encashment	-	-	-	-
Entertainment Expenses	-	-	-	-
Newspaper Expenses	-	16,125.00	0.00	-
Travelling Expenses	-	-	-	-
Halting allowance	-	4,32,500.00	5,77,000.00	-
Medical Reimbursement	-	-	-	-
Variable pay (2025-26)	-	9,94,272.30	7,43,010.00	32,96,924.00
Variable pay (2024-25)	-	-	-	4,56,581.00
Variable pay (2023-24)	-	-	-	15,21,938.00
Superannuation allowance / fund	-	-	-	-
Utility allowance	-	-	-	-
ESOP ^(§)	-	-	-	-
Total	11,37,097.00	99,66,653.30	77,90,449.00	52,75,443.00

(*) The Reserve Bank of India had approved the appointment of Thiru K.Ramachandran (DIN: 08589628) as Non-Executive Part-Time Chairperson of the Bank w.e.f. the date of approval, i.e., from August 14, 2025 to June 11, 2028, at a fixed remuneration of ₹18 lakh p.a. along with sitting fees.

(#) The Board of Directors in their meeting held on June 07, 2024, had accepted to relieve, Thiru S.Krishnan (DIN: 07261965) from the position of Managing Director & CEO of the Bank at the close of business hours of the same date.

(§) The Bank has implemented Employee Stock Option Scheme, 2024 and the Nomination and Remuneration Committee (NRC) of the Board / Compensation Committee ("CC") in their meeting held on October 27, 2025, had approved the grant of 4,509 Equity Shares & 3,370 Equity Shares to the MD&CEO and the Executive Director respectively, to be allotted in the ratio of 30:30:40 over a period of three years.



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Fees to Non-Executive Directors:

(Amount in Lakhs)

S.No.	Name of the Directors	Sitting Fees*	Commission	Total
1	Thiru K.Ramachandran	11.00	Nil	11.00
2	Thiru A.Niranjnan Sankar	11.50	Nil	11.50
3	Thiru S.R.Ashok	8.50	Nil	8.50
4	Thiru D.N.Nirranjan Kani	9.75	Nil	9.75
5	Thiru K.V.Rama Moorthy	15.00	Nil	15.00
6	Thiru S.R.Aravind Kumar	5.25	Nil	5.25
7	Thiru R.Kodeeswaran	5.50	Nil	5.50
8	Thiru B.Prabaharan	1.50	Nil	1.50
9	Thiru C.Chiranjeeviraj	17.00	Nil	17.00
10	Thiru S.Sridharan	20.50	Nil	20.50
11	Thiru R.Deepak Shankar	12.50	Nil	12.50
12	Tmt R.Kanagavalli	10.75	Nil	10.75
13	Thiru A.Shidambaranathan	17.50	Nil	17.50
14	Thiru Thomas Mathew	1.00	Nil	1.00
15	Thiru C.S.Ram Kumar	NA	Nil	NA
16	Thiru V.Srinivasan	NA	Nil	NA
Total				147.25

*Sitting fees quoted above include sitting fees for Board Meetings and Committee Meetings held during the Financial Year 2025-26.

PERFORMANCE EVALUATION CRITERIA FOR DIRECTORS

Pursuant to applicable provisions of the Act and the Listing Regulations, the Board has carried out annual evaluation of its own performance, performance of the Directors including Chairman as well as the evaluation of the working of its committees. The details of annual evaluation of Board performance, performance of its committees and Directors are mentioned in the Board's Report.

COMMITTEES OF THE BOARD:

In compliance with the regulatory requirements and for the operational convenience, Bank has constituted the following Board Level Committees:

1. Audit Committee of the Board (ACB)
2. Stakeholders Relationship Committee of the Board (SRC)
3. Customer Service Committee of the Board (CSC)
4. Risk Management Committee of the Board (RMC)
5. Nomination & Remuneration Committee of the Board (NRC)
6. Corporate Social Responsibility Committee of the Board (CSR)
7. Management Committee of the Board (MCB)
8. Information Technology Strategy Committee of the Board (ITSC)
9. Human Resources Management Committee of the Board (HRM)
10. NPA Monitoring Committee of the Board (NPAMC)
11. Special Committee of the Board for Monitoring and Follow-Up of Cases of Frauds (SCBMF)
12. Disciplinary Committee of the Board (DC)
13. Independent Directors Committee of the Board (IDC)
14. Review Committee of the Board on Wilful Defaulters and Frauds (RCWDF)

Annexure – 6 (CONTD..)

The composition of members and chairperson of the Committees as on March 31, 2026, is as under:

S. No	Name of the Director	NRC	ACB	RMC	SRC	CSC	MC	ITSC	HRMC	NPA	SCBMF	CSR	RCWDF	DC
1	Thiru K.Ramachandran, PTC			✓		✓		✓		✓			✓	
2	Thiru Salee S Nair, MD&CEO			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
3	Thiru Vincent M.D, ED			✓	✓	✓	✓	✓	✓	✓	✓		✓	
4	Thiru A.Niranjana Sankar, NED	✓			✓			✓				✓		
5	Thiru K.V.Rama Moorthy, NED			✓			✓		✓	✓	✓		✓	
6	Thiru S.R.Aravind Kumar, NED				✓			✓		✓	✓	✓		✓
7	Thiru R.Kodeeswaran, NED						✓		✓	✓	✓	✓		✓
8	Thiru C.Chiranjeeviraj, ID	✓	✓	✓	✓				✓			✓		
9	Thiru S.Sridharan, ID	✓	✓	✓			✓	✓			✓		✓	✓
10	Thiru R.Deepak Shankar, ID	✓			✓	✓						✓		
11	Tmt R.Kanagavalli, ID			✓									✓	✓
12	Thiru A.Shidambaramanathan, ID	✓	✓			✓	✓		✓			✓		
13	Thiru C.S.Ram Kumar, AD – RBI		✓	✓							✓			
14	Thiru V.Srinivasan, AD – RBI		✓							✓	✓			

✓ – Chairman ✓ – Member

1. Audit Committee of the Board (ACB)

As per the directions of Reserve Bank of India, Bank has constituted an Audit Committee of the Board (ACB) which also conforms to the requirements of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Terms of Reference / Roles and Responsibilities of the Committee are:

- Overseeing the Bank's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- Recommending to the Board, the appointment, re-appointment and replacement, remuneration and terms of appointment of the auditors of the Bank;
- Approval of payments to the statutory auditors for any other services rendered by Statutory Auditors;
- Reviewing and monitoring the Statutory Auditors' independence and performance and the effectiveness of audit process;
- Review with the management, the annual financial statements and auditors' report thereon before submission to the Board for approval, with particular reference to:
 - Matters required to be stated in the Directors' responsibility statement to be included in the Director's report in terms of Section 134(3)(c) of the Companies Act, 2013 as amended;
 - Changes, if any, in accounting policies and practices and reasons for the same;
 - Major accounting entries involving estimates based on the exercise of judgment by management;
 - Significant adjustments made in the financial statements arising out of audit findings;



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- v. Compliance with listing and other legal requirements relating to financial statements;
 - vi. Disclosure of any related party transactions; and
 - vii. Qualifications and modified opinions in the draft audit report.
6. Review with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;
 7. Scrutiny of inter-corporate loans and investments;
 8. Valuation of undertakings or assets of the Bank, wherever it is necessary;
 9. Evaluation of internal financial controls and risk management systems;
 10. Approval or any subsequent modification of transactions of the Bank with related parties;
 11. Review with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter;
 12. Approving or subsequently modifying transactions of the Bank with related parties;
 13. Establishing a vigil mechanism for Directors and employees to report their genuine concerns or grievances;
 14. Review with the management, the performance of statutory and internal auditors and adequacy of the internal control systems;
 15. Review the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
 16. Discussion with internal auditors on any significant findings and follow up thereon;
 17. Review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
 18. Discuss with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
 19. Look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
 20. Approval of the appointment of the chief financial officer, or any other person heading the finance function or discharging that function, after assessing the qualifications, experience and background, etc. of the candidate;
 21. Review the functioning of the whistle blower mechanism;
 22. Ensuring that an information system audit of the internal systems and process is conducted at least once in two years to assess operational risks faced by the Bank;
 23. Reviewing the utilization of loan and/or advances from investment by the holding bank in the subsidiaries exceeding ₹100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments; and

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24. Perform such other functions as may be delegated by the Board and/or prescribed under the SEBI Listing Regulations, the Companies Act, the Master Directions or other applicable law.
25. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Bank and its shareholders.
26. Provide directions and also oversee the operation of the total audit function in the bank.
27. Ensure proper organization, operationalization and quality control of the internal audit and inspection.
28. Follow up of the statutory external audit and inspection of RBI.
29. Review the internal inspection / audit function, its system, quality and effectiveness in terms of follow up.
30. Review the inspection reports of specialized and extra-large branches and branches with unsatisfactory rating.
31. Focus specially on
 - a. Inter-branch adjustment account.
 - b. Un-reconciled long outstanding entries in the inter-bank accounts and NOSTRO accounts.
 - c. Arrears in balancing of books at various branches.
 - d. Frauds.
 - e. Other major areas of housekeeping.
32. Review of annual reports obtained from the compliance officer appointed in the Bank.
33. Review of significant Audit Findings of the following audits along with the compliance thereof - (i) LFAR (ii) Concurrent Audit (iii) Internal Inspection (iv) I.S. Audit of Data Centre (v) Treasury and Derivatives (vi) Management Audit at Controlling Offices / Head Offices (vii) Audit of Service Branches (viii) Currency Chest (ix) FEMA Audit of branches authorized to deal in foreign exchange, etc.
34. Compliance report on directives issued by ACB / Board / RBI.
35. Penalties imposed / penal action taken against bank under various laws and statutes and action taken for corrective measures.
36. Review of report on Revenue leakage detected by Internal / External Auditors and status of recovery thereof - reasons for undercharges and steps taken to prevent revenue leakage.
37. Interact with external auditors before the finalization of the Annual / Half-Yearly Financial Accounts and Reports.
38. Follow up all issues / concerns raised in the RBI Inspection Reports.
39. Reviewing with the Management, the Annual Financial Statements before submission to the Board.
40. To look into reasons, for default, if any, the payment to the depositors, debenture holders, shareholders, creditors etc.
41. Surveillance and monitoring of investment in shares / advances against shares.
42. Issue guidelines on the selection of concurrent auditors, scope of their work, review of their performance etc and recommending their terms of appointment to the Board of Directors.
43. Review of the rating mechanism of branches, based on internal inspection.



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44. Periodical review of the accounting policy / system of the Bank with a view to ensure greater transparency and ensure compliance of the Accounting Standards.
45. Ensure that there is well-defined system for fixing staff accountability for non-compliance of internal guidelines and terms of sanction of loans and non-rectification of inspection comments.
46. Ensure periodical inspections of the functioning of all departments at the Head Office and the Regional Offices and review / follow up of the inspection report.
47. Review of the vigilance mechanism prevailing in the Bank and to ensure its adequacy.
48. Review of the credit card operations on half-yearly basis by the Audit Committee of the Board of Directors. The review shall include, inter-alia, customer service, frauds, complaints and grievance redressal, card usage analysis including cards not used for long durations and the inherent risks therein.
49. Review in every meeting the total fund based and non-fund based capital market exposure of bank, ensure that the guidelines issued by the Reserve Bank are complied with and adequate risk management and internal control systems are in place. With respect to investment in shares, the surveillance and monitoring shall be done by the ACB.

The powers of the Audit Committee will include the following:

1. To investigate activities within its terms of reference.
2. To seek information from any employees
3. To obtain outside legal or other professional advice; and
4. To secure attendance of outsiders with relevant expertise, if it considers necessary, such powers as may be prescribed under the Companies Act, 2013 (together with the rules thereunder) and SEBI Listing Regulations.

The Audit Committee shall mandatorily review the following information:

1. Management's discussion and analysis of financial condition and result of operations
2. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management
3. Management letters/letters of internal control weaknesses issued by the statutory auditors
4. Internal audit reports relating to internal control weaknesses
5. The appointment, removal and terms of remuneration of the chief internal auditor; and
6. Statement of deviations, including:
 - i. Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI Listing Regulations; and
 - ii. Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the SEBI Listing Regulations.

Number of meetings held: 15 meetings

All the members of the ACB are financially literate. The Company Secretary acts as the secretary to the Committee. The Managing Director & CEO, Executive Director, Chief Financial Officer, Head of Internal Audit, Executive Vice Presidents, Representative(s) of the Bank's Statutory Auditors, Financial consultant or other expert, Other members of senior management were invited to attend the meetings of the Committee as and when desired by the Committee. The Statutory Auditors were also invited to attend the meetings whenever quarterly/annual financial reports / Long Form Audit Report etc., were considered.

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The ACB meeting dates and the attendance record is as below

Date of Meeting	Thiru.C.Chiranjeeviraj	Thiru.S.Sridharan (#)	Thiru.Thomas Mathew (\$)	Thiru.C.S.Ram Kumar	Tmt.R.Kanagavalli (%)	Thiru.A.Shidambaranathan (^)	Thiru.R.Deepak Shankar (&)	Thiru.V.Srinivasan (*)
23.04.2025	✓		✓	✓	✓		✓	
12.05.2025	✓		✓	✓	✓	✓		
24.06.2025	✓	✓	✓	✓		✓		
08.07.2025	✓	✓	✓	✓		✓		
18.07.2025	✓	✓	-	✓		✓		
25.07.2025	✓	✓	✓	-		✓		
21.08.2025	✓	✓	✓	✓		✓		
28.08.2025	✓	✓	✓	✓		✓		
16.10.2025	✓	✓	✓	✓		✓		
27.10.2025	✓	✓	✓	-		✓		
07.11.2025	✓	✓	✓	✓		✓		
09.01.2026	✓	✓		✓		✓		✓
04.02.2026	✓	✓		✓		✓		✓
02.03.2026	✓	✓		✓		✓		✓
27.03.2026	✓	✓		-		✓		✓
Meetings attended / held	15/15	13/13	10/11	12/15	2/2	14/14	1/1	4/4

(#) Member of the Committee from 12.06.2025

(^) Member of the Committee from 24.04.2025

(\$) Retired on 19.12.2025

(&) Member of the Committee till 24.04.2025

(%) Member of the Committee till 12.06.2025

(*) Member of the Committee from 20.12.2025

2. STAKEHOLDERS RELATIONSHIP AND CUSTOMER SERVICE COMMITTEE OF THE BOARD (SRCSC) *

* As per the RBI direction, the Stakeholders Relationship and Customer Service Committee (SRCSC) has been diverged into Stakeholders Relationship Committee of the Board (SRC) and Customer Service Committee of the Board (CSC) w.e.f. November 28, 2025.

Terms of Reference / Roles and Responsibilities of the Committee are:

- To look into matters relating to transfer/transmission of shares, issue of new/duplicate certificates, general meetings etc. and any other shareholders request / shares related issues.
- To permit the transfer of Dividend and shares thereon to the IEPF Authority and any other matter in this regard.
- To review the measures taken for effective exercise of voting rights by the shareholders;
- To review the adherence to the service standards adopted by the Bank in respect of various services being rendered by the Registrar and Share Transfer Agent;



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5. To review the various measures and initiatives taken by the Bank for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Bank;
6. To formulate the procedures in line with the statutory guidelines to ensure speedy disposal of various requests received from shareholders from time to time;
7. To perform such other functions as may be delegated by the Board and/or prescribed under the SEBI Listing Regulations and the Companies Act or other applicable law.
8. Reviewing and recommending to the Board the amendments to the memorandum of association and the articles of association of the Bank;
9. Approving suitable policies on insider trading, whistle-blower mechanism, risk management and any other policies as may be required under applicable laws;
10. The main function of the Committee shall be to consider and resolve the grievances of security-holders of the company
11. The committee would deal in capital planning and draw up an action plan for capital augmentation of our Bank.
12. To oversee the functions of Standing Committee on customer service such as:
 - a) To look into simplifications of procedures and practices with a view to safeguarding the interest of common persons.
 - b) To review the systems in place for providing services to the customers.
 - c) To review the regulations and procedures prescribed by RBI that impinge on customer service of the Banks.
13. To ensure the compliance of the recommendations of the Committee on Procedures and Performance Audit and Public Services (CPPAPS).
14. To devise innovative measures for enhancing the quality of customer service.
15. To improve the level of customer satisfaction for all categories of clientele at all times.
16. To address the formulation of comprehensive deposit policy (since formulated by the bank) the product approval process, the annual survey of depositor satisfaction & audit of such services.
17. Place all the awards / decree before the customer service committee to enable them to address issues of systemic deficiencies existing in Banks, if any, brought out by the awards and
18. Place all the awards / decree 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 for initiating necessary remedial action.

Number of meetings held: 2 meetings

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The SRCSC meeting dates and the attendance record is as below:

Date of Meeting	Thiru.Salee S Nair	Thiru.Vincent M.D.	Thiru.A.Nirranjan Sankar	Thiru.S.R.Ashok (\$)	Thiru.D.N.Nirranjan Kani (@)	Thiru.C.Chiranjeeviraj	Thiru.R.Deepak Shankar
23.05.2025	✓	✓	✓	✓	✓	✓	✓
11.09.2025	✓	✓	✓	✓	✓	✓	✓
Meetings attended / held	2/2	2/2	2/2	2/2	2/2	2/2	2/2

(\$) & (@) Retired on 27.10.2025

3. CUSTOMER SERVICE COMMITTEE OF THE BOARD (CSC)*

*As per the RBI direction, the Stakeholders Relationship and Customer Service Committee (SRCSC) has been diverged into Stakeholders Relationship Committee of the Board (SRC) and Customer Service Committee of the Board (CSC) w.e.f. November 28, 2025.

Terms of Reference / Roles and Responsibilities of the Committee are:

- The main function of the Committee shall be to examine and resolve the grievances / other issues related to the quality of services rendered to customers of the Bank
- To address the formulation of comprehensive deposit policy (since formulated by the bank) the product approval process, the annual survey of depositor satisfaction & tri-ennial audit of such services.
- To resolve any issues such as the treatment of death of a depositor for operations of his account.
- To place all the awards / decree 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 and
- To place all the awards / decree given by the Banking Ombudsman 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 for initiating necessary remedial action.
- To oversee the functions of Standing Committee on customer service such as:
 - To review the performance report of the Standing Committee during its tenure indicating, inter alia, the areas reviewed, procedures / practices identified and simplified / introduced may be submitted periodically to the Customer Services Committee of the Board.
 - To look into simplifications of procedures and practices with a view to safeguarding the interest of common persons.
 - To review the systems in place for providing services to the customers.
 - To review the regulations and procedures prescribed by RBI that impinge on customer service of the Banks.



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7. To review and monitor Comprehensive Deposit Policy, Cheque Collection Policy, Customer Compensation Policy and Customer Grievance Redressal Policy.
8. To have periodic interaction with the customer representatives invited at the committee meeting and obtain feedback on the services and the products of the Bank as well as the suggestions for any improvement / enhanced customer experience through in the products and services rendered by the Bank.
9. To ensure the compliance of the recommendations of the Committee on Procedures and Performance Audit and Public Services (CPPAPS).
10. To review the ATM failed transactions, the reasons for the same and the penalty (if any) paid thereon.
11. Review of adherence to Doorstep Banking guidelines for Senior Citizen customers.
12. To review and approve any new product proposed to be launched across various product groups.
13. To review and approve any addition / modification of product features in the existing products including (but not limited to) the following: service charges, process enhancements / process simplifications / journey improvement to enhance customer experience.
14. To devise innovative measures for enhancing the quality of customer service.
15. To improve the level of customer satisfaction for all categories of clientele at all times.
16. To carry out any other roles and responsibilities as mandated by the RBI or Board of Directors from time to time and / or enforced by any other statutory bodies / authorities, as may be applicable.

Number of meetings held: 2 meetings

The CSC meeting dates and the attendance record is as below:

Date of Meeting	Thiru.K.Ramachandran	Thiru.Salee S Nair	Thiru.Vincent M.D.	Thiru.R.Deepak Shankar	Thiru. A.Shidambaranathan
19.12.2025	✓	✓	✓	✓	✓
25.02.2026	✓	✓	✓	✓	✓
Meetings attended / held	2/2	2/2	2/2	2/2	2/2

4. STAKEHOLDERS' RELATIONSHIP COMMITTEE OF THE BOARD (SRC)*

*As per the RBI direction, the Stakeholders Relationship and Customer Service Committee (SRCSC) has been diverged into Stakeholders Relationship Committee of the Board (SRC) and Customer Service Committee of the Board (CSC) w.e.f November 28, 2025.

Terms of Reference / Roles and Responsibilities of the Committee are:

1. To look into matters relating to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc. and any other shareholders request / shares related issues.

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2. To permit the transfer of Dividend and shares thereon to the IEPF Authority and any other matter in this regard.
3. To review the measures taken for effective exercise of voting rights by the shareholders.
4. To review the adherence to the service standards adopted by the Bank in respect of various services being rendered by the Registrar and Share Transfer Agent.
5. To review the various measures and initiatives taken by the Bank for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Bank.
6. To formulate the procedures in line with the statutory guidelines to ensure speedy disposal of various requests received from shareholders from time to time.
7. To perform such other functions as may be delegated by the Board and/or prescribed under the SEBI Listing Regulations and the Companies Act or other applicable law.
8. Reviewing and recommending to the Board the amendments to the memorandum of association and the articles of association of the Bank.
9. Approving suitable policies on insider trading, whistle-blower mechanism, risk management and any other policies as may be required under applicable laws.
10. The main function of the Committee shall be to consider and resolve the grievances of security-holders of the company.

Number of meetings held: 2 meetings

The SRC meeting dates and the attendance record is as below:

Date of Meeting	Thiru. A.Niranjana Sankar	Thiru.Salee S Nair	Thiru.Vincent M.D.	Thiru.C.Chiranjeeviraj	Thiru.R.Deepak Shankar	Thiru.S.R.Aravind Kumar
19.12.2025	✓	✓	✓	✓	✓	✓
24.02.2026	✓	✓	-	✓	✓	✓
Meetings attended / held	2/2	2/2	1/2	2/2	2/2	2/2

5. Risk Management Committee of the Board (RMC)

The Risk Management Committee of the Board shall put in place specific policies and procedures for enterprise-wide risk management of the Bank based on the regulatory guidance and best practices.

Terms of Reference / Roles and Responsibilities of the Committee are:

1. Formulation of a detailed risk management policy which shall include:
 - a) A framework for identification of internal and external risks specifically faced by the Bank, in particular including financial, operational, sectorial, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Risk and Asset Liability Committee.



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- b) Measures for risk mitigation including systems and processes for internal control of identified risks.
- c) Business continuity plan.
- 2. Ensuring that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Bank.
- 3. Framing, implementing, reviewing and monitoring the risk management plan for the Bank and such other functions, including cyber security and
- 4. Performing such other activities as may be delegated by the Board and/or are statutorily prescribed under any law to be attended to by the Risk Management Committee.
- 5. Monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems.
- 6. Periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity.
- 7. Keep the board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken.
- 8. The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.
- 9. For approving the policy documents (Risk Management policy, Loan Review Policy, Credit Policy etc.,) for fixing various risk parameters and also fixing prudential limits for such risks.
- 10. Promoting an enterprise risk management competence throughout the bank, including facilitating development of IT-related enterprise risk management expertise.
- 11. Establishing a common risk management language that includes measures around likelihood and impact and risk categories.
- 12. Overseeing the overall Management of Risks.
- 13. Deciding the Risk Management Policy.
- 14. Setting out limits for various risks like liquidity risk, interest rate risk, foreign exchange risk, equity price risk etc.
- 15. To review and monitor the functions of the Executive Level Asset Liability Management Committee.
- 16. It is the decision making unit responsible for Balance sheet planning from Risk – Return perspective.
- 17. It will suggest to the Board / Committee the business issues like planning of deposits and advances, desired maturity profile of incremental assets and liabilities, desired cost and yield of funds, desired investment mix, desired interest spread etc.,
- 18. It will make a review on future direction of interest rate movements and decide on a funding mix like wholesale or retail deposits, money market funding etc.,
- 19. It will take position of the Bank's cash inflow and outflow in the next quarter (Review on the maturing assets and liabilities, liquid assets, available refinance limits, etc.). The difference between the cash inflows and outflows in the particular period is the starting point for measure of bank's future liquidity excess or shortfall. It will endeavor to fill the gaps.
- 20. It will take a decision of pricing the deposits and advances based on the market trends and situations. Decision on renewal / roll over of bulk deposits will also be taken on the liquidity gap report.
- 21. It will review and monitor the entire investment portfolio of the bank and make investment suggestions for the ensuing quarter.

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22. It will take decisions based on sensitivity analytical report considering various alternative scenarios viz. going concern scenario, liquidity crisis scenario, general market crisis scenario, bank-specific crisis scenario etc.,
23. It will consider the statement of interest rate sensitivity to assess the sensitivity of changes in market conditions in line with the interest rate policies of the bank.
24. It will meet once in a month and review the business trend and submit a quarterly report to the Board / Committee along with its suggestions on gap reports.
25. It will meet in case of any crisis to take stock of the position and to decide on the corrective measures.
26. Setting out risk assessment and minimization procedures and the procedures to inform the Board of the same;
27. Formulate a business continuity plan.

28. To ensure the effective implementation of Environmental and Social Management System (ESMS) across the bank.

The committee will oversee the following functions of the Executive Level Risk Management Committee.

1. To identify, monitor and measure the risk profile of the Bank.
2. To develop policies and procedures for the risk management.
3. To develop and review various risk models.
4. To spell out quantitative prudential limits on various risk segments.
5. To design stress scenarios to measure the impact of unusual market.
6. To monitor compliance of various risk parameters.
7. To develop skills and expertise on risk modeling and analytical tools.
8. To decide the business strategy of the Bank in line with Bank's budget and decide risk management objective.

Number of meetings held: 6 meetings

The RMC meeting dates and the attendance record is as below:

Date of Meeting	Thiru. B.Prabaharan ⁽¹⁾	Thiru.Salee S Nair	Thiru.Vincent M.D.	Thiru.C.S.Ram Kumar	Thiru.K.V.Rama Moorthy	Tmt.R.Kanagavalli	Thiru.K.Ramachandran ^(@)	Thiru.S.Sridharan	Thiru.C.Chiranjeeviraj
03.06.2025	✓	✓	✓	✓	✓	✓		✓	✓
12.08.2025		✓	✓	✓	-	✓	✓	✓	✓
09.09.2025		✓	✓	✓	✓	✓	✓	✓	✓
29.12.2025		✓	✓	✓	✓	✓	✓	✓	✓
09.02.2026		-	✓	✓	✓	✓	✓	✓	✓
09.03.2026		✓	✓	✓	✓	✓	✓	✓	✓
Meetings attended / held	1/1	5/6	6/6	6/6	5/6	6/6	5/5	6/6	6/6

(1) Resigned w.e.f. 11.06.2025

(@) Member of the Committee from 12.06.2025



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6. Nomination & Remuneration Committee of the Board of Directors (NRC) / Compensation Committee (CC)

Terms of Reference / Roles and Responsibilities of the Committee are:

1. Formulate the criteria for determining the qualifications, positive attributes and independence of a director and recommend to the board of Directors of the Bank ("Board") a policy relating to the remuneration of the Directors, key managerial personnel and other employees;
2. Formulation of criteria for evaluation of the performance of independent Directors and the Board;
3. Devise a policy on diversity of the Board;
4. Identify persons, who are qualified to become Directors or who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and carrying out evaluation of every director's performance;
5. Determine whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent Directors;
6. Recommend remuneration of executive Directors and any increase therein from time to time within the limit approved by the members of the Bank;
7. Recommend remuneration to non-executive Directors in the form of sitting fees for attending meetings of the Board and its committees, remuneration for other services, commission on profits;
8. Recommend to the Board, all remuneration, in whatever form, payable to senior management;
9. Perform such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as amended;
10. Engage the services of any consultant/professional or other agency for the purpose of recommending compensation structure/policy;
11. Ensure the 'fit and proper' status of the proposed and existing Directors in terms of the Master Directions;
12. Analyse, monitor and review various human resource and compensation matters;
13. Review and approve the compensation strategy from time to time in the context of the current Indian market in accordance with applicable laws;
14. Frame suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including:
 - (i) The SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended; or
 - (ii) The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003, as amended; and
 - (iii) Performing such other functions as may be delegated by the Board and/or prescribed under the SEBI Listing Regulations, the Master Directions, Companies Act, each as amended or other applicable law.
15. Performing such other functions as may be delegated by the Board and/or prescribed under the SEBI Listing Regulations, the Master Directions, Companies Act, each as amended or other applicable law.
16. To oversee the framing, review and implementation of compensation policy of the Bank on behalf of the Board.
17. To achieve effective alignment between remuneration and risks.
18. To ensure that the cost / income ratio of the bank supports the remuneration package consistent with maintenance of sound capital adequacy ratio.

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19. To grant Equity Shares under TMB ESOP Scheme 2024 to eligible employees and act as the Compensation Committee under the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

Number of meetings held: 7 meetings

The NRC meeting dates and the attendance record is as below:

Date of Meeting	Thiru.A.Niranjana Sankar	Thiru. A.Shidambaramanathan (!)	Thiru.C.Chiranjeeviraj	Thiru.D.N.Nirranjan Kani (@)	Tmt.R.Kanagavalli (#)	Thiru.S.Sridharan	Thiru.R.Deepak Shankar
17.04.2025	✓		✓	✓	✓	✓	✓
04.06.2025	✓	✓	✓	✓		✓	✓
10.06.2025	✓	✓	✓	✓		✓	✓
04.07.2025	✓	✓	✓	✓		✓	✓
27.10.2025	✓	✓	✓	✓		✓	✓
12.11.2025	✓	✓	✓			✓	✓
09.03.2026	✓	✓	✓			✓	✓
Meetings attended / held	7/7	6/6	7/7	5/5	1/1	7/7	7/7

(!) Member of the Committee from 24.04.2025

(@) Retired on 27.10.2025

(#) Member of the Committee till 24.04.2025

7. Corporate Social Responsibility Committee of the Board of Directors (CSR)

Terms of Reference / Roles and Responsibilities of the Committee are:

- Formulate and recommend to the Board the corporate social responsibility policy of the Bank, including any amendments thereto, in accordance with Schedule VII of the Companies Act.
- Recommend to the Board the amount of expenditure to be incurred, on the corporate social responsibility activities.
- Review and monitor the implementation of corporate social responsibility policy of the Bank.
- Perform such other duties and functions as the Board may require of the corporate social responsibility committee to undertake, to promote the corporate social responsibility activities of the Bank.
- Formulate and recommend to the Board an annual action plan in pursuance of CSR Policy including
 - The list of CSR projects or programmes that are approved to be undertaken in areas of subjects specified in Schedule VII of the Companies Act, 2013.
 - The manner of execution of such projects or programmes as specified in rule 4(1) of CSR Rules.
 - The modalities of utilization of funds and implementation schedules for the projects or programmes.
 - Monitoring and reporting mechanism for the projects or programmes; and



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- e) Details of need and impact assessment, if any, for the projects undertaken by the Company, appointment of independent agency for undertaking impact assessment.
6. Recommendation to the Board for transfer of unspent amount related to on-going project to separate bank account and unspent amounts other than ongoing projects, to funds specified in Schedule VII to the Act.
7. Monitoring of all projects (ongoing or otherwise). Reviewing and recommending to the Board, the CFO Certification about utilization of funds disbursed for the purpose and manner approved by the Board.
8. To oversee the Business Responsibility and Sustainability Reporting (BRSR) and review of various activities of the Bank under the prescribed ESG Framework.

Number of meetings held: 3 meetings

The CSR meeting dates and the attendance record is as below:

Date of Meeting	Thiru. Salee S Nair	Thiru. A. Niranjana Sankar	Thiru. S. R. Ashok ^(*)	Thiru. A. Shidambaramanathan ^(@)	Thiru. D. N. Nirranjan Kani ^(s)	Thiru. C. Chiranjeeviraj ^(#)	Thiru. B. Prabaharan ^(!)	Thiru. R. Deepak Shankar	Thiru. R. Kodeeswaran ^(%)	Thiru. S. R. Aravind Kumar ^(^)
04.06.2025	✓	✓	✓	✓	✓		✓	✓		
29.09.2025	✓	✓	✓	✓	✓	✓		✓		
24.02.2026	✓	✓		✓		✓		✓	✓	✓
Meetings attended / held	3/3	3/3	2/2	3/3	2/2	2/2	1/1	3/3	1/1	1/1

(*) & (\$) Retired on 27.10.2025

(@) Member of the Committee from 24.04.2025

(#) Member of the Committee from 12.06.2025

(!) Resigned w.e.f. 11.06.2025

(%) & (^) Member of the Committee from 28.11.2025

8. Management Committee of the Board of Directors (MCB)

Terms of Reference / Roles and Responsibilities of the Committee are:

- Fresh sanction of loans and advances.*
- Renewal of loan and advances limits.*
- Changes and modifications either additional limits or reduced limits or addition or reduction in facilities.*
- Any change in the conditions of sanctioned limits.
- Any matter relating to securities, either by way of addition, relinquishment, substitution etc.
- Levying or reduction of penal interest.
- Restructuring debts / loans / advances.
- Sanction of Forward Exchange Contract limits.

* As per Board approved policy.

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Delegated power for loans and advances as detailed below: –

Sl. No.	Type of advance (Irrespective of security coverage)	Limit (Including lending under consortium) ₹ in Crores	
1.	Commercial Real Estate	75	100
2.	Capital Market	30	60
	NBFC	50	75
3.	Other than 1 and 2	100	150

Other powers of Management Committee of the Board:

- Management Committee of Board has the power to reduce the margin below the rates stipulated under loan policy, but subject to RBI guidelines wherever applicable for all accounts that are coming upto the powers of Management Committee of the Board.
- Approval of all new Business Modules, new products, new schemes.
- All matters relating to Commission, Charges including Guarantee and LC and fixing of margins and review of unsecured guarantees issued on behalf of customers.
- All matters relating to collateral coverage for different type of loans.
- Cash Management matters.
- All correspondent arrangements and fixing limits for other banks.
- Establishing new Currency Chests, new branches, ATMs etc.
- Besides, to take note of
 - Monthly report on the credit proposals sanctioned by the Managing Director & CEO.
 - Quarterly review of Top-100 borrowal accounts of NPAs below ₹5 Crore in each category of NPA i.e. Sub-Standard / Doubtful / Loss (75 in each quarter). After deliberations, a status report giving macro level analysis of NPAs (trend, movement, sector-wise, suit filed cases, recovery etc.,) should be put up to the Board.
 - Quarterly report with regard to compromise proposals / bad debts written off by the Executive Vice President / MD & CEO.
 - Quarterly report with regard to compliance observations by the Management Committee.
 - Half yearly review report of Credit Card business.
 - Yearly review of corporate budget including review of publicity expenses, capital expenditure vis-à-vis capital budget, deviations to be put up to the Board.
 - Yearly review report on the overdue loan proposals beyond six months falling in the powers of the Management Committee.
 - Quarterly report on waiver of revenue charges permitted by the Executive Vice President (Business Development) and MD & CEO.



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Infrastructure:

1. To consider and recommend to the Board for the purchase and sale of Bank's property.
2. To approve any premises to be taken on rent / lease for Banks' use.
3. To sanction maintenance expenses on Bank's property and the property taken on rent/lease.
4. To sanction expenditure for purchase of vehicle, furniture, furnishings etc., in excess of MD&CEO's power.
5. To sanction expenditure on fire alarm system, fire protection system, security system for branches, currency chests, Administrative Offices in excess of MD&CEO's powers.

Number of meetings held: 12 meetings

The MCB meeting dates and the attendance record is as below:

Date of Meeting	Thiru. A. Shidambaranathan (i)	Thiru. Salee S Nair	Thiru. Vincent M.D.	Thiru. S.R. Ashok (@)	Thiru. D.N. Nirranjan Kanj (#)	Thiru. S. Sridharan	Thiru. K. V. Rama Moorthy	Thiru. R. Deepak Shankar (\$)	Thiru. R. Kodeeswaran (%)
22.04.2025		✓	✓	✓	✓	✓	✓	✓	
23.05.2025	✓	✓	✓	✓	✓	✓	✓		
25.06.2025	✓	✓	✓	✓	✓	✓	✓		
19.07.2025	✓	✓	✓	✓	✓	✓	-		
01.08.2025	✓	✓	✓	✓	✓	✓	✓		
02.09.2025	✓	✓	✓	✓	✓	✓	✓		
22.09.2025	✓	✓	✓	✓	✓	✓	✓		
29.09.2025	✓	✓	✓	✓	✓	✓	✓		
18.11.2025	✓	✓	✓			✓	✓		
23.12.2025	✓	✓	✓			✓	✓		✓
03.02.2026	✓	✓	✓			✓	✓		✓
23.03.2026	✓	✓	✓			✓	✓		✓
Meetings attended / held	11/11	12/12	12/12	8/8	8/8	12/12	11/12	1/1	3/3

(i) Member of the Committee from 24.04.2025

(@) & (#) Retired on 27.10.2025

(\$) Member of the Committee till 24.04.2025

(%) Member of the Committee from 28.11.2025

9. Information Technology Strategy Committee of the Board of Directors (ITSC)

Terms of Reference / Roles and Responsibilities of the Committee are:

1. Review and recommend to the Board for procurement of Software and Hardware within overall capital budget of the Bank.
2. Plan and design a Technology map for the Bank.

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3. Monitor the implementation of various technology measures / products in the bank and review progress of computerizations.
4. Identify the need for and determine the extent of coverage of ATMs.
5. Appointment of Technology Consultants for the Bank.
6. Recommendation of Budget for Technology both short term and long term.
7. Training of employees on Technology.
8. Approving IT strategy and policy documents.
9. Ensuring that the management has put an effective strategic planning process in place.
10. Ensuring that the business strategy is indeed aligned with IT strategy.
11. Ensuring that the IT organizational structure complements the business model and its direction.
12. Ascertaining that management has implemented processes and practices that ensure that the IT delivers value to the business.
13. Ensuring IT investments represent a balance of risks and benefits and those budgets are acceptable.
14. 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.
15. Ensuring proper balance of IT investments for sustaining bank's growth.
16. Becoming aware about exposure towards IT risks and controls and evaluating effectiveness of management's monitoring of IT risks.
17. Assessing Senior Management's performance in implementing IT strategies.
18. Issuing high-level policy guidance (e.g. related to risk, funding or sourcing tasks)
19. Confirming whether IT or business architecture is to be designed, so as to derive the maximum business value from IT.
20. Overseeing the aggregate funding of IT at the bank-level and ascertaining if the management has resources to ensure the proper management of IT risks.
21. Reviewing IT performance measurement and contribution of IT to business (i.e., delivering the promised value).
22. The ITSC Shall :
 - (i) Ensure that the Bank has put an effective IT strategic planning process in place;
 - (ii) Guide in preparation of IT Strategy and ensure that the IT Strategy aligns with the overall strategy of the Bank towards accomplishment of its business objectives;
 - (iii) Satisfy itself that the IT Governance and Information Security Governance structure fosters accountability, is effective and efficient, has adequate skilled resources, well defined objectives and unambiguous responsibilities for each level in the organisation;
 - (iv) Ensure that the Bank has put in place processes for assessing and managing IT and cyber security risks;
 - (v) Ensure that the budgetary allocations for the IT function (including for IT security), cyber security are commensurate with the Bank's IT maturity, digital depth, threat environment and industry standards and are utilized in a manner intended for meeting the stated objectives; and



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- (vi) Review, at least on annual basis, the adequacy and effectiveness of the Business Continuity Planning and Disaster Recovery Management of the Bank.

Powers of IT Strategy Committee: -

1. Perform oversight functions over the IT Steering Committee (at a senior management level).
2. Investigate activities within this scope.
3. Seek information from any employee.
4. Obtain outside legal or professional advice.
5. Secure attendance of outsiders with relevant expertise, if it considers necessary.
6. Work in partnership with other Board committees and Senior Management to provide input, review and amend the aligned corporate and IT strategies.

Number of meetings held: 4 meetings

The ITSC meeting dates and the attendance record is as below:

Date of Meeting	Thiru.Salee S Nair	Thiru.Vincent M.D	Thiru.A.Nirranjan Sankar	Thiru.S.R.Ashok (i)	Thiru.D.N.Nirranjan Kani (@)	Thiru.B.Prabaharan (#)	Thiru.S.Sridharan	Thiru.Ramachandran (%)	Thiru. S.R.Aravind Kumar (^)
04.06.2025	✓	✓	✓	✓	✓	✓	✓		
11.09.2025	✓	✓	✓	✓	✓		✓	✓	
19.12.2025	✓	✓	✓				✓	✓	✓
24.02.2026	✓	✓	✓				✓	✓	✓
Meetings attended / held	4/4	4/4	4/4	2/2	2/2	1/1	4/4	3/3	2/2

(i) & (@) Retired on 27.10.2025

(%) Member of the Committee from 12.06.2025

(#) Resigned w.e.f. 11.06.2025

(^) Member of the Committee from 28.11.2025

10. Human Resources Management Committee of the Board of Directors (HRMC)

Terms of Reference / Roles and Responsibilities of the Committee are:

1. Taking decisions on change in organizational set-up.
2. Formulation of staff welfare schemes.
3. Recruitment and promotion of staff (Up to Scale - IV).
4. Revision of salary.
5. Taking decision regarding payment of house rent allowance, bonus, ex-gratia and other staff benefits.
6. Review of pending disciplinary proceedings.
7. Review of pending industrial disputes.

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8. Formulation of policy for transfer / promotion / posting / promotion of staff / officers / executives.
9. Examining and recommending changes / amendments etc., in the service conditions of officers / staff.
10. Examining and recommending delegation of powers to the officers / Executives.
11. Examining and recommending the number of vacancies in each cadre to be filled in by promotions / appointments.
12. All matters relating to the training of the employees, matter relating to Training College, faculty selection, deputation of employees for external training etc.,
13. To Review HR Strategy aligning with business strategy of the Bank.
14. To review productivity levels of employees benchmarking with peers in the industry.
15. To review Talent pool creation & Learning Initiatives.

Number of meetings held: 4 meetings

The HRMC meeting dates and the attendance record is as below:

Date of Meeting	Thiru.Salee S Nair	Thiru.Vincent M.D.	Thiru.S.R.Ashok ⁽¹⁾	Thiru.D.N.Nirranjan Kani ^(@)	Thiru.C.Chiranjeeviraj	Thiru.K.V.Rama Moorthy	Thiru. R.Kodeeswaran ^(#)	Thiru.A.Shidambaramanathan ^(\$)
03.06.2025	✓	✓	✓	✓	✓	✓		✓
10.09.2025	✓	✓	✓	✓	✓	✓		✓
18.12.2025	✓	✓			✓	✓	✓	✓
24.02.2026	✓	-			✓	✓	✓	✓
Meetings attended / held	4/4	3/4	2/2	2/2	4/4	4/4	2/2	4/4

(1) & (@) Retired on 27.10.2025 (#) Member of the Committee from 28.11.2025

(\$) Member of the Committee from 24.04.2025

11. NPA Monitoring Committee of the Board of Directors (NPAMC)

Terms of Reference / Roles and Responsibilities of the Committee are:

1. Monitoring the major NPA accounts.
2. Review Region wise position of NPAs.
3. Ensure that NPA classifications are consistent with RBI requirements.
4. Set in motion steps against slippages within NPA portfolio.
5. Ensure that accurate and proper provisions have been made for NPA and a suitable mechanism is in place for the purpose.
6. Monitor recovery in respect of NPA accounts.



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7. All matters relating to Debt Recovery Tribunals including sanctions for filing of cases.
8. All matters relating to Securitization Act.
9. All matters relating to Lok Adalat.
10. Review of 100 Top borrowal accounts of NPAs (As per RBI guidelines).
11. Review of Loss Assets with balance of ₹1.00 lakh and above for more than 2 years, where no legal action has been initiated.
12. Review of suit filed accounts of ₹5.00 lakhs and above.
13. Periodical review of the large corporate loans and delinquent accounts appearing in SMA lists.
14. Periodical review of Non-Performing Assets of large value (₹2.5 Crores and above) and also a pool of NPAs in various categories (substandard, doubtful and loss);
15. To review the position of stressed assets (SMA 1, SMA 2) position in the Bank;
16. To review the: –
 1. Progress of recovery and monitor the process of recovery mechanism of the Bank;
 2. Status of SARFAESI compliance for every six months;
 3. Report of quick mortality accounts in the Bank;
 4. Trends of NPAs in the industry and direct the recovery measures;
 5. Status on technical write off accounts;
 6. Recovery policy of the Bank; and
 7. Provisioning requirements and disclosures to be made in the financial statements with respect to NPAs.

Number of meetings held: 4 meetings

The NPA meeting dates and the attendance record is as below:

Date of Meeting	Thiru.Salee S Nair	Thiru.Vincent M.D.	Thiru.D.N.Nirranjan Kani ^(!)	Thiru.B.Prabaharan ^(@)	Thiru.S.Sridharan ^(*)	Thiru.Thomas Mathew ^(#)	Thiru.K.V.Rama Moorthy	Thiru.K.Ramachandran ^(\$)	Thiru. R.Kodeeswaran ^(%)	Thiru.S.R.Aravind Kumar ^(^)	Thiru.V.srinivasan ^(&)
02.06.2025	✓	✓	✓	✓	✓	✓	✓				
10.09.2025	✓	✓	✓		✓	✓	✓	✓			
18.12.2025	✓	✓				✓	✓	✓	✓	✓	
10.03.2026	✓	-					✓	✓	✓	✓	✓
Meetings attended / held	4/4	3/4	2/2	1/1	2/2	3/3	4/4	3/3	2/2	2/2	1/1

(!) Retired on 27.10.2025

(@) Resigned w.e.f. 11.06.2025

(*) Member of the Committee till 28.11.2025

(#) Retired on 19.12.2025

(\$) Member of the Committee from 12.06.2025

(%) & (^) Member of the Committee from 28.11.2025

(&) Member of the Committee from 20.12.2025

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12. Special Committee of the Board for Monitoring and Follow-Up of Cases of Frauds (SCBMF)

Terms of Reference / Roles and Responsibilities of the Committee are:

The major functions of the Committee would be to monitor and review all frauds of ₹100.00 Lakhs and above so as to:

1. Identify the systemic lacunae, if any that facilitated perpetration of the fraud and put in place measures, to plug the same.
2. Identify the reasons for delay in detection, if any, reporting to top management of the bank and RBI.
3. Monitor progress of CBI/Police investigation and recovery position.
4. Ensure that staff accountability is examined at all levels, in all the cases of frauds and staff side action, if required, is completed quickly without loss of time.
5. Review the efficacy of the remedial action taken, to prevent recurrence of frauds, such as strengthening of internal controls.
6. Put in place other measures as may be considered relevant, to strengthen preventive measures against frauds.

Number of meetings held: 4 meetings

The SCBMF meeting dates and the attendance record is as below:

Date of Meeting	Thiru.Salee S Nair	Thiru.Vincent M.D.	Thiru.S.R.Ashok ⁽ⁱ⁾	Thiru.S.Sridharan	Thiru.Thomas Mathew ^(@)	Thiru.C.S.Ram Kumar	Thiru.K.V.Rama Moorthy	Thiru.R.Deepak Shankar ^(#)	Thiru. R.Kodeeswaran ^(\$)	Thiru.S.R.Aravind Kumar ^(%)	Thiru.V.Srinivasan ^(^)
02.06.2025	✓	✓	✓	✓	✓	✓	✓	✓			
10.09.2025	✓	✓	✓	✓	✓	-	✓	✓			
18.12.2025	✓	✓		✓	✓	✓	✓		✓	✓	
10.03.2026	✓	-		✓		✓	✓		✓	✓	✓
Meetings attended / held	4/4	3/4	2/2	4/4	3/3	3/4	4/4	2/2	2/2	2/2	1/1

(i) Retired on 27.10.2025

(\$) & (%) Member of the Committee from 28.11.2025

(@) Retired on 19.12.2025

(^) Member of the Committee from 20.12.2025

(#) Member of the Committee till 28.11.2025



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13. Disciplinary Committee of Board of Directors (DC)

Terms of Reference / Roles and Responsibilities of the Committee are:

1. For disposing Disciplinary Cases as the Appellate Authority for the Executive Vice President and above cadre.
2. Reviewing Authority for Officers' in the Cadre of Deputy Vice Presidents (Scale V) and Vice Presidents (Scale VI).
3. In case of Officers in different cadre are involved in a disciplinary case, the Appellate Authority / Reviewing Authority may vary in accordance with the Disciplinary action policy.

Number of meetings held: NIL

14. Independent Directors Committee of the Board of Directors (IDC)

Terms of Reference / Roles and Responsibilities of the Committee are:

1. Review the performance of Non-Independent Directors and the Board as whole.
2. Review the performance of the Chairman of the Bank, taking into account the views of Executive Directors and Non-Executive Directors.
3. Assess the quality, quantity and timelines of the flow of information between the Bank management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Number of meetings held: 2 meetings

The IDC meeting dates and the attendance record is as below:

Date of Meeting	Thiru.K.Ramachandran	Thiru.C.Chiranjeeviraj	Thiru.R.Deepak Shankar	Tmt.R.Kanagavalli	Thiru. A. Shidambaramanathan	Thiru. S. Sridharan
27.10.2025	✓	✓	✓	✓	✓	✓
24.03.2026	✓	✓	✓	✓	✓	✓
Meetings attended / held	2/2	2/2	2/2	2/2	2/2	2/2

15. Review Committee of the Board on Wilful Defaulters and Frauds (RCWDF)

Terms of Reference / Roles and Responsibilities of the Committee are:

1. Review and confirm the order of the Executive Committee for Classification of borrowers as "Non- Cooperative Borrowers" or "Wilful Defaulters";
2. Review and confirm the order of the Executive Committee for Classification of borrowers as "Frauds"
3. Reviewing the status of "Wilful Defaulters" at least on an annual interval or at such other intervals as may be required by RBI;

Annexure – 6 (CONTD..)

4. Reporting periodically to Central Repository of Information of Large Credits (CRILC) and deciding on removal of the names from the list of “Non-Cooperative Borrowers” or “Wilful Defaulters” as reported to CRILC;
5. Any other matters identified from time to time or advised by the Board.

Number of meetings held: 4 meetings

The RCWDF meeting dates and the attendance record is as below:

Date of Meeting	Thiru.Salee S Nair	Thiru.Vincent M.D.	Thiru.S.Sridharan	Thiru.K.V.Rama Moorthy	Tmt. R.Kanagavalli	Thiru. K.Ramachandran ^(!)
02.06.2025	✓	✓	✓	✓	✓	
11.09.2025	✓	✓	✓	✓	✓	✓
10.12.2025	✓	✓	✓	✓	✓	✓
10.03.2026	✓	-	✓	✓	✓	✓
Meetings held / attended	4/4	3/4	4/4	4/4	4/4	3/3

(!) Member of the Committee from 21.08.2025

Particulars of Senior Management as on March 31, 2026

Name	Designation	Date of Joining in the Bank	Remarks
Thiru.Ramesh D	Executive Vice President	09.10.2019	
Thiru.J. Sundaresh Kumar	Executive Vice President	18.05.1992	
Thiru.Vijayan K	Executive Vice President	06.06.1994	
Thiru.Ashok Kumar P R	Executive Vice President	30.10.2019	
Thiru.Laxman Karkala Kudva	Chief Risk Officer	12.08.2024	
Thiru.Ilangovan S	Head of Internal Audit	11.11.2024	
Thiru.Arvind K	Executive Vice President	12.12.2024	
Thiru.Ananda Ganesan R	Executive Vice President	02.01.2025	
Thiru.Sanjoy Kumar Goel	Chief Financial Officer	20.03.2025	
Thiru.Davis Jose Thettayil	Executive Vice President	15.10.2025	Joined on 15.10.2025
Thiru.K. Ananth	Vice President	17.05.1993	
Thiru.Vijayakumar S	Vice President	23.11.2023	
Thiru.C. Shermuga Durai	Vice President	17.05.1993	
Thiru.M. Navaneetha Krishnan	Vice President	06.05.1993	



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Name	Designation	Date of Joining in the Bank	Remarks
Thiru.Jebananth Julius P	Vice President	17.05.1993	
Thiru.Lakshmi Prakash J	Vice President	27.03.1995	
Thiru.R. Gouthaman	Vice President	27.03.1995	
Thiru.K. Ganesh Kumar	Vice President	02.01.1997	
Thiru.N. Raj Kumar	Vice President	02.01.1997	
Thiru.S. Paraneetharan	Vice President	06.05.1993	Promoted as VP w.e.f. 01.05.2025
Thiru.Earnest Vasiharan T	Vice President	06.06.1994	Promoted as VP w.e.f. 01.05.2025
Thiru.P.A. Raja	Vice President	30.06.1994	Promoted as VP w.e.f. 01.05.2025
Thiru.Venkatesan C	Vice President	24.10.2019	Promoted as VP w.e.f. 01.05.2025
Thiru.Sanjoy Pyne	Vice President	15.10.2025	Joined on 15.10.2025
Thiru.Sathishkumar N	Vice President	31.10.2025	Joined on 31.10.2025
Thiru.Seetharaman V	Internal Ombudsman	04.10.2024	

Changes in Senior Management during the Financial Year 2025-26

Name	Previous Designation	New Designation	Remarks
Thiru.Jayaraman V	Executive Vice President (IT)	-	Contract Completed on 05.03.2026
Thiru.Davis Jose Thettayil	-	Executive Vice President (IT)	Joined on 15.10.2025
Thiru.V. Murugesan.	Vice President	-	Retired on 31.05.2025
Thiru.Natarajan J	Vice President	-	Retired on 31.10.2025
Thiru.S. Paraneetharan	Deputy Vice President	Vice President	Promoted as VP w.e.f. 01.05.2025
Thiru.Earnest Vasiharan T	Deputy Vice President	Vice President	Promoted as VP w.e.f. 01.05.2025
Thiru.P.A. Raja	Deputy Vice President	Vice President	Promoted as VP w.e.f. 01.05.2025
Thiru.Venkatesan C	Deputy Vice President	Vice President	Promoted as VP w.e.f. 01.05.2025
Thiru.Sanjoy Pyne	-	Vice President	Joined on 15.10.2025
Thiru.Sathishkumar N	-	Vice President	Joined on 31.10.2025

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GENERAL INFORMATION FOR SHAREHOLDERS:

A. ANNUAL GENERAL MEETINGS:

Venue and the date of the last three annual general meeting are as under:

Year	Venue	Date	Day	Time (IST)	Whether any Special resolution/s passed
2025	Held through Video Conferencing / Other Audio-Visual Means	08.08.2025	Friday	10:00 A.M.	Yes
2024		27.09.2024	Friday	10:00 A.M.	Yes
2023		05.09.2023	Tuesday	11.00 A.M.	Yes

B. POSTAL BALLOT – FY 2025-26

Pursuant to Section 110 of the Companies Act, 2013, read with the Companies (Management and Administration Rules, 2014), the Bank passed the followings resolutions by way of postal ballots.

i) Postal Ballot 1 – April 2025:

Date of Postal Ballot Notice	:	April 23, 2025
Voting Period	:	May 06, 2025 to June 04, 2025
Date of Approval	:	June 04, 2025
Declaration of result	:	June 05, 2025
E-voting facility provider	:	M/s. National Securities Depository Limited
Scrutinizer	:	Thiru.M.Alagar, (Membership No. FCS 7488) (CP No. 8196), partner of M/s. Alagar & Associates LLP, Practicing Company Secretaries, Chennai
Any Special Resolutions Passed	:	Yes

S.No	Description of the Resolution*	Type of Resolution
1	Appointment of Thiru.A.Shidambaranathan (DIN: 02904738) as a Non-Executive Independent Director of the Bank.	Special Resolution

ii) Postal Ballot 2 – October 2025:

Date of Postal Ballot Notice	:	September 18, 2025
Voting Period	:	October 01, 2025 to October 30, 2025
Date of Approval	:	October 30, 2025
Declaration of result	:	November 01, 2025
E-voting facility provider	:	M/s. National Securities Depository Limited
Scrutinizer	:	Tmt. Sri Vidhya Kumar, (Membership No. FCS 11114) (CP No. 20181), Practicing Company Secretary, Partner of M/s.S.A.E & Associates LLP, Chennai.
Any Special Resolutions Passed	:	No



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S.No	Description of the Resolution*	Type of Resolution
1	To approve the appointment of Thiru.K.Ramachandran, (DIN:08589628) Independent Director as Non-Executive (Part-Time) Chairman of the Bank with a remuneration of ₹18 Lakh per annum payable on monthly basis i.e. ₹ 1.50 Lakh	Ordinary Resolution

iii) Postal Ballot 3 – December 2025:

Date of Postal Ballot Notice	:	November 19, 2025
Voting Period	:	November 29, 2025 to December 28, 2025
Date of Approval	:	December 28, 2025
Declaration of result	:	December 29, 2025
E-voting facility provider	:	M/s. National Securities Depository Limited
Scrutinizer	:	Thiru. V. Suresh, (Membership No. FCS 2969) (CP No. 6032), senior partner of M/s.V.Suresh Associates, Practicing Company Secretaries, Chennai.
Any Special Resolutions Passed	:	Yes

S.No	Description of the Resolution*	Type of Resolution
1	To appoint Thiru.S.R.Aravind Kumar (DIN: 02145836) as a Non-Executive Non-Independent Director of the Bank.	Ordinary Resolution
2	To appoint Thiru.R.Kodeeswaran (DIN: 00466141) as a Non-Executive Non-Independent Director of the Bank.	Ordinary Resolution
3	To approve alteration of the Articles of Association (AOA) of the Bank	Special Resolution

(*) All the above resolutions were passed with requisite majority.

MEANS OF COMMUNICATION:

The quarterly/half yearly/annual results are published in the leading national English dailies such as The Hindu, Financial Express, The Economic Times, Business Line, Business Standard, The Times of India etc., and vernacular newspaper such as Dinakaran, The Hindu (Tamil) etc., The results and presentation on analysis of financial results were also posted on our website and also on the websites of Stock Exchanges i.e., www.bseindia.com and www.nseindia.com. Also, material updates/developments are disclosed to the Stock Exchanges and hosted on Bank's website. Further, the gist of financial results is also shared on a quarterly basis with all the shareholders on a voluntary basis who have registered their email ids with the Bank/Depositories.

The Bank conducts meetings with Institutional Investors and Analysts. The Schedule of Meetings, Investors Presentations, Audio recordings and transcript are forwarded to the Stock Exchanges as well simultaneously displayed on the Bank's website.

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C. Annual General Meeting (AGM) for the FY 2025–26 to be held:

Day	Tuesday
Date	July 14, 2026
Time	11:00 A.M.
Venue	Not Applicable (to be held through VC/OAVM)
Mode	Video Conferencing (“VC”)/Other Audio Visual Means (“OAVM”)
Dividend Payment Date	On or before August 13, 2026.
Bank’s Address for Correspondence	Tamilnad Mercantile Bank Limited, Secretarial Section, Regd. office: 57, V. E. Road, Thoothukudi – 628 002 ☎ : 0461-232 5136 e-mail: shareholders@tmbank.in Website: www.tmb.bank.in

D. Financial Calendar:

The Financial Year of the Bank is from April to March. Financial Calendar for the results declared for the Financial Year 2025–26 are as under:

- | | |
|--|---------------------|
| a) Quarter ended 30 th June, 2025 | : July 25, 2025 |
| b) Quarter ending 30 th September, 2025 | : October 27, 2025 |
| c) Quarter ending 31 st December, 2025 | : February 04, 2026 |
| d) Quarter ending 31 st March 2026 | : April 27, 2026 |

MD&CEO and CFO Certification:

The MD&CEO and CFO of the Bank have given certification of financial reporting and internal controls to the Board in terms of Regulation 17 (8) of the SEBI (LODR) Regulations, 2015. The same is enclosed to this report.

E. Dividend:

Your Directors have recommended the payment of a Final Dividend at the rate of ₹12.50 (Rupees Twelve Rupees and Fifty Paise only) per equity share of the face value of ₹10/- each (125%) for the year ended March 31, 2026. Dividend pay-out is in accordance with the Bank’s dividend distribution policy (<https://tmb.bank.in/pages/Regulatory-Policies>), RBI guidelines and will be payable subject to approval of members at the ensuing Annual General Meeting and deduction of tax at source, to those Shareholders whose names appear in the Register of Members as on the Cut-off date June 12, 2026.

F. Year wise details of Unclaimed Dividend:

The following Table provides the position of unclaimed dividend for the past seven years as on March 31, 2026:

Year	Unclaimed dividend (₹)	Date of declaration	Last date for claiming dividend
2018–2019	18,31,19,772.40	30.05.2019	06.07.2026
2019–2020	No Dividend was declared due to restriction imposed by RBI for all banking companies.		
2020–2021	22,89,21,238.00	27.04.2021	03.06.2028
2021–2022	44,89,36,703.00	09.06.2022	16.07.2029
2022–2023 (Interim)	22,48,30,254.00	14.02.2023	23.03.2030
2022–23 (Final)	22,64,38,546.00	05.09.2023	12.10.2030
2023–24 (Final)	48,62,25,228.00	27.09.2024	03.11.2031
2024–2025 (Final)	54,63,01,518.00	08.08.2025	14.09.2032



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G. Disclosure with respect to shares lying in Suspense Account:

Pursuant to Regulation 39(4) of the SEBI LODR, read with schedule VI thereto, the details of equity shares lying in the Unclaimed Suspense Account are given below:

S. No	Particulars	Number of Shareholders	No of Shares
1.	Aggregate number of shareholders and the outstanding shares as on April 01, 2025	137	1,21,042
2.	Add: No. of shares transferred to Unclaimed Shares Suspense Account during the FY 2025-26	-	-
3.	Less: No. of shareholders who approached the Bank for transfer of shares and to whom shares were transferred during FY 2025-26	3	1500
4.	Less: No. of shares transferred to the IEPF authority in terms of Section 124(6) of the Companies Act, 2013	-	-
5.	Aggregate number of shareholders and the outstanding shares as on March 31, 2026	134	1,19,542

H. Transfer of unclaimed dividend to IEPF:

As per the applicable provisions of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), the Bank is statutorily required to transfer to the Investor Education & Protection Fund (IEPF) all dividends remaining unclaimed for a period of seven (7) years from the date they became due for payment. Dividends for and up to the Financial Year ended March 31, 2018, has been transferred to the IEPF authority.

I. Transfer of shares to IEPF:

Pursuant to the applicable provisions of Section 124(6) of the Companies Act, 2013, all equity shares in respect of which dividend has / have remained unpaid or unclaimed for consecutive seven (7) years, the corresponding equity shares have been transferred in the name of IEPF Authority as notified by the Ministry of Corporate Affairs, Government of India (MCA). In compliance with the aforesaid provision, Shares for and up to the financial year ended March 31, 2018, has been transferred to the IEPF authority.

As required under the said provisions all subsequent corporate benefits that may accrue in relation to the above shares will also be credited to the said IEPF Authority. As per the terms of Section 124(6) of the Companies Act, 2013 and the Rule 7 of the IEPF Rules, the shareholders whose corresponding equity shares stand transferred to IEPF account can claim those shares from IEPF Authority by making an online application in Form IEPF 5 which is available at <http://www.iepf.gov.in>.

J. Listing of shares:

The shares of the Bank are listed on the following Stock Exchanges.

ISIN	INE668A01016	Regd. Office Address
Scrip Code	Name of the Stock Exchange	
TMB	National Stock Exchange of India Ltd. (NSE)	Exchange Plaza, Plot No.C/1, 'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai- 400051
543596	BSE Ltd. (BSE)	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400001

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The Bank has paid the annual listing fees for the year 2026-27 to the above Stock Exchanges.

K. Registrar & Share Transfer Agent (RTA):

The Bank has appointed M/s. MUFG Intime India Private Limited as common Registrar and Share Transfer Agent (RTA) for both physical and electronic shares. Therefore, all communications relating to share transmission, dividend, change of address for shares held in physical form and dematerialization of shares etc., are to be addressed to the Registrar and Share Transfer Agent at the following address:

MUFG Intime India Private Limited.,
Surya 35, Mayflower Avenue, Behind Senthil Nagar,
Sowripalayam Road, Coimbatore – 641028.
Phone: +91 (422) 231 4792, +91 (422) 495 8995.
+91 (422) 253 9835, +91 (422) 253 9836.
E mail : investor.helpdesk@in.mpms.mufg.com

L. Share transfer procedure:

The shares of the Bank are being traded in dematerialized form which is transferable only through the depository system. Pursuant to the provision to Regulation 40(1) of SEBI (LODR) Regulations, w.e.f. April 01, 2019, the requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialized form with a depository and accordingly, transfer of securities in physical form is not permissible. The Securities and Exchange Board of India has issued a circular vide HO/38/13/11(2)2026-MIRSD-PoD/1/3750/2026 dated January 30, 2026, on Ease of Doing Investment – Special window for Re-lodgment of Transfer Requests of Physical shares. SEBI has re-opened the Special Window for shareholders to re-lodge physical share transfer applications that were lodged or not lodged on or before April 1, 2019, but were subsequently rejected/ returned due to deficiencies in documents or processes. This facility is available from February 05, 2026, till February 04, 2027.

M. Dematerialization of shares and liquidity:

The Bank had entered into tripartite agreement with the depositories viz., National Securities Depositories Ltd. and Central Depositories Services (India) Ltd. and share transfer agent, for dematerialization of shares. The ISIN allotted for the shares of the Bank is INE668A01016. In view of the obvious benefits of holding the shares in demat form, over the period of time shareholders have converted their physical shares into electronic form and about 56.93% of the equity shares of the Bank are in demat form as on March 31, 2026.

Further, SEBI vide its circular SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022, advised that listed companies shall henceforth 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. Hence, the shareholders holding shares in physical form are requested to dematerialise their shares in order to avail better liquidity and easy transferability.

As per SEBI Circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/ 2023/181 dated November 17, 2023 & SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/ 2023/37 dated 16.03.2023(now rescinded due to issuance of Master Circular dated May 17, 2023) and SEBI directive vide e-mail to RTA on January 23, 2024, the shareholders holding shares in physical form shall mandatorily furnish PAN, Address with PIN code, Mobile Number, Bank Account Details, Specimen Signature and Nomination Details to the Bank/Share Transfer Agents of the Bank.



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In view of the above SEBI circular, the shareholders holding physical securities are requested to furnish valid PAN, Address with PIN code, Mobile Number, Bank Account Details, Specimen Signature and Nomination Details immediately in the below mentioned forms to the RTA.

S No.	Form	Purpose
1	Form ISR-1	To register/update PAN, KYC details
2	Form ISR-2	To Confirm Signature of securities holder by the Banker
3	Form SH-13	Nomination Form
4	Form SH-14	Cancellation or Variation of Nomination (if any)

All the above forms are available on the website of the Bank/RTA <https://tmb.bank.in/pages/KYC-forms-for-shareholders> / <https://web.in.mpms.mufg.com/KYC-downloads.html>. Shareholders are requested to submit duly filled in forms to the address mentioned below:

MUFG Intime India Private Limited.,

Surya 35, Mayflower Avenue, Behind Senthil Nagar,
Sowripalayam Road, Coimbatore - 641028.

Phone: +91 (422) 231 4792, +91 (422) 495 8995.

+91 (422) 253 9835, +91 (422) 253 9836.

E mail : investor.helpdesk@in.mpms.mufg.com

Please note that

- In case of non-updation of PAN or Contact Details including Mobile Number or Bank Account Details or Specimen Signature in respect of physical folios, dividend/interest etc, shall be paid only through electronic mode with effect from April 01, 2024, upon furnishing all the aforesaid details in entirety.
- If a security holder updated the PAN or Contact Details including Mobile Number or Bank Account Details or Specimen Signature after April 01, 2024, then the security holder would receive all the dividend/interest etc. declared during that period (from April 01, 2024 till date of updation) pertaining to the securities held after the said updation automatically.

N. Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity:

The Bank has not issued any GDRs/ADRs/Warrants or convertible instruments. Hence outstanding instruments, conversion date and likely impact on equity are not applicable.

O. Commodity price risk or foreign exchange risk and hedging activities:

The Foreign Exchange Risk Management Policy approved by the Board specifies the risk control framework for undertaking any 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 control the Foreign Exchange risk within its risk control framework.

There is no derivative transaction were undertaken during the year 2025-26, other than Forward Forex Contracts. Bank is not involved in commodity trading/hedging activities.

P. Plant locations:

As the Bank is engaged in the business of Banking / Financial Services, there are no Plant Locations. However, the Bank has 622 Branches as on March 31, 2026.

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Q. In case the securities are suspended from trading, the directors report shall explain the reason thereof –

Not applicable

R. Distribution of shareholding as on March 31, 2026:

Category (Paid up value of shares held)	Number of Shareholders	% to Total	Shares	% to Total
(1)	(2)	(3)	(4)	(5)
Upto 5,000	107179	87.16	5211472	3.29
5,001 – 10,000	8518	6.93	4805569	3.03
10,001 – 20,000	3740	3.04	4512058	2.85
20,001 – 30,000	1356	1.10	3266775	2.06
30,001 – 40,000	388	0.32	1280206	0.81
40,001 – 50,000	195	0.16	886531	0.56
50,001 – 1,00,000	714	0.58	4529908	2.86
1,00,001 and above	873	0.71	133858935	84.53

S. SHAREHOLDING PATTERN:

i) Shareholding pattern by ownership as on March 31, 2026:

Shareholder Category	No. of Shares	Percentage
Mutual Funds	551843	0.35
Financial Institutions/Bank/ Insurance Companies	1152057	0.73
Foreign Portfolio Investor & Foreign Institutional Investor	9802086	6.19
Body Corporates	5621802	3.55
Individuals (Including NRI)	97018030	61.27
NBFCs registered with RBI	876150	0.55
Central Govt / State Govt / President of India	-	0.00
Any other (IEPF, Trust, Alternate Investment Funds, Overseas Corporate Bodies, LLP, Clearing Member)	43329486	27.36
Total	158351454	100.00

ii) Shareholding more than 1% as on March 31, 2026:

S.No.	Shareholder Name	Shares	Percentage
1	Bucket 1 (Court Cases)	13894500	8.77
2	Robert And Ardis James Company Limited	7054080	4.45
3	Starship Equity Holdings Ltd	6727500	4.25
4	Subcontinental Equities Limited	6617709	4.18
5	East River Holdings Limited	5305089	3.35
6	Swiss Re Investors (Mauritius) Limited	5072124	3.20
7	FI Investments (Mauritius) Limited	2704899	1.71
8	Investor Education and Protection Fund Authority, Ministry of Corporate Affairs	2359766	1.49



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S.No.	Shareholder Name	Shares	Percentage
9	C.S.Rajendran	2131288	1.35
10	Hibiscus Enterprises LLP	2041275	1.29
11	Meenakshi R	1904362	1.20
12	Senthil G M	1735181	1.10
13	Chandramogan R G	1600000	1.01

T. Other Disclosures as per Schedule V of the SEBI (LODR) Regulations, 2015:

- Compliance with Corporate Governance requirements: The Bank has been complying with requirements of Corporate Governance as stipulated under Regulations 17–27 read with Schedule V clauses (b) to (i) of sub-regulation 2 of Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and a report on Corporate Governance in the prescribed format has been submitted to the Stock Exchange every quarter.

During the F.Y 2024–25 and F.Y 2025–26, the Bank had filed four waiver applications with the Stock Exchanges respectively on June 05, 2024, August 03, 2024, March 27, 2025 and June 10, 2025. On considering the facts, the BSE Limited had accepted three waiver applications vide their email dated March 06, 2026. Waiver request for one application was rejected for non-compliance of Regulation 19 for the quarter ended December 2024 and the Bank has paid the penalty amount of ₹38,000/- plus GST.

- There were no materially significant transactions entered into by the Bank with its directors, management or their relatives conflicting with the interest of the Bank at large during the year ended March 31, 2026. Further all the directors and senior management personnel have affirmed the compliance to the code of conduct laid down by the Bank.

The policy on dealing with related party transactions is available on the Bank's website <https://www.tmb.bank.in/pages/Regulatory-Policies>.

3. STATUTORY NON-COMPLIANCE, PENALTIES AND STRICTURES DURING THE LAST THREE YEARS:

(₹ in Crore)

Name of the Authority	2025–26	2024–25	2023–24
SEBI	Nil	Nil	Nil
BSE/NSE	0.01	0.02*	Nil
RBI	0.44	0.05	1.34
Other Statutory Authority	0.01	Nil	Nil

(*The waiver applications filed by the Bank have been accepted and the Stock Exchanges has waived off the penalties vide their email dated March 06, 2026.)

For the year 2025–26, the details of penalties are given below:

- RBI had imposed penalty of ₹3,90,000/- under the scheme of penalty for Non-replenishment of ATM.
- RBI had imposed penalty of ₹12,250/- on April 30, 2025, for the reason of irregularities found during their visit at our Thoothukudi, Pudukottai Currency Chest and Officials of Currency Chest have not been provided training on CyM-CC portal operations
- RBI had imposed a monetary penalty of ₹10 lakh (Rupees Ten lakh only) on November 13, 2025, for indirectly imposing charges on persons making payment by using UPI and ₹29.60 lakh (Rupees Twenty

Annexure – 6 (CONTD..)

Nine Lakh Sixty Thousand only) for failure to credit to the DEA Fund an amount of ₹4,06,98,298/- standing to the credit of 12,243 accounts within the prescribed time period under section 264 of the BR Act.

4. The Bank had submitted waiver applications to the Stock Exchanges namely BSE Limited and National Stock Exchange Limited in relation to certain instances of non-compliance of certain provisions of SEBI (LODR) Regulations, 2015. Pursuant to the decision taken by the Stock Exchanges on the applications, a sum of ₹38,000/- was paid as penalty to BSE Limited and similar communication from NSE Limited is awaited.

Further, BSE Limited levied a penalty of ₹52,000/- for non-compliance with Regulation 24A of the SEBI (LODR) Regulations, 2015 and the penalty was paid to BSE Limited.

5. The Bank had filed two suo moto applications before the Registrar of Companies, Chennai (ROC) under Section 454 of the Companies Act, 2013. Pursuant to the proceeding before the Registrar of Companies, vide its order dated September 18, 2025, imposed a penalty of ₹25,000 each on the Bank and the same was duly paid.
6. NSDL had imposed penalty for ₹1,500/- on December 09, 2025, towards deficiencies in DPM system.

4. Vigil Mechanism:

Details as per Schedule V Para C(10)(c) of SEBI (LODR) Regulations, 2015 are furnished in the Directors' Report. It is affirmed that no personnel have been denied access to Audit Committee of the Board.

5. Policy for determining material subsidiary:

Bank has no material subsidiary as per definition prescribed under Regulation 16(1)(c) of SEBI (LODR) Regulations, 2015 and accordingly, the requirement of formulating policy in this connection is not applicable.

6. Utilisation of funds raised through Preferential allotment or Qualified Institutional Placement as specified under Reg 32 (7A)

During the year under review, there was no Preferential Allotment or Qualified Institutional Placement as specified under Regulation 32(7A) of the SEBI (LODR) Regulations, 2015.

7. 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.

8. Details of fees paid to the Statutory Auditors for FY 2025-26:

The total fees incurred by the Bank on a consolidated basis for services rendered by the Statutory Auditors is given below:

Nature of Fees	Amount (In Crores)
Audit Fee	0.52
Reimbursement of Expenses	0.27
Total	0.79

9. Disclosure in relation to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

Details are furnished in the Directors' Report.



Annexure – 6 (CONTD..)

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 the 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

We further declare that all the Board members and Senior Management Personnels have affirmed compliance with the Code of Conduct and Ethics for the year covered by this report.

Place : Thoothukudi
Date : June 05, 2026

Salee S Nair
Managing Director & CEO
DIN: 09231101

MD & CEO and CFO Certificate

{Pursuant to Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015}

To

The Board of Directors
Tamilnad Mercantile Bank Limited

We certify that;

- a) We have reviewed financial statements and the cash flow statement of Tamilnad Mercantile Bank Limited for the year ended March 31, 2026 and that to the best of our knowledge and belief:
1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 2. These statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) To the best of our knowledge and belief, no transactions entered into by the Bank during the year which are fraudulent, illegal or violative of the code of conduct of the Bank.
- c) We accept responsibility for establishing and maintaining internal controls over financial reporting and that we have evaluated the effectiveness of internal control systems of the Bank over financial reporting and we have disclosed to the Auditors and the Audit Committee of the Board, deficiencies in the design or operation of such internal controls over financial reporting, if any, of which we are aware and the steps we have taken, propose to take, to rectify these deficiencies, in our opinion, there are adequate internal controls over financial reporting;
- d) We have indicated to the Auditors and the Audit Committee of the Board that there are:
1. No significant changes in internal control over financial reporting during the year;
 2. No significant changes in the accounting policies except as disclosed in the financial statements; and
 3. No instances of fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Bank's internal control systems over financial reporting.

Sd/-

Salee S Nair

Managing Director & CEO
DIN:09231101

Sd/-

Sanjoy Kumar Goel

Chief Financial Officer

Place : Thoothukudi
Date : April 27, 2026



Annexure – 7

CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER REGULATION 34(3) OF SEBI (LISTING OBLIGATIONS & DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To

The Members of

TAMILNAD MERCANTILE BANK LIMITED,

57, Victoria Extension Road,

Thoothukudi – 628002.

We have examined the compliance of conditions of Corporate Governance by Tamilnad Mercantile Bank Limited, for the year ended on March 31, 2026, as stipulated under Regulations 17 to 27, clauses (b) to (i) and (t) of Sub regulation (2) of Regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 of the said Bank with the stock exchange.

MANAGEMENT RESPONSIBILITY:

The Management is responsible for ensuring that the Bank complies with the conditions of Corporate Governance. This responsibility also includes the design, implementation and maintenance of internal controls and procedures to ensure compliance with the conditions of the Corporate Governance stipulated in the Listing Regulations.

AUDITORS RESPONSIBILITY:

Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Bank for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Bank.

We have examined the relevant records and documents maintained by the Bank for the purpose of providing reasonable assurance on the compliance with Corporate Governance requirements by the Bank.

OPINION:

In our opinion and to the best of our information and according to the explanations given to us and the representation made by the Directors and the Management, we certify that the Bank has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) and (t) of regulation 46 (2) and paragraphs C, D and E of Schedule V of the Listing Regulations during the year ended March 31, 2026, except to the extent of the following:

1. During the period under review, the Bank has not uploaded the Secretarial Compliance Report in the BSE Portal. Therefore, it has been treated as a case of non-submission under Regulation 24A of the SEBI (LODR) Regulations, 2015. Accordingly, the Bank paid a penalty of ₹52,000/- as per the notice received from BSE.
2. The Bank had received email communications from NSE on February 03, 2025 and February 18, 2025 and from BSE on February 25, 2025 regarding non-compliance of constitution of the Nomination & Remuneration Committee of the Board, in terms of Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for the period from October 09, 2024 to October 27, 2024. Subsequently, BSE levied a penalty of ₹38,000/- for the aforesaid non-compliance, which has been paid by the Bank.

We further state that such compliance is neither an assurance as to the future viability of the Bank nor the efficiency or effectiveness with which the management has conducted the affairs of the Bank.

FOR **SPNP & ASSOCIATES**

P. SRIRAM

FCS No. 4862/C P No: 3310

PEER REVIEW NO: 1913/2022

UDIN: F004862H000439186

Date : May 22, 2026

Place : Chennai

Annexure – 8

Business Responsibility and Sustainability Reporting by listed entities

SEBI MASTER CIRCULAR SEBI/HO/CFD/PoD2/CIR/P/0155 November 11, 2024

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

Sl. No	Required Information	
1	Corporate Identity Number (CIN) of the Listed Entity	L65110TN1921PLC001908
2	Name of the Listed Entity	Tamilnad Mercantile Bank Limited
3	Year of incorporation	1921
4	Registered office address	57 V.E. Road, Tuticorin- 628002
5	Corporate address	57 V.E. Road, Tuticorin- 628002
6	E-mail	shareholders@tmbank.in
7	Telephone	+91(461) 2325136
8	Website	www.tmb.bank.in
9	Financial year for which reporting is being done	2025-2026
10	Name of the Stock Exchange(s) where shares are listed	National Stock Exchange (NSE) and BSE Limited
11	Paid-up Capital	₹ 1,58,35,14,540/-
12	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Swapnil Yelgaonkar Company Secretary and Compliance Officer 0461-2325136 cs@tmbank.in
13	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	Standalone Basis
14	Name of Assessment or Assurance Provider	None
15	Type of Assessment or Assurance obtained	NA

II. Products/Services

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

Sl. No	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Service	Banking	100%

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

Sl. No	Product / Service	NIC Code	% of total Turnover contributed
1	Service	99711	100%



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III. Operation

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

Location	Number of plants	Number of offices	Total
National	Nil	622	622
International	Nil	Nil	Nil

19. Market Served by the entity:

Number of locations

Locations		Number
a.	National (No. of States)	21 (including 4 Union Territories)
	International (No. of Countries)	Nil
b.	What is the contribution of exports as a percentage of the total turnover of the entity?	In Banks, turnover represents total interest and non-interest income earned. Bank extends support to exporters by way of pre-and-post shipment credit and other collection services. In TMB 0.69% of the export turnover represents income from exports
c.	A brief on types of customers	Being in the Banking industry, the Bank caters to Retail, Agriculture, MSME and other Advances. As on 31 st March 2026, the composition of the Advance Portfolio stood at 27.94% in Retail, 37.62% in Agriculture, 29.10% in MSME and 5.34% in other advances. TMB caters to deposit customers, wherein 80.33% were Retail Term Deposits and 19.67% were Bulk Deposits

IV. Employees

20. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

Sl. No	Particulars	Total (A)	Male		Female	
			No.(B)	% (B/A)	No.(C)	% (C/A)
Employees						
1	Permanent (D)	2453	2166	88.30%	287	11.70%
2	Other than Permanent (E)	11	11	100%	0	0%
3	Total employees (D+E)	2464	2177	88.35%	287	11.65%
Workers						
4	Permanent (F)	2333	1843	79.00%	490	21.00%
5	Other than Permanent (G)	0	0	0%	0	0%
6	Total workers (F+G)	2333	1843	79.00%	490	21.00%

Annexure – 8 (CONTD..)

b. Differently abled Employees and workers:

Sl. No	Particulars	Total (A)	Male		Female	
			No.(B)	% (B/A)	No.(C)	% (C/A)
Differently Abled Employees						
1	Permanent (D)	13	10	76.92%	3	23.08%
2	Other than Permanent (E)	0	0	0%	0	0%
3	Total differently abled employees (D+E)	13	10	76.92%	3	23.08%
Differently Abled Workers						
4	Permanent (F)	9	7	77.78%	2	22.22%
5	Other than Permanent (G)	0	0	0%	0	0%
6	Total differently abled workers (F+G)	9	7	77.78%	2	22.22%

21. Participation/Inclusion/Representation of women:

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	14	1	7.14%
Key Management Personnel	4	0	0%

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

	FY 2025-26 (Turnover rate in current FY)			FY 2024-25 (Turnover rate in previous FY)			FY 2023-24 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	6.26%	4.60%	6.08%	5.30%	5.16%	5.28%	3.18%	2.61%	3.11%
Permanent Workers	7.85%	11.93%	8.67%	4.56%	7.22%	5.02%	2.43%	3.14%	2.54%

V. Holding, Subsidiary and Associate Companies (Including Joint Ventures)

23. a. Name of holding / subsidiary / associate companies / joint ventures

Sl. No	Name of the holding / subsidiary / associate companies / Joint Ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
Nil				

VI. CSR details

24. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No) : Yes

(ii) Turnover (in ₹) : ₹ 66,96,49,02,110.29

(iii) Net worth (in ₹) : ₹ 1,01,10,16,08,355.91



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VII. Transparency and Disclosure Compliances

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

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2025– 26 Current Financial Year			FY 2024– 25 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	No	0	0	NA	0	0	NA
Investors (other than shareholders)	Investor's and shareholder's grievances are redressed either directly by the Secretarial Department of the bank or through the Bank's Registrar and Transfer Agents, M/s. MUFG Intime Pvt Ltd (formally known as M/s. Link Intime India Pvt Ltd.,) Coimbatore. Complaints received on SCORES are attended within the stipulated timelines	0	0	NA	0	0	NA
Shareholders	Yes	15	0	All complaints were resolved	35	0	All complaints were resolved
Employees and workers	Yes, employee and worker grievances or complaints are addressed in accordance with the Bank's established policy	0	0	NA	0	0	NA

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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 2025– 26 Current Financial Year			FY 2024– 25 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Customers	Yes, customers may register their grievances and complaints through the designated email channels at customerservice@tmbank.in and complaints@tmbank.in	16684	238	Out of 238 complaints, 237 were related to IT services i.e. complaints related to ATM, POS and ECOM transactions, 1 complaint pertained to service deficiency received through the email	22857	491	Out of 491 complaints, 485 are related to IT services i.e. complaints related to ATM, POS and ECOMM transactions
Value Chain Partners	-	0	0	NA	0	0	NA
Other (please specify)	-	0	0	NA	0	0	NA

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

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

Sl. No	Material issue identified	Indicate whether Risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Carbon and Energy Footprint Management	Opportunity	Advancing decarbonisation initiatives enhances operational efficiency and supports alignment with climate transition pathways	-	Positive: Enhanced energy productivity drives operational efficiency and cost optimisation, enabling more sustainable resource utilisation across the value chain. Improved access to green and sustainability-linked financing further strengthens the organisation's capacity to invest in low-carbon technologies and innovation.



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Sl. 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	Responsible Sales Practices and Customer Protection	Risk	Non-compliance with fair practices may result in regulatory action and reputational damage	The organisation fosters a customer-centric ethos by equipping its workforce with training on responsible selling practices, appropriateness evaluations and clear communication of product terms. It leverages diverse, multilingual touchpoints including digital platforms, customer support services and branch networks to improve customer understanding and accessibility. Additionally, structured internal reviews and robust grievance redressal systems are in place to monitor adherence and uphold fair and transparent practices.	Negative: Inappropriate product positioning or sales conduct may trigger customer disengagement, invite regulatory scrutiny and undermine brand credibility over time. In contrast, a principled and transparent approach to customer dealings cultivates enduring relationships and enhances stakeholder confidence.
3	Inclusive Financial Access and Outreach	Opportunity	Expanding access to financial services represents a significant opportunity to foster inclusive economic growth and bridge gaps across underserved segments. It enables organizations to deepen market penetration while strengthening customer relationships through tailored financial solutions.	-	Positive: A well-executed financial inclusion strategy can significantly expand the customer base while fostering long-term engagement and loyalty. Furthermore, it supports revenue diversification through new product offerings and untapped markets.
4	Workforce Well-being and Capability Development	Opportunity	Strategic investment in employee development serves as a key enabler of organisational excellence, fostering a culture of continuous learning and innovation. By enhancing workforce capabilities, organisations can drive higher productivity and operational efficiency across functions.	-	Positive: A strong emphasis on employee well-being and development enhances workforce motivation, engagement and overall job satisfaction. It supports higher retention levels and fosters a sense of belonging and loyalty among employees. Additionally, it contributes to long-term human capital value creation by nurturing skilled and capable talent.

Annexure – 8 (CONTD..)

Sl. 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)
5	Information Security and Data Governance	Risk	Cybersecurity incidents and data breaches can expose the organisation to significant financial losses, regulatory sanctions and legal liabilities. Such events may disrupt critical operations and compromise sensitive stakeholder information. Additionally, they can lead to a loss of customer confidence and long-term reputational damage.	The organisation has established a robust, multi-layered information security framework anchored in ISO/IEC 27001:2022-aligned controls, complemented by endpoint protection systems, firewalls and stringent access management protocols. It undertakes periodic vulnerability assessments and penetration testing (VAPT), supported by employee awareness programmes, data loss prevention (DLP) tools and well-defined incident response mechanisms. Furthermore, cybersecurity oversight is reinforced at the Board level through regular, focused briefings	Negative: Any unauthorised access to sensitive information may expose the organisation to material financial impacts, including regulatory scrutiny and penalties under frameworks such as RBI norms and the IT Act. It can also weaken customer confidence, potentially leading to reduced engagement and client churn.
6	Enterprise Risk Governance Framework	Risk	Insufficient risk oversight and governance can expose the organisation to significant financial and operational vulnerabilities. As a regulated entity under RBI, it is inherently exposed to credit, market, operational and strategic risks that may materially impact financial performance, business continuity and stakeholder confidence. In the absence of robust monitoring and control mechanisms, emerging risks may remain unidentified or inadequately mitigated, leading to potential disruptions and compliance gaps.	The organisation has instituted a robust enterprise risk management (ERM) framework in alignment with applicable regulatory requirements, including RBI guidelines and Basel principles. Oversight is exercised by a dedicated Board-level Risk Management Committee, which defines risk appetite, strengthens internal control mechanisms and undertakes scenario-based evaluations. The framework is further reinforced through periodic stress testing, comprehensive internal audits and continuous monitoring using integrated risk dashboards.	Negative: Weak or ineffective risk management frameworks can expose the organisation to significant financial setbacks arising from unanticipated losses and inefficient resource allocation. Gaps in oversight may also result in non-compliance with regulatory requirements, increasing the likelihood of penalties and legal scrutiny.
7	Sustainability Governance and ESG Integration	Opportunity	A well-integrated ESG oversight framework strengthens transparency and embeds accountability across organisational processes and decision-making. It enables the alignment of sustainability priorities with core business strategy, ensuring a holistic approach to value creation.	-	Positive: Strong ESG oversight enhances overall sustainability performance by embedding responsible practices across operations and value chains. It improves access to responsible and sustainability-linked capital by meeting investor expectations on transparency and governance. Additionally, it strengthens corporate reputation and stakeholder trust, reinforcing the organisation's market position.



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Sl. 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	Operational Resilience and Continuity Planning	Risk	Disruptions triggered by internal or external shocks such as supply chain interruptions, geopolitical uncertainties, or operational failures can adversely affect business continuity and revenue generation. Such events may lead to delays in service delivery, increased costs and inefficiencies across operations.	The organisation has established a comprehensive, Board-approved Business Continuity and Disaster Recovery framework designed to safeguard critical operations across technology, infrastructure and human resources. This framework is supported by periodic disaster recovery drills, structured risk assessments and secure offsite data backup mechanisms to ensure data integrity and availability. In addition, fire safety evaluations, evacuation exercises and built-in system redundancies further strengthen operational resilience.	Negative: Inadequate resilience capabilities can expose the organisation to operational downtime, revenue leakage, regulatory lapses and deterioration of brand credibility. Such disruptions may also diminish stakeholder confidence and adversely affect long-term sustainability.
9	Regulatory Adherence and Legal Governance	Risk	Failure to adhere to applicable regulatory and legal requirements can expose the organisation to financial penalties, legal proceedings and heightened regulatory scrutiny. Such lapses may also disrupt operations and adversely impact business continuity. In addition, non-compliance can undermine brand credibility and erode stakeholder trust.	The organisation has instituted a structured compliance governance framework anchored by a dedicated function that reports directly to senior leadership. This is reinforced through periodic internal audits, comprehensive policy evaluations and ongoing employee training initiatives. Technology-enabled compliance management systems are deployed to monitor regulatory developments and facilitate timely corrective actions. Additionally, regular legal reviews and consultations with external experts ensure continuous alignment with evolving statutory and regulatory requirements.	Negative: Failure to comply with applicable regulations can expose the organisation to financial penalties, litigation expenses and heightened regulatory scrutiny, while also adversely impacting its reputation. Such lapses may weaken stakeholder confidence and disrupt business operations. In contrast, a robust compliance framework strengthens process integrity, minimises long-term legal and regulatory risks and reinforces sound corporate governance.

Annexure – 8 (CONTD..)

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)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	b	Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	c	Web Link of the Policies, if available	https://www.tmb.bank.in/pages/Regulatory-Policies https://www.tmb.bank.in/pages/Policies								
2		Whether the entity has translated the policy into procedures. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3		Do the enlisted policies extend to your value chain partners? (Yes/No)	No	No	No	No	No	No	No	No	No
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.	TMB has been awarded the ISO 9001:2015 certification for 100 of its offices, encompassing Branches, Departments, Regional Offices, RTGS Cell, Central Processing Center and Staff Training College, in recognition of its adherence to quality management standards. Additionally, the Bank has achieved ISO/IEC 27001:2013 certification and Payment Card Industry Data Security Standard V4.0.1 for its robust Information Security Management System (ISMS) practices, covering its Head Office in Thoothukudi (IT & HR Departments) and the IT Department in Chennai, including the Data Centre in Chennai and the Disaster Recovery Site in Bengaluru.								
5		Specific commitments, goals and targets set by the entity with defined timelines, if any.	Environment: - Explore and adopt cleaner energy alternatives, including renewable energy sources, wherever operationally viable - Increase the use of digital processes to reduce paper consumption across operations - Begin assessing and reporting key categories of Scope 3 greenhouse gas emissions - Facilitate environmentally responsible financing and support sustainable business opportunities - Promote green procurement practices by encouraging the sourcing of environmentally responsible products and services								



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Disclosure Questions			P1	P2	P3	P4	P5	P6	P7	P8	P9
			Social: - Enhance workforce well-being initiatives to strengthen employee satisfaction, engagement and retention - Promote continuous capability building through employee learning, development and professional growth programmes - Expand access to financial services for underserved segments to support inclusive economic participation - Strengthen customer relationships through transparent engagement and consistent service excellence - Promote employee volunteerism and participation in community development initiatives focused on education, healthcare, skill development and livelihood enhancement - Enhance the customer feedback process by institutionalizing a systematic mechanism that drives continuous improvements in service quality and customer satisfaction - Enhance accessibility and convenience of banking services through digital and customer-centric solutions - Foster a culture of respect, dignity and equal opportunity across the organisation Governance: - Maintain strong regulatory compliance practices in line with applicable legal and internal governance requirements - Foster a culture rooted in ethical conduct, openness and responsible business practices - Enhance information security measures to protect sensitive business and customer data from emerging cyber risks - Strengthen ESG disclosure practices by improving the quality, scope and transparency of sustainability reporting - Improve stakeholder engagement practices through transparent and timely communication channels - Promote accountability and responsible decision-making across all levels of the organisation - Periodically review governance policies and frameworks to align with evolving regulatory and business requirements - Embed sustainability governance into strategic decision-making through active leadership and Board supervision								

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Disclosure Questions		P1	P2	P3	P4	P5	P6	P7	P8	P9
6	Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	Environment: - Water intensity per rupee of turnover improved by 3.72%, decreasing from 24.18 in FY 2024–25 to 23.28 in FY 2025–26, reflecting enhanced water use efficiency across operations - Energy intensity per rupee of turnover improved by 13.18%, decreasing from 19.23 in FY 2024–25 to 16.69 in FY 2025–26, reflecting enhanced energy efficiency across operations - Despite an increase in absolute GHG emissions, the Bank achieved a 10.19% improvement in GHG intensity (Scope 1 and Scope 2 emissions per rupee of turnover) decreasing from 3.27 in FY 24–25 to 2.94 in FY 25–26, indicating improved operational efficiency relative to business growth - During the reporting period, TMB further reinforced its environmental sustainability efforts by expanding digital onboarding processes for customers, increasing the use of virtual platforms to limit travel requirements and implementing initiatives aimed at reducing paper consumption across operations. The Bank has also started assessing opportunities for the adoption of renewable energy at selected locations.								
		Social: - Performance and career development reviews continued to be conducted for 100% of permanent employees and workers in FY 2024–25 and FY 2025–26, reflecting the organisation's continued focus on employee growth and development - The Bank continued to strengthen its focus on employee capability development during FY 2025–26. The proportion of employees undergoing skill enhancement training increased from 97.69% (2,292 of 2,346 employees) in FY 2024–25 to full coverage of 100% (2,453 of 2,453 employees) in FY 2025–26. Similarly, participation among workers improved significantly from 39.71% (943 of 2,375 workers) to 72.22% (1,685 of 2,333 workers) over the same period. In addition, the percentage of workers receiving health and safety training also increased from 30.61% (727 of 2,375 workers) in FY 2024–25 to 49.21% (1,148 of 2,333 workers) in FY 2025–26 - TMB remains committed to supporting employee growth through continuous learning, training and skill enhancement programmes. The Bank continues its efforts to build an inclusive work environment and improve gender representation across the organisation. Various initiatives are also undertaken to strengthen employee engagement, well-being and workplace experience to support long-term talent retention. Progress related to these initiatives is periodically reviewed to drive ongoing improvement and effectiveness.								



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Disclosure Questions			P1	P2	P3	P4	P5	P6	P7	P8	P9
			Governance: TMB continues to integrate ESG considerations into its governance practices and day-to-day operations. Periodic assessments are undertaken to align business practices with evolving sustainability priorities, while ongoing efforts are focused on strengthening transparency through alignment with recognised reporting standards and frameworks. TMB also continues to enhance stakeholder engagement practices as part of its broader governance approach. These initiatives are continuously being refined in line with emerging regulatory requirements and evolving industry best practices.								
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)		Tamilnad Mercantile Bank (TMB) remains committed to conducting its business in a responsible, transparent and sustainable manner. The Bank continues to strengthen the integration of environmental, social and governance (ESG) principles across its operations and decision-making processes, while maintaining focus on ethical conduct, customer centricity, operational resilience and long-term value creation for stakeholders. During the year, the Bank continued to enhance its digital infrastructure, customer service mechanisms, cybersecurity practices and risk management frameworks. Focus also remained on employee development, workplace inclusivity, customer awareness initiatives and strengthening access to banking services through multiple channels. In parallel, the Bank continued its efforts towards improving sustainability disclosures and aligning governance practices with evolving regulatory expectations and industry standards. As the Bank progresses on its sustainability journey, it remains committed to further strengthening responsible banking practices and enhancing stakeholder engagement across all areas of operations. The Bank expresses its sincere gratitude to its customers, employees, shareholders, regulators and all stakeholders for their continued trust and support.								
8	Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (yes).		Board of Directors of the Bank and Committees of the Board								
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, oversight of the Bank's Business Responsibility and Sustainability Reporting (BRSR) and ESG-related initiatives is undertaken by the Corporate Social Responsibility (CSR) Committee of the Board. Further, the Risk Management Committee (RMC) of the Board is responsible for supervising the implementation and effectiveness of the Environmental and Social Management System (ESMS) across the organisation.								

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10 Details of Review of NGRBCs by the Company:

Subject of Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	Board of Directors									As on need basis								
Compliance with statutory requirements of relevance to the principles and rectification of any non-compliances	Board of Directors									As on need basis								
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	No formal external assurance has been undertaken; however, the Company's policies and processes undergo periodic internal assessments and annual audit reviews								

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

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



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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 categorized 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	5	Program for Heads and Senior Officials of Inspection and Audit Functions in Banks, FIs & NBFCs, Workshop on Corporate Governance, Virtual Program on Customer Education & Protection: Issues & Challenges, Program for Non-Executive Chairman & Directors on the Boards of Banks, FIs and NBFCs Programme on Risk Management for Board Members & Senior Officials of TMB Ltd.	57.14%
Key Managerial Personnel	7	Certification Programme in IT and Cyber security for CXOs, Conference of Chief Financial Officers of Banks, FIs & NBFCs - New Challenges, FIBAC 2025 (FICCI & IBA) - Annual Banking Conference - Theme - Charting new frontiers, Seminar on Decoding the proposed ECL regulations for Banks/FIs, Program for Company Secretaries and Secretaries to the Boards of Banks, FIs and NBFCs, Program on the theme A Clarion's Call to CS to Grain Ground; Go Farther; and Grow Beyond, Customized Risk Management Training Program for Board Members & Senior Officials	100%

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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
Employees other than BoD and KMPs	216	Global Senior leadership programme by IIM, Orientation Training Program for Newly Promoted Assistant Manager, 24 th FIMMDA – PDAI Annual Conference @ Bali, Indonesia, Program on Financial Fitness Blueprint, Enhancing Proficiency in Branch Business Performance for First Time Branch Heads, Workshop on Capacity Building for Branch Managers (MSME) at Kancheepuram, Program for Relationship Managers, Conference of Chief Compliance Officers: Expectations and Challenges, Training Program on Credit Analysis – Phase 1, Program on Business Analytics, Machine Learning, and Artificial Intelligence and its Implication in Banks, Training Program for Transaction Banking Group (TBG), Certification Programme in IT and Cyber security for Senior Management, Program on Guidelines related to Export & Import Transactions, Advanced Management Programme (AMP) in Banking & Finance 2025-26 – XIV Batch, Training Program on Credit Analysis – Phase 2, Training Program on Credit Rating for Risk Analysts, CMCs, Certification Programme in IT and Cyber security for CXOs,, Program on KYC / AML / CFT, Program on Intelligent Banking Unlocking the Power of AI / ML in Banking, Conference of Chief Financial Officers of Banks, FIs & NBFCs – New Challenges, Program on Skill & Will – A Colloquy of Leadership, Program on Improving Sales Capability through Communication Skills, Program for Heads and Senior Officials of Inspection and Audit Functions in Banks, FIs & NBFCs, Program on Efficiency in Branch Administration, Workshop on Customs Procedures & Practice – Bankers' Perspective, Program on Cognitive Skills in Building Customer Relationship, Workshop on Technical & Fundamental Analysis in Capital Market, Program on NRI Deposits, Building Professionalism in Marketing of our Bank's Products and Services, Workshop on Identifying and Mitigating Product Vulnerabilities for ML/TF, Workshop on Prevention of Sexual Harassment (POSH), Oracle CX End user Training Program, Induction Program for Newly Recruited Senior Customer Service Executive, Program on Anti-Money Laundering (AML) and Combating Financing of Terrorism (CFT), Program on Cyber Risk Management & IT Security for Banks & FIs,	100%



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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
		Program on Preventive Vigilance & Fraud Management, FEDAI Orientation Workshop on Foreign Trade and Foreign Exchange Business, Enhancing Proficiency in Branch Business Performance for Branch Heads, Program on Customer Education & Protection: Issues & Challenges, Integrated Treasury Program with Bourse Simulation Games, Induction Program for Newly Recruited SCSE & CSE, Webinar on Revised Industry Standards Note for RPT disclosures, Program on Bond Mathematics & Introduction to Indian Treasury Markets, Orientation Program for Promoted Middle Management Officials, Program on Risk Management for Banks and Financial Institutions, Workshop on Countering Trade Based Money Laundering, Workshop on Supervisory Data Quality Index (SDQI), Program on Strategic Leadership in Banking Industry and Organizational Change Management, Program on Security, Scale and Access for Digital Payments, Program on Enrichment of Building Competencies, Workshop on International Banking Statistics (IBS) and Non-Resident Deposits - Comprehensive Single Return (NRD-CSR) at Chennai, Program on Effective Branch Management, Leadership and Administrative Competency, Program for Internal Auditors of Banks & FIs, Workshop on National Mission for Capacity Building of Bankers for Financing MSME Sector (NAMCABS 3.0), Conference of Chief Risk Officers: Evolving Risk Landscape, Awareness session on Detection, Reporting and Monitoring of Counterfeit Notes, Program on Cognitive Skills and Team Management in Banking Business, Program for Law Officers, Webinar on Information Security, Cyber Security and Phishing Emails, Program on Improving Compliance Culture in Banks / NBFC's / FI's / SFB's with special reference to KYC / AML / CFT guidelines, Program on Effective Branch Management, Leadership and Administrative Competency for Branch Heads, Program on Foreign Exchange Operations through FPC, Workshop on the functioning of Credit Management Centre (CMC) as per the revised SOP, Program on Customer Analytics for Improving Business Development in Banks, Workshop on Current and Capital Account Transactions under	

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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
		Liberalised Remittance Scheme, Workshop on Lending to MSMEs, ISACA Chennai Chapter Annual Conference 2025, Train the Trainers Program for Finnone LOS application, FEDAI 5 Days Orientation Workshop on Foreign Trade and Foreign Exchange Business @ SIBSTC, Bengaluru, Oracle Fusion Cloud Unplugged HCM & EPM Workshop, Webinar on Role of Effective Communication in Grievance Redressal, Program on Cyber Security for IS Auditors – Level 1, Awareness Session on Currency Management and Grievance Redressal Mechanism @ Madurai, Workshop on Soft Skills for Bank Officials, Program on Big Data Analytics for Banks, Webinar on Cyber Security – Human Intelligence Vs Artificial Deception, Specialised Credit Program for Officers & Executives working in MSME Credit, MID & Large Corporate, Training session on “FICN Detection, Clean Note Policy, Exchange Facilities and Note Refund Rules”, Program on Compliance for Banks, Program on NPA Management for SCBs, Webinar on Digital Technologies to improve credit delivery: Exploring the potential of Unified Lending Interface (ULI), Workshop Program for Finnone LOS Application, Program for CX – Sales focused on AI-powered automation and the Redwood Experience, Seminar for Internal Ombudsmen on Strengthening Internal Grievance Redressal Systems in Regulated Entities, Webinar on topic Role of Language in Building Work Culture, National Conference of Internal Ombudsman with a theme Evolving Role of Internal Ombudsman in Enhancing Consumer Trust Oracle APEX AI Days 2025 focusing on Expert Session and Product Demos related to New Developments in enabling AI Features, CIO/CTO/CISO Forum – Cross-Learning and Collaboration Program for Commercial Banks, Program on Marketing of Retail Loan Products and its Assessment, Program on New Age Skills – Information Security/Automation in Banking/Cyber Threats etc for Banks/FIs, Workshop on Treasury and Foreign Exchange Market, Program on Credit Senitization, Workshop on NAMCABS 3.0 for Branch Managers/ Officials of SME Credit Centers (SMECCs) or Processing Hubs, Program on Compliance Management for SCBs, Workshop for Initiate and Process the Loan Application in Finnone LOS Application,	



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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
		Program on Regulatory and Statutory Guidelines on Anti Money Laundering including KYC and Combating Financial Terrorism Risks, Train the Trainers Workshop for Process of the Loan Application in Finnone LOS Application, 15th CII HR Conclave 2025 themed The Next Horizon: Leading Boldly Working Futuristically Elevating Experience, Sales Excellence Program, Seminar on Decoding the proposed ECL regulations for Banks/FIs, workshop on Capacity Building for Branch Managers (dealing with MSMEs) at Karaikal, Program on Market Risk Measurement & Management for Scheduled Commercial Banks, Program for Company Secretaries and Secretaries to the Boards of Banks, FIs and NBFCs, Program for Internal Audit Officers of Banks/NBFC's/FI's/SFB's, Workshop for Bankers on "Smart Banking with AI - A Deep Dive for Bankers, Training of Trainers (ToT) Programme on Central KYC Records Registry (CKYCRR), Workshop for Initiate and Process the Loan Application in Finnone LOS Application at Respective Regional Office, Workshop on Fraud Risk Management for SCBs, Enhancing Proficiency in Branch Banking Business for Officers, Sensitization on Interaction with Persons with Disabilities and Accessibility Support, Program on Synergy - Achieving More Together, Workshop for Due Diligence Officers to Process the Loan Application in Finnone LOS Application Program on KYC and AML Guidelines, Conference of Digital Heads of Banks and NBFCs - Human + Machine: Reimagining Finance in the Age of AI, Workshop for Due Diligence & Operation Officers to Process the Loan Application in Finnone LOS Application, Know Your MSME Ecosystem Program, Workshop on Jewel Loan Appraisal for Jewel Officers at Vijayawada, 2nd Training of Trainers (ToT) Programme on Central KYC Records Registry (CKYCRR) at Bengaluru, Foreign Exchange Department (FED) Annual Authorised Dealers Conference 2025-2026 @ Visakhapatnam, Workshop on Jewel Loan Appraisal for Jewel Officers, Workshop on Climate Adaptation and Adaptation Finance, Workshop on Capacity Building for Bankers dealing with MSME Finance @ Yelagiri, Tirupathur, Annual Conference of HR Heads of Banks and NBFCs	

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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
		- Digital Banks, Human Touch: Building Skills, Culture & Capability in the Era of AI, Workshop on Basic Statistical Returns (BSR), Program on Bond Portfolio Management with Trading Game, Special Awareness Webinar for Staff Members at Branches and Departments on Phishing Mails, Program on Leveraging Critical Thinking for Organisational Excellence, Program on Cyber Resilience in Banking - Mastering IT Risk & Financial Crime Prevention, 8th edition of NIIT India Confluence 2026 - on the theme of Human Edge, AI Enabled at Kochi, program on Responding to Cybersecurity Incidents and Best Practices, Annual Conference 2026 - Internal Audit at the Inflection Point, Program on the theme A Clarion's Call to CS to Grain Ground; Go Farther; and Grow Beyond, Program for Internal Auditors & Concurrent Auditors on Audit of Advances & Forex and Role of Internal Auditors in prevention of Fraud, Workshop for SCBs on Managing Risks in Outsourcing, Workshop on Capacity Building for Bankers dealing with MSME Finance at Ooty, Workshop on "SWIFT - Financial messaging services, IBA Summit on Information System Audit Areas, Workshop on Communicating for Impact and Excellence at Workplace, Workshop on Operational Risk Management and Operational Resilience for SCBs, Special Awareness Webinar for Staff Members at Department & Branch who clicked the link and submitted the Data, Workshop for SCBs on collection of CBS data based on Revised Data Template, Train-the-Trainers Programme for Banks/NBFCs/FIs/SFBs	
Workers	48	Program on KYC / AML / CFT, Induction Program for Newly Recruited Customer Service Executive, Program on CASA Mobilization & Increasing Fee Based Income, Program on Marketing Skills, Public Relations & Cross Selling of Third Party Products, Program on Banking Awareness for Customer Service Executive, Awareness Program on Currency Management and Grievance Redressal Mechanism, Special Awareness Webinar on CASA Products for Customer Service Executives, Orientation Training Program for Newly Promoted Customer Service Executive	72.22%



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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 INR)	Brief of the Case	Has an appeal been pre-ferred? (Yes/ No)
Penalty/ Fine	Principle 1	I. Reserve Bank of India - ₹3,90,000/- II. Reserve Bank of India - ₹12,250/- III. Reserve Bank of India - ₹39,60,000/- IV. Bombay Stock Exchange (BSE) - ₹52,000/- V. Ministry of Corporate Affairs (MoCA) - ₹50,000/- VI. NSDL - ₹1,500/- VII. Bombay Stock Exchange (BSE) - ₹38,000/-	45,03,750	I. RBI had imposed penalty of ₹3,90,000/- under the scheme of penalty for Non-replenishment of ATM. II. RBI had imposed penalty of ₹12,250/- on April 30, 2025, for the reason of irregularities found during their visit at our Thoothukudi, Pudukottai Currency Chest and Officials of Currency Chest have not been provided training on CyM-CC portal operations. III. RBI had imposed a monetary penalty of ₹10 lakh (Rupees Ten lakh only) on November 13, 2025, for indirectly imposing charges on persons making payment by using UPI and ₹29.60 lakh (Rupees Twenty Nine Lakh Sixty Thousand only) for failure to credit to the DEA Fund an amount of ₹4,06,98,298 standing to the credit of 12,243 accounts within the prescribed time period under section 264 of the BR Act. IV. BSE Limited levied a penalty of ₹52,000/- for non-compliance with Regulation 24A of the SEBI (LODR) Regulations, 2015 and the penalty was paid to BSE Limited. V. The Bank had filed two suo moto applications before the Registrar of Companies, Chennai (ROC) under Section 454 of the Companies Act, 2013. Pursuant to the proceeding before the Registrar of Companies, vide its order dated September 18, 2025, imposed a penalty of ₹25,000 each on the Bank and the same was duly paid.	No

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Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been pre-ferred? (Yes/ No)
				VI. NSDL had imposed penalty for ₹1,500/- on December 09, 2025, towards deficiencies in DPM system. VII. The Bank had submitted waiver applications to the Stock Exchanges namely BSE Limited and National Stock Exchange Limited in relation to certain instances of non-compliance of certain provisions of SEBI (LODR) Regulations, 2015. Pursuant to the decision taken by the Stock Exchanges on the applications, a sum of ₹38,000/- was paid as penalty to BSE Limited and similar communication from NSE Limited is awaited.	
Settlement	Nil				
Compounding fee	Nil				

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

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

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

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

Yes. The Bank has established a Vigil Mechanism Policy incorporating measures relating to anti-bribery and anti-corruption practices. The commitment to ethical business conduct is further reinforced through the Code of Conduct applicable to the Board and Senior Management, promoting high standards of integrity and accountability across the organization. To strengthen governance practices, the Bank has also implemented a Whistle Blower Mechanism that enables employees to report unethical behaviour, misconduct, or fraudulent activities through a defined reporting framework. The policy outlines clear



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procedures for reporting concerns and aims to enhance transparency, safeguard the interests of the Bank and ensure compliance with applicable statutory and regulatory requirements. Confidentiality of the complainant's identity is maintained throughout the process. Where complaints are substantiated during preliminary review, appropriate actions are initiated in accordance with the Bank's internal policies and procedures.

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

	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Directors	Nil	Nil
KMPs	Nil	Nil
Employees	Nil	Nil
Workers	Nil	Nil

6 Details of complaints with regard to conflict of interest:

	FY 2025-26 (Current Financial Year)		FY 2024-25 (Previous Financial Year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	NA	Nil	NA
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	Nil	NA	Nil	NA

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

Not Applicable/NIL

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

	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Number of days of accounts payables	Not Applicable - Payments against bills/invoices are processed upon receipt and settled through cash-based transactions	

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9 Open-ness of business

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

Parameter	Metrics	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	Not Applicable	
	b. Number of trading houses where purchases are made from		
	c. Purchases from top 10 trading houses as % of total purchases from trading houses		
Concentration of Sales	a. Sales to dealers/ distributors as % of total sales		
	b. Number of dealers / distributors to whom sales are made		
	c. Sales to top 10 dealers/ distributors as % of total sales to dealers / distributors		
Shares of RPTs in	a. Purchases (Purchases with related parties/ total purchases)		
	b. Sales (Sales to related parties/ total sales)		
	c. Loans & advances (Loans & advances given to related parties / total loans and advances)		
	d. Investments (Investments in related parties / total investments made)		

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
The Bank has mechanisms in place to create awareness among vendors on ethical conduct, integrity and transparency, ensuring alignment with its responsible business practices and governance standards		



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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

The Bank has adopted a comprehensive Model Code of Conduct in accordance with Regulations 17 to 27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Applicable to the Board of Directors and Senior Management personnel, the Code reflects the Bank's commitment to integrity, transparency, ethical conduct and regulatory compliance in all business activities. It establishes expected standards of behaviour relating to honesty, accountability, disclosure practices and management of conflict of interest situations.

The Code further emphasizes the importance of confidentiality, responsible use of organizational assets and resources and fair dealing in all professional interactions within and outside the Bank. In addition, it outlines principles of sound corporate governance and provides guidance on expected conduct for Board members and senior leadership.

The Policy on Related Party Transactions can be accessed at: <https://tmb.bank.in/doc/Policy%20on%20related%20party%20transactions.pdf>

SECTION C : PRINCIPLE WISE PERFORMANCE DISCLOSURE

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	The Bank's research and development initiatives are centered on improving operational processes and accelerating digital transformation across products and services. During the year, several customer-facing offerings were further digitized to enhance convenience, accessibility and transparency. Increased adoption of digital processes has also reduced dependence on paper-based operations, contributing to lower environmental impact and improved resource efficiency.		
Capex			

2 a. Does the entity have procedures in place for sustainable sourcing? (Yes/No) **Yes**

b. If yes, what percentage of inputs were sourced sustainably? **80%**

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)	Being part of the service sector, the Bank generates limited waste, with minimal scope for reuse or recycling, particularly in relation to packaging waste. The waste generated during routine operations is disposed of through authorised municipal agencies in accordance with applicable requirements
(b)	E-waste	The Bank undertakes e-waste disposal through authorised and certified vendors possessing valid approvals from the Central or State Pollution Control Boards. This approach ensures environmentally responsible handling and disposal of e-waste in line with regulatory requirements and internal procurement guidelines. E-waste items, including obsolete UPS systems and batteries, are primarily managed through an established buyback process integrated within the procurement framework

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(c)	Hazardous waste	Not Applicable
(d)	Other waste	Paper waste arising from operational activities is handed over to external authorised agencies for recycling and responsible disposal

- 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.

Not Applicable

Leadership Indicators

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

NIC Code	Name of Product/ Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/ No)	Results communicated in public domain (Yes/No) If yes, provide the web-link.
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 2025-26 Current Financial Year	FY 2024-2025 Previous Financial Year
Nil		

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

	FY 2025-26 Current Financial Year			FY 2024-25 Previous Financial Year		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	0	0	0	0	0	0
E-waste	0	0	4.96 MT	0	0	2.10 MT
Hazardous waste	0	0	0	0	0	0
Other waste	0	0	0	0	0	0



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- 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
	Nil

SECTION C : PRINCIPLE WISE PERFORMANCE DISCLOSURE

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	2166	2166	100%	2166	100%	NA	NA	2166	100%	0	0%
Female	287	287	100%	287	100%	287	100%	NA	NA	0	0%
Total	2453	2453	100%	2453	100%	287	11.70%	2166	88.30%	0	0%
Other than Permanent employees											
Male	0	0	0%	0	0%	NA	NA	0	0%	0	0%
Female	0	0	0%	0	0%	0	0%	NA	NA	0	0%
Total	0	0	0%	0	0%	0	0%	0	0%	0	0%

- 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 employees											
Male	1843	1843	100%	1843	100%	NA	NA	1843	100%	0	0%
Female	490	490	100%	490	100%	490	100%	NA	NA	0	0%
Total	2333	2333	100%	2333	100%	490	21.00%	1843	79.00%	0	0%
Other than Permanent employees											
Male	0	0	0%	0	0%	NA	NA	0	0%	0	0%
Female	0	0	0%	0	0%	0	0%	NA	NA	0	0%
Total	0	0	0%	0	0%	0	0%	0	0%	0	0%

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

	FY 2025-26 Current Financial Year	FY 2024-25 Previous Financial Year
Cost incurred on well-being measures as a % of total revenue of the company	0.20%	0.23%

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

Benefits	FY 2025-26 Current Financial Year			FY 2024-25 Previous Financial Year		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	27.03%	10.97%	Y	29.50%	11.75%	Y
Gratuity	100%	100%	Y	100%	100%	Y
ESI	0	0	NA	0	0	NA
Others	72.97%	89.03%	Y	70.50%	88.25%	Y

3 Accessibility of workplaces

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

All the premises/offices, except a few, are accessible to employees and Workers with differently abled, in accordance with the Rights of Persons with Disabilities Act, 2016.

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.

We do not have equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016. Nevertheless, we do not have any discrimination on selection of such persons.

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

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



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- 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	Yes, employees and workers may communicate their grievances or concerns, either verbally or in writing, to their respective reporting managers, Regional Offices, or the Head Office. For issues requiring confidentiality or sensitive handling, they may also report concerns through the Whistle Blower mechanism by submitting them to the designated vigilance email ID at civ@tmbank.in
Other than Permanent Workers	
Permanent Employees	
Other than Permanent Employees	

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

Category	FY 2025-26 Current Financial Year			FY 2024-25 Previous Financial Year		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D / C)
Total Permanent Employees	2453	2420	98.65%	2346	2240	95.48%
Male	2166	2142	98.89%	2112	2033	96.26%
Female	287	278	96.86%	234	207	88.46%
Total Permanent Workers	2333	2315	99.23%	2375	2355	99.16%
Male	1843	1825	99.02%	1926	1906	98.96%
Female	490	490	100%	449	449	100%

- 8 Details of training given to employees and workers:

Category	FY 2025–26 Current Financial Year					FY 2024–25 Previous Financial Year				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. F	% (F/D)
Employees										
Male	2166	1190	54.94%	2166	100%	2112	1213	57.43%	2074	98.20%
Female	287	170	59.23%	287	100%	234	174	74.35%	218	93.16%
Total	2453	1360	55.44%	2453	100%	2346	1387	59.12%	2292	97.69%
Workers										
Male	1843	912	49.48%	1231	66.79%	1926	532	27.62%	699	36.29%
Female	490	236	48.16%	454	92.65%	449	195	43.43%	244	54.34%
Total	2333	1148	49.21%	1685	72.22%	2375	727	30.61%	943	39.71%

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

Category	FY 2025-26 Current Financial Year			FY 2024-25 Previous Financial Year		
	Total (A)	No.(B)	% (B/A)	Total (C)	No.(D)	% (D/C)
Employees						
Male	2166	2166	100%	2112	2112	100%
Female	287	287	100%	234	234	100%
Total	2453	2453	100%	2346	2346	100%
Workers						
Male	1843	1843	100%	1926	1926	100%
Female	490	490	100%	449	449	100%
Total	2333	2333	100%	2375	2375	100%

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?

Tamilnad Mercantile Bank remains committed to promoting the health, safety and overall well-being of its employees across all locations. Essential safety arrangements, including fire safety equipment, emergency evacuation facilities and first-aid provisions, are regularly monitored and maintained at branches and offices. The Bank follows a systematic approach for conducting periodic inspections of electrical and fire safety systems, with timely corrective measures implemented wherever required. To support employee welfare, the Bank provides coverage under group term life insurance and health insurance schemes. In addition, various employee wellness initiatives and awareness programmes are organized, including sessions led by subject matter experts focusing on healthy living, preventive healthcare and overall well-being.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

Given the nature of business, this is not directly applicable to the Bank

c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)

Given the nature of business, this is not directly applicable to the Bank.

d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes, employees and workers of the Bank are covered under various non-work-related health and welfare benefit schemes, including group life insurance, personal accident insurance coverage and health insurance facilities.



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

Safety Incident/Number	Category	FY 2025-26 Current Financial Year	FY 2024-25 Previous Financial Year
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	Nil	Nil
	Workers	Nil	Nil
Total recordable work-related injuries	Employees	Nil	Nil
	Workers	Nil	Nil
No. of fatalities	Employees	Nil	Nil
	Workers	Nil	Nil
High consequence work-related injury or ill-health (excluding fatalities)	Employees	Nil	Nil
	Workers	Nil	Nil

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

Employee well-being and workplace safety continue to remain important focus areas for the Bank. To strengthen safety preparedness, the Bank regularly conducts training and sensitization programmes on areas such as fire prevention, emergency response, first aid and evacuation practices for employees and designated safety coordinators across offices. Fire and emergency evacuation drills are periodically carried out to improve awareness of safety procedures and ensure readiness during emergency situations. In addition, the Bank partners with specialized service providers to organize practical demonstrations and awareness initiatives relating to the handling and usage of firefighting systems and safety equipment, reinforcing a strong culture of safety and preventive preparedness across the organization.

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

	FY 2025-26 Current Financial Year			FY 2024-25 Previous Financial Year		
	Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	0	0	NA	0	0	NA
Health & Safety	0	0	NA	0	0	NA

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	Periodic fire evacuation exercises and electrical safety evaluations are carried out across the Bank's locations to strengthen workplace safety and ensure the well-being of employees, customers and other stakeholders
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.

No safety-related incidents reported

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Leadership Indicators

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

Yes

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

The Bank verifies compliance with applicable statutory deductions and deposits by value chain partners through the concerned departments before releasing payments.

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

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	Current Financial Year FY 2025-26	FY 2024-25 Previous Financial Year	FY 2025-26 Current Financial Year	FY 2024-25 Previous Financial Year
Employees	Nil			
Workers	Nil			

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

Yes

- 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	Relevant provisions concerning workplace health, safety standards and employee working conditions are incorporated within the Service Level Agreements (SLAs) executed with vendors
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.

Necessary safety arrangements and control measures have been established to protect individuals and promote the health and well-being of value chain partners



Annexure – 8 (CONTD..)

SECTION C : PRINCIPLE WISE PERFORMANCE DISCLOSURE

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:

The Bank recognizes that its operations and activities have an impact on a diverse set of stakeholders, including customers, employees, regulators, investors, business partners, communities and industry participants. TMB believes that transparent communication and constructive stakeholder engagement are critical to building long-term relationships and strengthening stakeholder trust. Through continuous engagement, the Bank gains valuable insights into the economic, social and environmental implications of its operations and business practices.

The Bank undertakes focused interactions with various stakeholder groups to identify material concerns, evaluate business strategies and assess the effectiveness of its products, services and operational practices. This engagement-driven approach supports informed decision-making, strengthens stakeholder relationships and helps mitigate reputational risks while contributing positively to the broader business environment.

Key internal stakeholders include employees and senior management, while external stakeholders comprise customers, shareholders and investors, regulators, communities, NGOs, vendors, service providers, industry associations and media representatives. During the year, the Bank continued to engage with these stakeholders through multiple communication and engagement channels. All stakeholder engagement practices are carried out in alignment with applicable guidelines and regulatory requirements issued by RBI and SEBI.

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 & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
1	Employees	No	Both direct and digital means	Continuous	Both business and non-business aspects including employee's wellbeing
2	Regulators	No	Email, one-on-one meetings, conference call, videoconference	Need based	Discussions with regard to various regulations and amendments, inspections, approvals

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	Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
3	Customers	Yes, if they qualify certain criteria	Multiple channels- Physical and digital	Frequently and need basis	Customer awareness, intimation and information sharing throughout the customer lifecycle
4	Shareholders/ Investors	No	Email, SMS, newspaper advertisement, notice board, website, Annual General Meetings, intimation to stock exchanges, annual/ quarterly financials and investor meetings/ conferences	Quarterly/Half Yearly and Annually and also case to case basis	To discuss and communicate latest developments in the Bank
5	Value Chain Partners	No	Multiple channels - Physical and digital	Frequently and need basis	Performance optimization and business enhancement
6	Research Analysts	No	Email, Concalls, meetings, conferences	Frequently and need basis	To discuss and communicate latest developments in the Bank
7	NGOs and communities	Yes	Directly or through representatives	Frequently and need basis	Support environmentally and socially high impact projects



Annexure – 8 (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 engages regularly with a broad spectrum of stakeholders to understand material concerns, align business strategies with stakeholder expectations, evaluate products and services and strengthen long-term stakeholder relationships. These interactions also support the Bank in identifying potential reputational risks and enhancing overall business responsiveness and sustainability outcomes.

Stakeholder engagement is carried out through various structured channels, including materiality assessments, customer feedback and satisfaction surveys, employee town halls, training sessions and digital engagement platforms such as social media. Feedback and insights received through these interactions are reviewed and communicated to senior management and the Board to support informed decision-making and continuous improvement initiatives. In addition, stakeholders are provided opportunities to share their perspectives through the Stakeholder Relationship Committee (SRC), enabling their views and concerns to be considered within the Bank's governance and operational processes.

- 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.**

Feedback and suggestions received from stakeholders are appropriately evaluated, wherever feasible, to identify and prioritize key environmental and social matters relevant to the Bank's operations and business activities. Such engagement forms part of an ongoing and structured process undertaken through various communication and interaction channels.

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

Suggestions and recommendations received from stakeholders are reviewed and incorporated, wherever considered appropriate, into the Bank's operational and business practices. The Bank's Corporate Social Responsibility (CSR) initiatives are primarily focused on supporting underprivileged, vulnerable and socially disadvantaged sections of society.

Annexure – 8 (CONTD..)

SECTION C : PRINCIPLE WISE PERFORMANCE DISCLOSURE

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 2025-26 Current Financial Year			FY 2024-25 Previous Financial Year		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
Employees						
Permanent	Bank has its own staff training colleges where Human Rights Issues are included in the training program to ensure that the employees and workers are well informed and aware of Human Rights issues.					
Other than permanent						
Total Employees						
Workers						
Permanent	Bank has its own staff training colleges where Human Rights Issues are included in the training program to ensure that the employees and workers are well informed and aware of Human Rights issues.					
Other than permanent						
Total Workers						

- 2 Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2025-26 Current Financial Year					FY 2024-25 Previous Financial Year				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total(D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. F	% (F/D)
Employees										
Permanent	2453	0	0%	2453	100%	2346	0	0%	2346	100%
Male	2166	0	0%	2166	100%	2112	0	0%	2112	100%
Female	287	0	0%	287	100%	234	0	0%	234	100%
Other than permanent	11	0	0%	11	100%	20	0	0%	20	100%
Male	11	0	0%	11	100%	19	0	0%	19	100%
Female	0	0	0%	0	0%	1	0	0%	1	100%
Workers										
Permanent	2333	0	0%	2333	100%	2375	0	0%	2375	100%
Male	1843	0	0%	1843	100%	1926	0	0%	1926	100%
Female	490	0	0%	490	100%	449	0	0%	449	100%



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Category	FY 2025-26 Current Financial Year					FY 2024-25 Previous Financial Year				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total(D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. F	% (F/D)
Other than permanent	0	0	0%	0	0%	0	0	0%	0	0%
Male	0	0	0%	0	0%	0	0	0%	0	0%
Female	0	0	0%	0	0%	0	0	0%	0	0%

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)*	1	150000#	0	0
Key Managerial Personnel ^	4	392500	0	0
Employees other than BoD and KMP	2175	107215	287	94063
Workers	1843	45708	490	38120

* We are not paying any remuneration/salary to directors. The Directors are paid only sitting fees for attending meetings

Salary paid to Non-Executive Part time Chairman cum director

^ includes salary paid to MD & CEO and ED

b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

	FY 2025-26 Current Financial Year	FY 2024-25 Previous Financial Year
Gross wages paid to females as % of total wages	13.51%	12.79%

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)

Yes, concerns or complaints pertaining to human rights are managed through an established grievance handling mechanism under the oversight of the Internal Grievance Redressal Committee.

5 Describe the internal mechanisms in place to redress grievances related to human rights issues.

Complaints at the regional level are addressed by the concerned Regional Heads, while matters requiring additional review or involving greater sensitivity are referred to the Head Office for appropriate resolution.

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

	FY 2025-26 Current Financial Year			FY 2024-25 Previous Financial Year		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	1	0	The matter has been addressed & resolved	1	0	The matter has been addressed & resolved
Discrimination at workplace	0	0	NA	0	0	NA
Child Labour	0	0	NA	0	0	NA
Forced Labour/ Involuntary Labour	0	0	NA	0	0	NA
Wages	0	0	NA	0	0	NA
Other Human rights related issues	0	0	NA	0	0	NA

7 Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

	FY 2025-26 Current Financial Year	FY 2024-25 Previous Financial Year
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	1	1
Complaints on POSH as a % of female employees / workers	0.14%	0.16%
Complaints on POSH upheld	1	0

8 Mechanisms to prevent adverse consequences to the complaint in discrimination and harassment cases

The Bank has established a safe and inclusive workplace environment that enables employees to raise concerns relating to discrimination or sexual harassment in a confidential and sensitive manner. TMB has implemented a Policy on Prevention of Sexual Harassment aimed at safeguarding the dignity, safety and well-being of women employees across the organization. Complaints relating to workplace harassment are addressed by the Internal Committee through a fair, impartial and confidential inquiry process to ensure appropriate resolution and protection of the aggrieved individual.

In addition, the Bank's Whistle Blower Policy provides employees with a secure mechanism to report unethical conduct or workplace concerns while ensuring confidentiality and protection against retaliation or discrimination.



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9 Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes, TMB remains committed to upholding fairness, transparency and ethical conduct across all interactions with customers, contractors, employees and other stakeholders.

10 Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100% (Conducted internally)
Forced/involuntary labour	
Sexual harassment	
Discrimination at workplace	
Wages	
Others – please specify	

11 Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 10 above.

NA

Leadership Indicators

1 Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.

The Bank considers respect for human rights as a fundamental element of its organizational values, policies and business practices. Its existing frameworks and internal processes are built to support fairness, inclusivity and equal opportunity across the workplace. The Bank has not encountered any circumstances requiring amendments to its policies or procedures specifically in relation to human rights matters or associated grievances. The Bank is committed to maintaining a workplace environment founded on dignity, mutual respect and non-discrimination. Any form of discrimination or harassment based on characteristics such as race, religion, ethnicity, gender, age, disability, marital status, sexual orientation, gender identity, medical condition, or social background is strictly prohibited. The Bank's Code of Conduct outlines expected standards of ethical behaviour and professional conduct, helping foster a respectful and inclusive organizational culture. To reinforce these principles, the Bank regularly conducts employee awareness, learning and development programmes relating to ethics, workplace behaviour and responsible conduct.

2 Details of the scope and coverage of any Human rights due diligence conducted.

The Bank continues to uphold human rights principles across its operations, stakeholder interactions and business activities

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?

All premises / offices, except a few, are accessible to visitors with differently-abled, in accordance with the Rights of Persons with Disabilities Act, 2016

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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	100% (Conducted internally)
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

SECTION C : PRINCIPLE WISE PERFORMANCE DISCLOSURE

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: (GJ)

Parameter	FY 2025-26 Current Financial Year	FY 2024-25 Previous Financial Year
From renewable sources		
Total electricity consumption (A)	4580	4572
Total fuel consumption (B)	-	-
Energy consumption through other sources (C)	-	-
Total energy consumed from renewable sources (A+B+C)	4580	4572
From non-renewable sources		
Total electricity consumption (D)	91724.58	91324.8
Total fuel consumption (E)	15472.25	22186.71
Energy consumption through other sources (F)	-	-
Total energy consumed from non-renewable sources (D+E+F)	107196.83	113511.51
Total energy consumed (A+B+C+D+E+F)	111776.83	118083.51
Energy intensity per rupee of turnover (Total energy consumed / Revenue from operations in Cr.)	16.69	19.22
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP)	0.00003	0.00004
Energy intensity in terms of physical output (Total energy consumed / Full Time Equivalent*)	23.35	25.01



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Parameter	FY 2025-26 Current Financial Year	FY 2024-25 Previous Financial Year
Energy intensity (optional) – the relevant metric may be selected by the entity	-	-
* Full Time Equivalent (total permanent employees and permanent workers) is taken to report output-based intensity as per SEBI circular released on 20 th December,2024 for both years		
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	

- 2 Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

Not Applicable

- 3 Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2025-26 Current Financial Year	FY 2024-25 Previous Financial Year
Water withdrawal by source (in kilolitres)		
(i) Surface water	-	-
(ii) Groundwater	127000	121000
(iii) Third party water	28900	27500
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	155900	148500
Total volume of water consumption (in kilolitres)	155900	148500
Water intensity per rupee of turnover (Total water consumption / Revenue from operations in Cr.)	23.28	24.18
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP)	0.000048	0.000050
Water intensity in terms of physical output (Total water consumption / Full Time Equivalent*)	32.57	31.46
Water intensity (optional) – the relevant metric may be selected by the entity	-	-
* Full Time Equivalent (total permanent employees and permanent workers) is taken to report output-based intensity as per SEBI circular released on 20 th December,2024 for both years		
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	

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4 Provide the following details related to water discharged:

Parameter	FY 2025-26 Current Financial Year	FY 2024-25 Previous Financial Year
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(ii) To Groundwater	-	-
- No treatment	127000	121000
- With treatment – please specify level of treatment	-	-
(iii) To Seawater	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iv) Sent to third-parties	-	-
- No treatment	28900	27500
- With treatment – please specify level of treatment	-	-
(v) Others (Municipal Sewers)	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
Total water discharged (in kilolitres)	155900	148500
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	

5 Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Not Applicable



Annexure – 8 (CONTD..)

6 Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2025-26 Current Financial Year	FY 2024-25 Previous Financial Year
NOx	Owing to the Bank's business operations, it is not applicable		
Sox			
Particulate matter (PM)			
Persistent organic pollutants (POP)			
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	

7 Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2025-26 Current Financial Year	FY 2024-25 Previous Financial Year
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	1146.49	1644.04
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	18523.27	18442.54
Total Scope 1 and Scope 2 emission intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations in Cr.)	Metric tonnes of CO ₂ equivalent / ₹ crore	2.94	3.27
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)	tCO ₂ e/₹	0.000006	0.000007
Total Scope 1 and Scope 2 emission intensity in terms of physical output (Total Scope 1 and Scope 2 GHG emissions / Full Time Equivalent*)	Metric tonnes of CO ₂ equivalent / FTE	4.11	4.25
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity	-	-	-

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Parameter	Unit	FY 2025–26 Current Financial Year	FY 2024–25 Previous Financial Year
* Full Time Equivalent (total permanent employees and permanent workers) is taken to report output-based intensity as per SEBI circular released on 20 th December, 2024 for both years			
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		

8 Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

TMB remains focused on reducing its energy footprint through the implementation of various energy conservation and efficiency enhancement initiatives across its operations. The Bank has adopted measures such as energy-saving lighting infrastructure, efficient HVAC systems and automated energy management solutions to optimize electricity consumption across branches and offices. In addition, periodic energy audits and assessments are undertaken to identify efficiency improvement opportunities and support responsible resource utilization. Further strengthening its commitment towards sustainable energy practices, the Bank has commenced the deployment of solar energy systems at select branches, ATM locations and administrative premises to encourage greater adoption of renewable energy sources.

9 Provide details related to waste management by the entity, in the following format:

Parameter	FY 2025–26 Current Financial Year	FY 2024–25 Previous Financial Year
Total Waste generated (in metric tonnes)		
Plastic waste (A)	9.25	8.50
E-waste (B)	4.96	2.10
Bio-medical waste (C)	-	-
Construction and demolition waste (D)	-	-
Battery waste (E)	-	-
Radioactive waste (F)	-	-
Other Hazardous waste (Oil-soaked cotton waste, DG filters, paint cans, chemical cans, paint residue, oil sludge, DG chimney soot, coolant oil and used oil). Please specify, if any. (G)	-	-
Other non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector) – Paper Waste	-	-
Total (A+B + C + D + E + F + G + H)	14.21	10.60
Waste intensity per rupee of turnover (Total waste generated / Revenue from operations in Cr.)	0.002	0.002



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Parameter	FY 2025-26 Current Financial Year	FY 2024-25 Previous Financial Year
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP)	0.000000004	0.000000004
Waste intensity in terms of physical output (Total waste generated / Full Time Equivalent)	0.003	0.002
Waste intensity (optional) – the relevant metric may be selected by the entity	-	-
* Full Time Equivalent (total permanent employees and permanent workers) is taken to report output-based intensity as per SEBI circular released on 20 th December, 2024 for both years		
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	0	0
(ii) Re-used	0	0
(iii) Other recovery operations	0	0
Total	0	0
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	0	0
(ii) Landfilling	2.5	3
(iii) Other disposal operations (through recyclers)	11.71	7.6
Total	14.21	10.60
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	

- 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**

Electronic waste arising from the replacement and upgradation of equipment such as computers, printers, modems, UPS systems and other electronic devices is managed in line with the Bank's E-Waste Management Policy, ensuring environmentally responsible disposal and regulatory compliance.

Annexure – 8 (CONTD..)

- 11 If the entity has operations/offices in/around ecologically sensitive areas (such as National parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

Sl. No	Location of operations/offices	Type of operations	Whether the conditions of environmental approval/clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any
Not Applicable			

- 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					

- 13 Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

Sl. No	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
Not Applicable				

Leadership Indicators

- 1 Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

For each facility / plant located in areas of water stress, provide the following information:

(i) Name of the area	NA
(ii) Nature of operations	

(iii) Water withdrawal, consumption and discharge in the following format:

Parameter	FY 2025-26 Current Financial Year	FY 2024-25 Previous Financial Year
Water withdrawal by source (in kilolitres)		
(i) Surface water	-	-
(ii) Groundwater	-	-
(iii) Third party water	-	-



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Parameter	FY 2025-26 Current Financial Year	FY 2024-25 Previous Financial Year
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kilolitres)	-	-
Total volume of water consumption (in kilolitres)	-	-
Water intensity per rupee of turnover (Water consumed / turnover)	-	-
Water intensity (optional) – the relevant metric may be selected by the entity	-	-
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(ii) Into Groundwater	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iii) Into Seawater	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iv) Sent to third-parties	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(v) Others	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
Total water discharged (in kilolitres)	-	-
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	

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2 Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	FY 2025-26 Current Financial Year	FY 2024-25 Previous Financial Year
Total Scope 3 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	4.01	-
Total Scope 3 emissions per rupee of turnover (Total Scope 3 emissions / Revenue from operations in Cr.)	Metric tonnes of CO ₂ equivalent / ₹ crore	0.0006	-
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity	-	-	-
Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency	No		

3 With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

Not Applicable

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:

Sl. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
Nil			

5 Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

Yes, the Bank has established a robust Business Continuity Plan (BCP) framework to support the continuity, recovery and restoration of critical business operations during unforeseen events or disruption scenarios. To assess the effectiveness of the framework, periodic mock drills and continuity testing exercises are conducted by departments and offices, in coordination with identified alternate locations and support units. The respective branches and functional units are responsible for facilitating the smooth conduct of these exercises. Upon completion of each testing exercise, a comprehensive assessment report is prepared capturing details such as the schedule and duration of the drill, approvals obtained from relevant authorities and the nature of the disruption scenario evaluated. The report also records operational activities undertaken at alternate sites, including systems deployed, manpower utilization, operational volumes handled and processes followed during the exercise. Further, the assessment includes observations on operational gaps, constraints identified, key learnings, root cause evaluation of issues encountered and corrective



Annexure – 8 (CONTD..)

measures implemented thereafter. Necessary revisions and enhancements to the BCP framework are also incorporated based on the outcomes of these exercises. This ongoing review mechanism strengthens organizational preparedness and enhances the Bank's ability to respond effectively to business interruptions and emergency situations.

- 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**

NA

- 7 Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.**

NA

- 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

SECTION C : PRINCIPLE WISE PERFORMANCE DISCLOSURE

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. 7**
- b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.**

Sl. No	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State / National)
1	ASSOCHAM	National
2	Indian Banks Association (IBA)	National
3	Fixed Income Money Market and Derivatives Association (FIMMDA)	National
4	Foreign Exchange Dealers Association of India (FEDAI)	National
5	Southern India Bank Staff Training College	National
6	National Institute of Bank Management	National
7	Indian Institute of Banking and Finance	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
We have not received any adverse order from any regulatory authorities for FY 25-26		

Annexure – 8 (CONTD..)

Leadership Indicators

1 Details of public policy positions advocated by the entity:

Sl. No	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly / Others – please specify)	Web Link, if available
Nil					

SECTION C : PRINCIPLE WISE PERFORMANCE DISCLOSURE

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					

2 Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

Sl. No	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
Not Applicable						

3 Describe the mechanisms to receive and redress grievances of the community.

The Bank has implemented a formal grievance redressal framework to effectively address concerns and complaints raised by customers and communities. Complaint submission forms are made available across all branches as well as on the Bank's website, with customers encouraged to first approach the Bank for resolution. Upon receipt of a complaint, an acknowledgement copy is provided to the complainant, while the concerned Regional Office is simultaneously informed along with the Branch Head observations. Branches endeavour to resolve complaints within a period of three weeks. In addition to branch-level submission, grievances may also be lodged through alternative channels such as the toll-free helpline (1800 425 0426), customer care number (09842 461 461), or via email at complaints@tmbank.in and customerservice@tmbank.in. Complaints received are routed by the Customer Service Cell at the Head Office to the relevant branch or department for necessary action and resolution. Where a complaint remains unresolved after seven days or the response provided is deemed unsatisfactory, the matter may be escalated to the Regional Office. If unresolved thereafter, it may be further referred to the Head Office for review and resolution. The Bank aims to communicate a final response to the complainant within 30 days. In cases where the grievance remains unresolved or the customer is dissatisfied with the resolution provided, the matter may be escalated to the Banking Ombudsman. Additionally, details of the Regional Head responsible for branch oversight are displayed at branch premises. Branches are also required to obtain confirmation from the complainant



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upon closure or withdrawal of the complaint. The Bank is in the process of introducing a dedicated section within its revamped website, currently under development, to facilitate the submission of customer and community queries, service requests and complaints. This platform will be integrated with Oracle CX to enable centralised tracking and efficient management of all requests and grievances through a unified system.

4 Percentage of input material (inputs to total inputs by value) sourced from suppliers:

Parameter	FY 2025-26 Current Financial Year	FY 2024-25 Previous Financial Year
Directly sourced from MSMEs/ small producers	90%	90%
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 2025-26 Current Financial Year	FY 2024-25 Previous Financial Year
Rural	13.03%	12.66%
Semi-urban	32.23%	30.88%
Urban	28.38%	29.78%
Metropolitan	26.36%	26.68%

(Place categorized as per RBI Classification System – rural / semi-urban / urban / metropolitan)

Leadership Indicators

1 Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Details of negative social impact identified	Corrective action taken
Not Applicable	

2 Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

Sl. No	State	Aspirational District	Amount spent (In INR)
1	Karnataka	Bengaluru Sub Urban	818000
2	Karnataka	Bengaluru Urban	2743070
3	Kerala	Palakkad	1841375
4	Tamil Nadu	Chengalpattu	1717013
5	Tamil Nadu	Chennai	620000
6	Tamil Nadu	Coimbatore	1761515
7	Tamil Nadu	Cuddalore	959376
8	Tamil Nadu	Dindigul	1800000
9	Tamil Nadu	Erode	4430672
10	Tamil Nadu	Kanyakumari	988250

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Sl. No	State	Aspirational District	Amount spent (In INR)
11	Tamil Nadu	Kovilpatti	500000
12	Tamil Nadu	Krishnagiri	1250000
13	Tamil Nadu	Madurai	4987500
14	Tamil Nadu	Nagapattinam	2100000
15	Tamil Nadu	Nilgiris	200000
16	Tamil Nadu	Ramanathapuram	2700000
17	Tamil Nadu	Salem	525048
18	Tamil Nadu	Tenkasi	770500
19	Tamil Nadu	Thanjavur	494420
20	Tamil Nadu	Theni	2339000
21	Tamil Nadu	Thiruvallur	500000
22	Tamil Nadu	Thiruvannamalai	200000
23	Tamil Nadu	Tirunelveli	8530755
24	Tamil Nadu	Tirupur	4561605
25	Tamil Nadu	Trichy	3444439
26	Tamil Nadu	Villupuram	400000
27	Tamil Nadu	Virudhunagar	15793522
28	Tamil Nadu	Vishakapattinam	2348
29	Tamil Nadu	Thoothukudi	20099483
30	Uttar Pradesh	Varanasi	500000

- 3 (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)

No

- (b) From which marginalized /vulnerable groups do you procure?

NA

- (c) What percentage of total procurement (by value) does it constitute?

NA

- 4 Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

Sl. No	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/No)	Benefit shared (Yes / No)	Basis of calculating benefit share
Nil				

- 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
Nil		



Annexure – 8 (CONTD..)

6 Details of beneficiaries of CSR Projects:

Sl. No	Project Title	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1	Construction / Renovation of Classrooms in Educational Institutions	600	100%
2	Construction of Patient Room / Purchase of Hospital Necessity items/medicines	1000	100%
3	Construction of Toilets in Educational Institutions	525	100%
4	Creation of Public awareness	500	100%
5	Desk / Benches / Other Accessories for Educational Institutions	7575	100%
6	Development of Sports	200	100%
7	Ensuring environmental sustainability	3800	100%
8	Govt Depts /Trust/Non-Profit Organizations / Other Old Age Homes and Orphanage's	3152	100%
9	Providing education employment enhancing vocational skills	17	100%
10	RO plants in Educational Institutions/Other Institutions	960	100%

SECTION C : PRINCIPLE WISE PERFORMANCE DISCLOSURE

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 dedicated Customer Service Cell functioning at its Head Office to oversee customer support and grievance redressal activities. To facilitate customer enquiries relating to products and services, the Bank operates an All-India Toll-Free customer helpline (1800-425-0426) through its Chennai-based customer call centre from 08:00 AM to 10:00 PM on all days, including second and fourth Saturdays, Sundays and public holidays, effective from 30.03.2026. In addition, the Bank has a dedicated customer care mobile number (9842-461-461) for customer assistance and support. All complaints received through letters, e-mails, the Banking Ombudsman, or other regulatory authorities are systematically recorded and managed through a centralized complaint management system (Oracle CX). Customers are also provided the facility to register enquiries, feedback, complaints and grievances through the Online Dispute Resolution System (ODRS) (<https://www.tmbho.in/tmbodr>), which enables customers to receive SMS notifications containing complaint reference numbers and real-time status updates. Further, the Bank is in the process of introducing a dedicated page within its revamped website, currently under development, for receiving customer and community queries, service requests and complaints. This platform will be integrated with Oracle CX to facilitate centralized handling and efficient resolution of all requests and grievances. Additionally, the Bank convenes a Standing Committee on Customer Service at each branch on a monthly basis. Customers may also register grievances and complaints through the dedicated email ID customercare@tmbank.in.

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2 Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

	As a percentage to total turnover
Environmental and social parameters relevant to the product	Given the nature of its business operations, this aspect is not materially applicable to the Bank, as it operates within the financial services sector and is not engaged in manufacturing-related activities. Nonetheless, the Bank adheres to all relevant disclosure requirements associated with its banking products and services. Further, the Bank undertakes continuous customer awareness and sensitisation initiatives aimed at encouraging secure banking practices and reducing exposure to cyber-related frauds, including phishing and ATM-related scams. Awareness messages and advisories are disseminated through multiple communication channels such as bulk SMS, emails and automated voice calls, consistently cautioning customers against sharing confidential information including ATM PINs, login credentials and One-Time Passwords (OTPs).
Safe and responsible usage	
Recycling and/or safe disposal	

3 Number of consumer complaints in respect of the following:

	FY 2025-26 Current Financial Year		Remarks	FY 2024-25 Previous Financial Year		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	0	0	NA	0	0	NA
Advertising	0	0	NA	0	0	NA
Cyber-security	0	0	NA	0	0	NA
Delivery of Essential Services	16684	238	Out of 238 complaints, 237 were related to IT services i.e. complaints related to ATM, POS and E-COMM transactions, 1 complaint pertained to service deficiency received through the e-mail	22857	491	Out of 491 complaints, 485 are related to IT services i.e. Complaints related to ATM, POS and E-COMM transactions



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	FY 2025-26 Current Financial Year		Remarks	FY 2024-25 Previous Financial Year		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Restrictive Trade Practices	0	0	NA	0	0	NA
Unfair Trade Practices	0	0	NA	0	0	NA
Other	0	0	NA	0	0	NA

4 Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls	0	NA
Forced recalls	0	NA

5 Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes. The Bank has implemented a Board-approved cybersecurity framework aimed at safeguarding its digital infrastructure and customer information. Cybersecurity remains a key focus area, supported by robust IT systems designed to proactively identify potential threats, detect fraudulent activities and enable timely response mechanisms. Comprehensive security controls are deployed to ensure secure customer transactions across banking channels. The policy is available for the employees on the intranet.

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

To strengthen the efficient delivery of key banking services, the Bank has established a dedicated Customer Service Cell responsible for managing customer grievances through a systematic and timely resolution process. These focused efforts have contributed to a reduction in customer complaints compared to the previous financial year. In instances of repetitive complaints, detailed Root Cause Analysis (RCA) is undertaken in coordination with the concerned departments to identify underlying issues and implement suitable corrective and preventive measures. The Customer Service Cell also continuously monitors the grievance handling process to ensure consistency in service standards and customer experience. Through these initiatives, the Bank remains committed to improving customer satisfaction and enhancing overall service delivery. As no cybersecurity or data privacy incidents were recorded during FY 2025-26, no corrective actions were required.

7 Provide the following information relating to data breaches:

a. Number of instances of data breaches	0
b. Percentage of data breaches involving personally identifiable information of customers	0
c. Impact, if any, of the data breaches	NA

Annexure – 8 (CONTD..)

Leadership Indicators

1 Channels / Platforms where information on products and services of the entity can be accessed (provide web link, if available).

Details relating to the Bank's products and services are made available through multiple customer touchpoints, including the official website, call centre, mobile banking application, internet banking platform, point-of-sale channels and branch network. In addition, the Bank utilises various digital and social media platforms to enhance stakeholder engagement and facilitate wider communication of information regarding its products and services. Website – www.tmb.bank.in

2 Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

The Bank actively drives customer awareness on secure banking practices through a range of communication platforms, including social media channels, SMS communications, website notifications and in-app alerts on its mobile banking platform. Awareness campaigns are periodically undertaken to caution customers against cyber threats such as phishing attacks, fraudulent calls and digital payment scams. Customers are repeatedly advised to avoid sharing sensitive details, including OTPs, UPI PINs, passwords and other confidential banking credentials. Additionally, informational resources and safety guidelines relating to secure banking practices are made accessible through the Bank's official website, www.tmb.bank.in

3 Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services

To ensure customers remain informed during any service interruption or disruption, the Bank utilises various communication platforms to provide timely updates and notifications. These include SMS and email communications, alerts on the official website, notices displayed at branches, ATM screen messages and push notifications through the mobile banking application.

4 Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

The Bank places strong emphasis on openness and responsible communication to ensure customers are adequately informed about the financial products and services offered. Tamilnad Mercantile Bank (TMB) makes available key information relating to product features, applicable charges, interest rates, terms and conditions and other relevant details in a customer-friendly and easily understandable format, enabling customers to make informed financial choices. Product-related information and schedule of charges are accessible through the Bank's official website and other customer service channels. In addition, disclosures relating to fees, pricing, interest rates, associated risks and customer obligations are communicated through branch displays, digital platforms and customer support services. The Bank also promotes transparency throughout the customer lifecycle by clearly outlining the rights and responsibilities of both the customer and the Bank. Further, employees engaged in customer-facing functions are provided with necessary guidance and training to ensure fair, accurate and transparent communication while offering or servicing banking products and services. In addition, TMB continuously gathers customer feedback through a dedicated 24x7 online customer satisfaction survey available on its website. The Bank also undertakes periodic customer satisfaction evaluations as part of the ISO certification renewal process across branches and offices, reflecting its ongoing focus on service quality and continuous enhancement of customer experience. The Annual Depositor Satisfaction Survey was carried out across a wide geographical network covering various states and union territories. The survey included customers from metro, urban, semi-urban and rural branches, ensuring comprehensive and balanced representation across different regions and operational segments.



Annexure – 9

COMPLIANCE CERTIFICATE

**[Pursuant to Regulation 13 of the Securities Exchange Board of India
(Share Based Employee Benefits and Sweat Equity) Regulations, 2021]**

To,

The Members,

Tamilnad Mercantile Bank Limited

57, Victoria Extension Road, Thoothukudi – 628002.

I, Sriram Parthasarathy, Company Secretary in practice, have been appointed as the Secretarial Auditor vide a resolution passed at its annual general meeting held on 08th August, 2025 by the Board of Directors of **TAMILNAD MERCANTILE BANK LIMITED** (hereinafter referred to as 'the Bank'), having CIN L65110TN1921PLC001908 and having its registered office at 57, Victoria Extension Road, Thoothukudi – 628002.

This certificate is issued under Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (hereinafter referred to as "the Regulations"), for the year ended 31st March, 2026.

Management Responsibility:

It is the responsibility of the Management of the Bank to implement the Employee Stock Option Scheme including designing, maintaining records and devising proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

Auditor's Responsibility

It is our responsibility to certify whether the Bank has complied with the applicable provisions of the Regulations and the Resolution during the year ended 31st March 2026, in implementing the Employee Stock Option Scheme on the basis of information compiled or collated by the Management and the accounting and other relevant supporting records and documents provided to us for our examination.

Verification:

For the limited purpose of certifying the Employee Stock Option Scheme, I have reviewed the documents pertaining to the Scheme, including the Board Resolution dated 25th July 2025, the Nomination & Remuneration Committee Resolution dated 04th July, 2025, the Circular Resolution passed by the Nomination and Remuneration Committee dated 27th October, 2025 and the 'Tamilnad Mercantile Bank Limited Employee Stock Option Plan 2024' (TMB ESOP 2024). The Board in its meeting dated January 17, 2025 has nominated the existing Nomination and Remuneration Committee (NRC) of the Board as the Compensation Committee.

For the purpose of verifying the compliance of the Regulations, I have examined the following:

1. Scheme(s) furnished by the Bank;
2. Articles of Association of the Bank;
3. Resolutions passed at the meeting of the Board of Directors;
4. Minutes of the meetings of the Compensation Committee/ Nomination and Remuneration Committee; Circular resolution passed by the members of Nomination & Remuneration Committee;
5. Detailed terms and conditions of the scheme as approved by Compensation Committee/ Nomination and Remuneration Committee;
6. Exercise Price / Pricing formula;

Annexure – 9 (CONTD..)

7. Disclosures made to the Stock exchange;
8. Relevant provisions of the Regulations, Companies Act, 2013 and Rules made thereunder;

Certification:

In my opinion and to the best of my knowledge and according to the verifications as considered necessary and explanations furnished to me by the Bank and its Officers, I certify that the Bank has implemented the Employee Stock Option Scheme in compliance with applicable provisions, Rules and Regulations.

The Bank has received in-principle approval for grant of options under the 'Tamilnad Mercantile Bank Limited Employee Stock Option Plan 2024' (TMB ESOP 2024) vide letter received from BSE & NSE dated 24th July, 2025.

In furtherance to the advisory mails addressed to the Bank, clauses 10.2, clauses 9.1 and 13.3 of the TMB ESOP 2024 has been modified and the same was taken note at the Nomination & Remuneration Committee Meeting dated 04th July, 2025 and the Circular Resolution passed by the Nomination and Remuneration Committee dated 27th October, 2025 respectively.

Assumption and Limitation of Scope and Review:

1. Ensuring the authenticity of documents and information furnished is the responsibility of the Board of Directors of the Bank.
2. Our responsibility is to give certificate based upon our examination of relevant documents and information. It is neither an audit nor an investigation.
3. 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.
4. This certificate is solely for your information and it is not to be used, circulated, quoted, or otherwise referred to for any purpose other than for the Regulations.

FOR **SPNP & ASSOCIATES**

P. SRIRAM

Date : May 22, 2026
Place : Chennai

FCS No. 4862/C P No: 3310
PEER REVIEW NO: 1913/2022
UDIN: F004862H000439208



FINANCIAL STATEMENTS

Independent Auditors' Report

To The Members of

Tamilnad Mercantile Bank Limited

Report on Audit of the Financial Statements

Opinion

1. We have audited the accompanying financial statements of M/s. Tamilnad Mercantile Bank Limited ("the Bank"), which comprise the Balance Sheet as at March 31, 2026, the Profit and Loss Account and the Statement of Cash Flows for the year then ended, and notes to financial statements including a summary of significant accounting policies and other explanatory information (the "financial statements") in which are included the returns for the year ended on that date, of
 - i) Top 24 branches, Head Office, Integrated Treasury and International Banking Division audited by us and
 - ii) 598 branches 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 20 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, and circulars and guidelines issued by the Reserve Bank of India ("RBI"), in the manner so required for banking companies, 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 March 31, 2026, its profit, and its cash flows for the year ended on that date.

Basis for Opinion

3. We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Bank in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India 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 20 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 20 below, were of most significance in our audit of the financial statements for the financial year ended March 31, 2026. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.
5. We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of



Independent Auditors' Report

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 Provisioning on Advances

Significant estimates and judgment involved

Key Audit Matter

Identification of Non-Performing Assets ("NPA") and provisioning in respect of NPAs and restructured advances are made based on management's assessment in accordance with norms, circulars and directions issued by the RBI on Prudential Norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances ("IRACP norms") from time to time.

The provision for NPA is based on the valuation of the security available and also requires management estimates and significant degree of judgement by applying both quantitative and qualitative factors prescribed by the regulations. In case of restructured accounts, provision is made for diminution in fair value of restructured loans, in accordance with the RBI guidelines. Ensuring completeness and timing of recognition of NPA, measurement of the provisions, appropriate reversal of unrealized income on NPAs etc., becomes critical requiring proper control mechanism.

Accordingly, our audit focused on analysing the system for identification of NPAs and provision on advances 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.

Auditors' Response

Our approach included assessing the design, implementation and operating effectiveness of key internal controls and substantive audit procedures over approval, recording and monitoring of loans, assessing the reliability of documentation, measurement of provisions, identification of NPA accounts, and valuation of security for NPA accounts along with basis and rationale for various other management information.

We have examined the Bank's policies for NPA identification and provisioning and assessing compliance with the IRACP norms.

We have conducted procedures including but not limited to testing exceptional reports generated by the bank's system; review of reports of Statutory Branch Auditors, and review of minutes of meeting of Committees to identify indicators of stress or default events in loan account or product.

We have evaluated details for a sample of exposures for identification of NPA and calculation of Loan Loss provisions including review of valuation of primary and collateral securities as at March 31, 2026 involving estimation.

We have evaluated the Bank's internal control systems' completeness, accuracy, and relevance of data to ensure that the same is in compliance with the RBI guidelines, circulars and directions issued from time to time.

We tested on a samples basis to ensure completeness of documentation, adherence of the approval process to the Bank's Policy, credit review of customers, review of Special Mention Accounts (SMA) reports in RBI's Central Repository of Information on Large Credits (CRILC) and other related documents including

Independent Auditors' Report

evaluation of the past trends of management judgement, governance, and review of internal control. We held discussion with the management of the Bank on various aspects wherein there has been stress and the steps taken by the Bank to mitigate such risks relating to advances.

We have also assessed disclosure requirements for classification and provisioning of NPAs in accordance with RBI circulars including those specifically issued for Covid-19 related matters.

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.

Considering the pervasive and intricate nature of the IT systems and its control environment, they may impact the financial recording and reporting of transactions and therefore is a key audit matter as our audit approach could significantly differ depending on the effective operation of the Bank's IT controls.

Auditors' Response

We tested the technology control environment for key IT applications (systems) used in processing significant transactions and recording balances in the books and records. We also tested automated controls embedded within these systems which link the technology-enabled business processes. Our further audit procedures included:

- Assessing the governance and higher-level controls across the IT Environment, including those regarding policy design change, review and awareness, and IT Risk Management practices;
- Testing of design and operating effectiveness of controls across the User Access Management Lifecycle, Change Management as well as effectiveness testing of automated business process controls including segregation of duties;
- Testing of design and operating effectiveness 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;

We conducted review of 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 by us in our audit to select samples and analyse data used by management to generate financial reporting.

We obtained an understanding of the Bank's overall financial reporting framework. We tested entries recorded in the books and records, particularly those posted during the financial closing process.

We assessed the overall presentation of the financial statements, including disclosures, to evaluate whether they were consistent with our understanding of the Bank's operations and underlying transactions.



Independent Auditors' Report

C. Claims against the bank not acknowledged as debt including provision for taxes and other matters

Key Audit Matter

Claims against the bank, including provisions for taxes and other related matters, represent a significant area of judgment and estimation by management. These claims are not acknowledged as debt, yet they require detailed evaluation to assess the adequacy of provisions and the disclosure of contingent liabilities in the financial statements. These matters have been identified as a key audit matter due to its inherent uncertainty and its potential impact on the bank's financial position and performance as these items are subject to complex regulatory and legal frameworks and often depend on interpretations of statutes, ongoing litigations, and expert opinions. The evaluation of these claims requires detailed analysis to determine the adequacy of provisions and proper disclosure of contingent liabilities in the financial statements.

Auditors' Response

Our audit procedures to test uncertain tax litigations included understanding processes, evaluation of design and implementation of controls and testing of operating effectiveness of the bank's controls over provisioning on various aspects.

Our audit focused on assessing management's processes and judgments in estimating the provisions and disclosures. We examined relevant documentation, including legal opinions, correspondence with regulatory authorities and other supporting evidence. Our procedures included understanding the key assumptions applied by management, evaluating their consistency with the underlying facts, and assessing the likelihood of future obligations arising from these claims. We considered the adequacy of disclosures made in the financial statements ensuring compliance with relevant accounting standards.

We have obtained details of completed tax assessments and demands from the management of the bank for reviewing the estimation of tax related claims, provisioning and the possible outcome of the disputed cases.

We considered legal precedence and other rulings in evaluating management's position on these provisions made and/or reversed.

For those matters where management concluded that no provision should be recorded, we also considered the adequacy and completeness of the banks disclosures made in relation to contingent liabilities.

Information Other than the Financial Statements and Auditors' Report thereon

6. 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 audit report thereon. The other information is expected to be made available to us after the date of this auditor's report.
7. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance / conclusion thereon.
8. 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.
9. 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.

We have nothing to report in this regard.

Independent Auditors' Report

Responsibilities of Management and Those Charged with Governance for the Financial Statements

10. The Bank's Board of Directors is responsible for the matters stated in Section 134(5) of the Act, with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Bank in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act read with Companies (Accounting Standards) Rules, 2021 in so far as they apply to the Bank and provisions of Section 29 of the Banking Regulation Act, 1949 and circulars and guidelines issued by the RBI from time to time. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Bank and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
11. 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.
12. 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

13. 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.
14. 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



Independent Auditors' Report

conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the bank to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
 - Obtain sufficient appropriate audit evidence regarding the financial information of the Bank to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit of the financial information of the Bank and such branches included in the financial statements, of which we are the independent auditors. For the other branches included in the financial statements, which have been audited by Statutory Branch Auditors, such branch auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.
15. Materiality is 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.
 16. 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.
 17. 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.
 18. 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, 2026 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Emphasis of Matter

19. We draw attention to Note No. 14(k) of Schedule 18 – Pending disposal of the appeal before the Appellate Tribunal, the Bank has fully provided and pre-deposited the penalty of ₹1699 Lakhs on December 16, 2022, relating to alleged irregularity under FEMA in respect of transfer of shares, during the years 2007, 2011 & 2012 levied by Directorate of Enforcement. The Bank has also fully provided the penalty of ₹ 225 Lakhs levied by Directorate of Enforcement for alleged FEMA Violation against 11 persons who were Directors / Company Secretary of the Bank at the time of transfer of above shares and pre-deposited 20% thereof amounting to ₹45 Lakhs. Further, the bank has also provided a sum of ₹2 Lakhs on the basis of legal opinion towards leviable penalty in respect of show-cause notice from Directorate of Enforcement, for the issue of Bonus Shares to the above-said transferees.

Our opinion is not modified in respect of the above matter.

Independent Auditors' Report

Other Matters

20. The Statement incorporates the relevant Financial Statements / information of 598 branches audited by Statutory Branch Auditors of respective branch appointed by the Bank for this purpose whose Financial Statement / information reflect total assets of Rs. 48,631 Crores as at March 31, 2026 and the total revenue of Rs. 4,424 Crores for the year ended on that date, as considered in the Financial Statements. These branches cover 84.87% of Advances, 77.54% of Deposits and 42.16% of Non-Performing assets as at March 31, 2026, and 66.07% of revenue for the year ended March 31, 2026. The Financial Statements / information of these branches have been audited by the Statutory Branch Auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of branches, is solely based on the report of such branch auditors.
21. 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.

Report on Other Legal and Regulatory Requirements

22. 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.
23. As required by sub-section (3) of section 30 of the Banking Regulation Act, 1949 and communication received by the Bank from Reserve Bank of India, and on the consideration of the reports of the Statutory Branch Auditors as referred in paragraph 20 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.
 - d) The Profit and Loss account shows a true balance of profit for the year then ended.

With respect to the matter to be included in the auditor's report under section 197(16) of the Act, we report that since the Bank is a banking company, as defined under the Banking Regulation Act, 1949; the reporting under section 197(16) in relation to whether the remuneration paid by the Bank is in accordance with the provisions of section 197 of the Act and whether any excess remuneration has been paid in accordance with the aforesaid section is not applicable.

24. Being a Banking Company, the Companies (Auditor's Report) Order, 2020 issued by the Central Government of India in terms of the powers conferred by subsection (11) of Section 143 of the Act, is not applicable.
25. 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 20 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.



Independent Auditors' Report

- (c) The reports on the accounts of the branch offices 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 and with the audited returns from the branches.
- (e) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Companies (Accounting Standards) Rules, 2021 to the extent they are not consistent with the policies prescribed by the RBI.
- (f) On the basis of the written representation received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2026 from being appointed as a director in terms of section 164(2) of the Act.
- (g) With respect to the adequacy of Internal Financial Controls with reference to the financial statements of the Bank and the operating effectiveness of such controls, our separate report in Annexure A is attached.
- (h) The entity being a banking company as defined under Banking Regulation Act, 1949, the remuneration to its directors during the year ended March 31, 2026 has been paid / provided by the Bank in accordance with the provisions of Section 35B(1) of the Banking Regulation Act, 1949.
- (i) With respect to the other matters to be included in the Auditors Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our knowledge and belief and according to the information and explanation given to us:
 - i. The Bank has disclosed the impact of pending litigations on its financial position in Schedule 12, Note 14(k) of Schedule 18 of the financial statements;
 - ii. The Bank has made provision as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts as detailed in Schedule 12 and Note 7 of Schedule 18 to the financial statements and;
 - iii. There has been delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Bank and the details are disclosed in its financial statements - Refer Note No. 14(l) of Schedule 18 to the financial statements.
 - 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

Independent Auditors' Report

- c) 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) contain any material misstatement.
- v. As stated in Note 1(b) of Schedule 18 and as disclosed in Profit and Loss Account under 'Appropriations' to the Financial Statements:
- (a) The final dividend proposed in the previous year, declared, and paid by the Bank during the year is in accordance with Section 123 of the Act, as applicable.
- (b) The Bank did not pay any interim dividend during the year.
- (c) The Board of Directors of the Bank have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable, until the date of this report.
- vi. Reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is applicable from 01 April 2023.

Based on our examination which included test checks the Company has used multiple accounting software for maintaining its books of account, which has a feature of recording audit trail (edit log) and the same has operated throughout the year for all relevant transactions recorded in the respective software.

Further, for the periods where audit trail (edit log) facility 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. Additionally, the audit trail has been preserved by the company as per the statutory requirements for record retention.

For **Sundaram & Srinivasan,**
Chartered Accountants
FRN: 004207S
T S Dinesh Kumar
Partner
M. No.: 229153
UDIN:26229153FVWBDJ5333

Place: Thoothukudi
Date: April 27, 2026

For **Chandran & Raman,**
Chartered Accountants
FRN: 000571S
S Pattabiraman
Partner
M. No.: 014309
UDIN: 26014309HUAAMC8698

Place: Thoothukudi
Date: April 27, 2026



Annexure “A” to the Independent Auditor’s Report

(Referred to in paragraph 27(g) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

Report on the Internal Financial Controls with reference to Financial Statements

We have audited the internal financial controls with reference to financial statements of M/s. Tamilnad Mercantile Bank Limited (“the Bank”) as of March 31, 2026, in conjunction with our audit of the financial statements of the Bank for the year ended on that date which includes internal financial controls with reference to financial statements of the Bank’s branches.

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 Reserve Bank of India (“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

Annexure “A” to the Independent Auditor’s Report

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 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, 2026, based on the criteria for internal control with reference to financial statements established by the Bank considering the essential components of internal control stated in the “Guidance Note on Audit of Internal Financial Controls Over Financial Reporting” issued by the ICAI.

Other Matters

Our aforesaid report insofar as it relates to the operating effectiveness of internal financial controls with reference to financial statements of 598 branches is based on the corresponding reports of the respective statutory branch auditors of those branches. Our opinion is not modified in respect of this matter.

For **Sundaram & Srinivasan,**

Chartered Accountants

FRN: 004207S

T S Dinesh Kumar

Partner

M. No.: 229153

UDIN:26229153FVWBDJ5333

For **Chandran & Raman,**

Chartered Accountants

FRN: 000571S

S Pattabiraman

Partner

M. No.: 014309

UDIN: 26014309HUAAMC8698

Place : Thoothukudi

Date : April 27, 2026

Place : Thoothukudi

Date : April 27, 2026



Balance Sheet

as on 31.03.2026

(₹ in thousands)

	Schedule	Audited As on 31.03.2026	Audited As on 31.03.2025
CAPITAL AND LIABILITIES:			
Capital	1	1583515	1583515
Reserves and Surplus	2	99518095	88503411
Deposits	3	617123517	536889593
Borrowings	4	7000000	5000000
Other Liabilities and Provisions	5	27770848	32522185
Total		752995975	664498704
ASSETS :			
Cash and balances with Reserve Bank of India	6	25206128	26503743
Balance with Banks and Money at Call and Short Notice	7	16943265	17578726
Investments	8	156926800	151007978
Advances	9	531226648	439836691
Fixed Assets	10	3105553	2844838
Other Assets	11	19587581	26726728
Total		752995975	664498704
Contingent Liabilities	12	96444462	67036465
Bills for Collection		9873058	8616506
Significant Accounting Policies	17		
Notes form part of Accounts	18		

The Schedules referred to above form an integral part of the Balance Sheet.

Sd/-
Salee S Nair
Managing Director & CEO
DIN: 09231101

Sd/-
K.Ramachandran
Part Time Chairman
DIN: 08589628

Sd/-
M.D.Vincent
Executive Director
DIN: 09850306

Sd/-
A.Niranjana Sankar
Director
DIN: 00084014

Sd/-
K.V.Rama Moorthy
Director
DIN: 07034994

Sd/-
S.R.Aravindkumar
Director
DIN: 02145836

Sd/-
R.Kodeeswaran
Director
DIN: 00466141

Sd/-
C.Chiranjeeviraj
Director
DIN: 08730382

Sd/-
S.Sridharan
Director
DIN: 07205781

Sd/-
R.Deepak Shankar
Director
DIN: 05223027

Sd/-
R.Kanagavalli
Director
DIN: 00883998

Sd/-
A.Shidambaranathan
Director
DIN: 02904738

Sd/-
Sanjoy Kumar Goel
Chief Financial Officer

Sd/-
Swapnil Velgaonkar
Company Secretary

Vide our report of even date attached
For Sundaram & Srinivasan
Chartered Accountants
FRN No. 004207S
Sd/-
T S Dinesh Kumar
Partner (M.No.229153)

Vide our report of even date attached
For Chandran & Raman
Chartered Accountants
FRN No. 000571S
Sd/-
S Pattabiraman
Partner (M.No.014309)

Profit & Loss Account

for the year ended 31.03.2026

(₹ in thousands)

	Schedule	Audited Year ended 31.03.2026	Audited Year ended 31.03.2025
I. INCOME			
Interest earned	13	58194145	52912670
Other income	14	8770756	8504861
Total		66964901	61417531
II. EXPENDITURE			
Interest expended	15	32921454	29903401
Operating expenses	16	15491116	14056733
Provisions and contingencies		5176855	5631325
Total		53589425	49591459
III. PROFIT / LOSS			
Net profit/loss (-) for the year		13375476	11826072
Profit/Loss (-) brought forward		2602905	2191447
Total		15978381	14017519
IV. APPROPRIATIONS			
Transfer to Statutory Reserve		4012700	3550000
Transfer to Other Reserves		6000000	5750000
Transfer to Capital Reserve		198235	31100
Transfer to Investment Reserve		0	0
Transfer to Investment Fluctuation Reserve		94000	0
Transfer to Special Reserve 36(1)(viii)		380000	500000
Dividend			
Final Dividend FY 2024-25		1741866	1583514
Interim Dividend		0	0
Balance carried over to Balance Sheet		3551580	2602905
Total		15978381	14017519
Earning per share (Basic and Diluted) (Rs)		84.47	74.68
Significant Accounting Policies	17		
Notes form part of Accounts	18		

The Schedules referred to above form an integral part of the Profit & Loss Account.

Sd/-
Salee S Nair
Managing Director & CEO
DIN: 09231101

Sd/-
K.Ramachandran
Part Time Chairman
DIN: 08589628

Sd/-
M.D.Vincent
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Sd/-
Sanjoy Kumar Goel
Chief Financial Officer

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Vide our report of even date attached
For Sundaram & Srinivasan
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FRN No. 004207S
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T S Dinesh Kumar
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Vide our report of even date attached
For Chandran & Raman
Chartered Accountants
FRN No. 000571S
Sd/-
S Pattabiraman
Partner (M.No.014309)

Thoothukudi
27.04.2026



Schedules

to Balance Sheet as on 31.03.2026

(₹ in thousands)

SCHEDULE I – CAPITAL

	Audited As on 31.03.2026	Audited As on 31.03.2025
Authorised Equity Capital 28,00,00,000 Equity Shares of Rs.10/- each	2800000	2800000
Issued, Subscribed, Called-up and Paid-up Capital 15,83,51,454 Equity Shares of Rs.10/- each	1583515	1583515
Less: Calls unpaid	0	0
Add: Forfeited shares	0	0
Total	1583515	1583515

SCHEDULE 2 – RESERVES AND SURPLUS

	Audited As on 31.03.2026	Audited As on 31.03.2025
I. Statutory Reserves		
Opening Balance	27767786	24217786
Additions during the year	4012700	3550000
Deductions during the year	0	0
Total	31780486	27767786
II. Capital Reserves		
Opening Balance	1020335	989235
Additions during the year	198235	31100
Deductions during the year	0	0
Total	1218570	1020335
III. Share Premium		
Opening Balance	7692274	7692274
Additions during the year	0	0
Deductions during the year	0	0
Total	7692274	7692274
IV. Revenue and Other Reserves		
Opening Balance	49420111	42537766
Additions during the year	6740000	7135700
Deductions during the year	885793	253355
Total	55274318	49420111

Schedules

to Balance Sheet as on 31.03.2026

(₹ in thousands)

	Audited As on 31.03.2026	Audited As on 31.03.2025
V Employee Stock Option		
Opening Balance	0	0
Add: Addition during the year	867	0
Less: Lapsed ESOP transferred to General Reserve	0	0
Less: Shares allotted during the year transferred to Share Premium	0	0
Total	867	0
VI Balance in Profit and Loss Account	3551580	2602905
Total (I, II, III, IV, V and VI)	99518095	88503411

SCHEDULE 3 - DEPOSITS

	Audited As on 31.03.2026	Audited As on 31.03.2025
A. I. Demand Deposits		
(i) From Banks	2230	1226
(ii) From Others	50832089	40472005
II. Savings Bank Deposits	122810373	101456507
III. Term Deposits		
(i) From Banks	5006774	0
(ii) From Others	438472051	394959855
Total (I, II and III)	617123517	536889593
B. (i) Deposits of Branches in India	617123517	536889593
(ii) Deposits of Branches outside India	0	0
Total	617123517	536889593

SCHEDULE 4 - BORROWING

	Audited As on 31.03.2026	Audited As on 31.03.2025
I. Borrowings in India	7000000	5000000
(a) Reserve Bank of India	0	0
(b) Other Banks	0	0
(c) Other Institutions and Agencies	7000000	5000000
II. Borrowings outside India	0	0
Total (I and II)	7000000	5000000
Secured borrowings included in I and II above	7000000	5000000



Schedules

to Balance Sheet as on 31.03.2026

(₹ in thousands)

SCHEDULE 5-OTHER LIABILITIES AND PROVISIONS

	Audited As on 31.03.2026	Audited As on 31.03.2025
I. Bills Payable	2396989	2332108
II. Inter Office Adjustments (Net)	0	0
III. Interest Accrued	1123240	1044678
IV. Others (Including Provisions)*	24250619	29145399
Total	27770848	32522185

* As on 31.03.2026 includes credit balance in NOSTRO mirror accounts of Rs.111137 Thousands.

SCHEDULE 6 - CASH AND BALANCES WITH RESERVE BANK OF INDIA

	Audited As on 31.03.2026	Audited As on 31.03.2025
I. Cash in hand (including foreign currency notes)	6747164	4503264
II Balances with Reserve Bank of India		
(a) in Current Account	18458964	22000479
(b) in Other Accounts	0	0
Total (I and II)	25206128	26503743

SCHEDULE 7 - BALANCES WITH BANKS & MONEY AT CALL AND SHORT NOTICE

	Audited As on 31.03.2026	Audited As on 31.03.2025
I. In India		
i) Balances with banks		
(a) in Current Accounts	48235	27675
(b) in Other Deposit Accounts	0	0
ii) Money at call and short notice		
(a) with banks	9980000	9030000
(b) with other institutions	1000000	1998125
Total (i and ii)	11028235	11055800
II. Outside India		
(i) in Current Accounts	19030	72926
(ii) in Other Deposit Accounts	5896000	6450000
(iii) Money at call and short notice	0	0
Total (i, ii and iii)	5915030	6522926
Grand Total (I and II)	16943265	17578726

Schedules

to Balance Sheet as on 31.03.2026

(₹ in thousands)

SCHEDULE 8 - INVESTMENTS

	Audited As on 31.03.2026	Audited As on 31.03.2025
I. Investments in India in		
(i) Government Securities	126522497	118657661
(ii) Other approved securities	0	0
(iii) Shares	325066	284279
(iv) Debentures and Bonds	14234315	15852140
(v) Subsidiaries and/or joint ventures	0	0
(vi) Others - Mutual Fund, Commercial Paper	15838798	16209456
Total (i)	156920676	151003536
II. Investments outside India in		
(i) Government Securities (including local authorities)	0	0
(ii) Subsidiaries and/or joint ventures abroad	0	0
(iii) Others - Mutual Fund, Commercial Paper	6124	4442
Total (ii)	6124	4442
Grand Total (I and II)	156926800	151007978

SCHEDULE 9 - ADVANCES

	Audited As on 31.03.2026	Audited As on 31.03.2025
A. (i) Bills purchased and discounted	1925467	1775883
(ii) Cash credits, overdrafts and loans repayable on demand	394511193	321532110
(iii) Term Loans	134789988	116528698
Total	531226648	439836691
B. (i) Secured by tangible assets *	515424053	423890692
* includes advances against Book Debt ₹ in thousands: 3657127 (previous year: 3160373)		
(ii) Covered by Bank / Government Guarantee	15263728	14561661
(iii) Unsecured	538867	1384338
Total	531226648	439836691
C.I Advances in India		
(i) Priority Sector	374779748	341416872
(ii) Public Sector	2774001	1741849
(iii) Banks	0	0
(iv) Others	153672899	96677970
Total	531226648	439836691



Schedules

to Balance Sheet as on 31.03.2026

(& in thousands)

	Audited As on 31.03.2026	Audited As on 31.03.2025
C.II Advances outside India		
(i) Due from Banks	0	0
(ii) Due from Others	0	0
(a) Bills purchased and discounted	0	0
(b) Syndicated loans	0	0
(c) Others	0	0
Total	0	0
Grand Total (C.I and II)	531226648	439836691

SCHEDULE 10 – FIXED ASSETS

	Audited As on 31.03.2026	Audited As on 31.03.2025
I. Premises		
At cost as on 31st March of the preceding year	928779	908996
Additions during the year	142107	40384
Deductions during the year	0	20601
Depreciation to date	285922	274195
Total (i)	784964	654584
II. Other Fixed Assets (including furniture and fixtures)		
At cost as on 31st March of the preceding year	8434632	7457044
Additions during the year	1141338	1012294
Deductions during the year	97022	34706
Depreciation to date	7158359	6244378
Total (ii)	2320589	2190254
Total (I and II)	3105553	2844838

Schedules

to Balance Sheet as on 31.03.2026

(₹ in thousands)

SCHEDULE 11 – OTHER ASSETS

	Audited As on 31.03.2026	Audited As on 31.03.2025
I. Inter-Office adjustments (net)	0	0
II. Interest accrued	4282367	4157640
III. Tax paid in advance / tax deducted at source	11079456	17854378
IV. Stationery and stamps	14863	14691
V. Non-Banking Assets acquired in satisfaction of claims	0	0
VI. Others Assets	4210895	4700019
Total	19587581	26726728

SCHEDULE 12 – CONTINGENT LIABILITIES

	Audited As on 31.03.2026	Audited As on 31.03.2025
I. Claims against the Bank not acknowledged as debts	6314628	6049850
II. Liability for partly paid investments	0	0
III. Liability on account of outstanding forward exchange contracts	74287947	46890669
IV. Guarantee given on behalf of constituents		
(a) In India	10216155	9702318
(b) Outside India	0	0
V. Acceptances, endorsements and other obligations	3713167	2784918
VI. Other items for which the bank is contingently liable	1912565	1608710
Total	96444462	67036465



Schedules

to Profit and Loss Account for the year ended 31.03.2026

(₹ in thousands)

SCHEDULE 13 - INTEREST EARNED

	Audited Year Ended 31.03.2026	Audited Year Ended 31.03.2025
I. Interest / discount on advances / bills	47147075	42461780
II. Income on investments	10491741	10174209
III. Interest on balances with Reserve Bank of India and other inter-bank funds	546267	259343
IV. Others	9062	17338
Total	58194145	52912670

SCHEDULE 14 - OTHER INCOME

	Audited Year Ended 31.03.2026	Audited Year Ended 31.03.2025
I. Commission, exchange and brokerage	2051311	2025951
II. Profit on sale of investments	580095	270224
Less: Loss on sale of investments	(3685)	(4821)
III. Profit on revaluation of investments	0	0
Less: Loss on revaluation of investments	36452	59491
IV. Profit on sale of land, building and other assets	4269	6825
Less: Loss on sale of land, building and other assets	(215)	(1551)
V. Profit on exchange transactions	186773	193756
Less: Loss on exchange transactions	(814)	(548)
VI. Income earned by way of dividends, etc. from subsidiaries/ companies and/or joint ventures abroad/in India	0	0
VII. Miscellaneous income	5916570	5955534
Total	8770756	8504861

Schedules

to Profit and Loss Account for the year ended 31.03.2026

(₹ in thousands)

SCHEDULE 15 – INTEREST EXPENDED

	Audited Year Ended 31.03.2026	Audited Year Ended 31.03.2025
I. Interest on deposits	32428078	28972339
II. Interest on Reserve Bank of India / Inter-Bank borrowings	31863	256015
III. Others	461513	675047
Total	32921454	29903401

SCHEDULE 16 – OPERATING EXPENSES

	Audited Year Ended 31.03.2026	Audited Year Ended 31.03.2025
I. Payment to and provisions for employees	7944932	7263381
II. Rent, taxes and lighting	1361895	1166012
III. Printing and stationery	151873	139309
IV. Advertisement and publicity	181678	165495
V. Depreciation on Bank's Property	925811	862331
VI. Director's fees, allowances and expenses	20040	21763
VII. Auditors' fees and expenses (including branch auditors)	21861	21886
VIII. Law charges	15046	11497
IX. Postages, Telegrams, Telephones, etc.	255276	234522
X. Repairs and maintenance	133960	166676
XI. Insurance	634745	593102
XII. Other expenditure	3843999	3410759
Total	15491116	14056733



Schedules

forming part of the Accounts for the year ended 31.03.2026

SCHEDULE-17: SIGNIFICANT ACCOUNTING POLICIES

1. GENERAL

Overview

Tamilnad Mercantile Bank Limited (TMB or the Bank), incorporated in Thoothukudi, India is a publicly held Banking Company governed by the Banking Regulation Act, 1949 and is engaged in providing a wide range of banking & financial services involving retail, corporate banking and para-banking activities in addition to treasury and foreign exchange business.

Basis of preparation

The financial statements have been prepared in accordance with requirements prescribed under the Third Schedule of the Banking Regulation Act, 1949. The accounting and reporting policies used in the preparation of these financial statements conform to Generally Accepted Accounting Principles in India (Indian GAAP), the guidelines issued by Reserve Bank of India (RBI) from time to time and the Accounting Standards notified under Section 133 of the Companies Act, 2013 read together with paragraph 7 of the Companies (Accounts) Rules, 2014 to the extent applicable and practices generally prevalent in the banking industry in India. The Bank follows the historical cost convention and the accrual method of accounting, except where specifically stated and it conforms to the guidelines issued by RBI for banks.

Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that are considered in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses during the reporting period. Management believes that the estimates & assumptions used in the preparation of the financial statements are prudent and reasonable. Actual results could differ from these estimates. The impact of any revision in these estimates is recognised prospectively from the period of change.

2. REVENUE RECOGNITION

Income and expenditure is generally accounted on accrual basis except in the following cases:

- a) In the case of NPAs, income is recognized on realization basis, in terms of guidelines of Reserve Bank of India. Where recovery is not adequate to upgrade the NPA accounts by way of regularization, such recovery is being appropriated towards interest in the first instance and towards the principal / book values thereafter, except in the case of suit filed accounts where such recovery is adjusted against the book balance. In case of Non-performing investments (NPIs), the same accounting treatment as above is followed except otherwise agreed.
- b) Dividend Income is recognised when right to receive the dividend is established.
- c) Income from sale of mutual fund products, locker rent, insurance claims, commission on LCs, income on auxiliary services and other services, overdue charges on bills and commission on Government business are accounted on cash / realization basis.
- d) Income related to credit card is accounted on the basis of the bills raised.
- e) In the case of suit filed accounts, legal expenses are charged to the profit and loss account. Similarly, at the time of recovery of legal expenses, in respect of such suit filed accounts, the amount recovered is accounted as income.
- f) Funded Interest on Standard Restructured Advances and Interest on FITL (Funded Interest Term Loan) are accounted as per the guidelines of Reserve Bank of India.

Schedules

forming part of the Accounts for the year ended 31.03.2026

3. INVESTMENTS

Investments are accounted for in accordance with the extant RBI guidelines on the Classification, Valuation and Operation of Investment Portfolio.

Classification:

Classification of investments has been made as per the guidelines of Reserve Bank of India.

The entire investment portfolio of the Bank is classified under three categories viz.

- i. "Held to Maturity"(HTM),
- ii. "Available for sale"(AFS) and
- iii. "Fair value through Profit & Loss (FVTPL). Held for trading (HFT) is a separate investment sub category within FVTPL.

Basis of Classification:

Classification of Investment is decided at the time of acquisition.

Held to Maturity (HTM):

Securities that fulfil the following conditions are classified under HTM:

- (i) The security is acquired with the intention and objective of holding it to maturity 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)
- (iii) Investments in the securitization notes, other than the equity tranche is classified under HTM if the underlying pool of financial instruments meet the SPPI criteria.

Available for Sale (AFS):

Securities that meet the following conditions shall be classified under AFS:

- (i) The security is acquired with an objective that is achieved by both collecting contractual cash flows and selling securities.
- (ii) the contractual terms of the security meet the 'SPPI criterion, provided that on initial recognition, the bank makes an irrevocable election to classify an equity instrument under AFS.
- (iii) AFS securities 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.

Fair Value through Profit and Loss (FVTPL):

- (i) Securities that do not qualify for inclusion in HTM or AFS shall be classified under FVTPL.
- (ii) Held for Trading (HFT), is a sub-category of Fair Value through Profit and Loss (FVTPL)

SUBSEQUENT MEASUREMENT OF INVESTMENTS

i) HTM

- (a) Securities held in HTM is carried at cost and is not marked to market (MTM) after initial recognition.
- (b) Any discount or premium on the securities under HTM is amortized over the remaining life of the instrument. The amortized amount is reflected in the financial statements under item II 'Income on Investments' of Schedule 13: 'Interest Earned' with a contra in Schedule 8: 'Investments'.



Schedules

forming part of the Accounts for the year ended 31.03.2026

ii) AFS

- (a) The securities held in AFS shall be fair valued at least on a quarterly basis. Any discount or premium on the acquisition of debt securities under AFS is amortized over the remaining life of the instrument. The amortized amount is reflected in the financial statements under item II 'Income on Investments' of Schedule 13: 'Interest Earned' with a contra in Schedule 8: 'Investments'.
- (b) The valuation gains and losses across all performing investments, irrespective of classification (i.e., Government securities, Other approved securities, Bonds and Debentures, etc.), held under AFS is aggregated. The net appreciation or depreciation is directly credited or debited to AFS Reserve without routing through the Profit & Loss Account.
- (c) 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 item II Profit on sale of investments under Schedule 14-Other Income.

iii) FVTPL

- (a) The securities held in FVTPL shall be fair valued and the net gain or loss arising on securities held in FVTPL on valuation is directly credited or debited to the Profit and Loss Account.
- (b) Any discount or premium on debt securities under FVTPL is amortised over the remaining life of the instrument. The amortised amount is reported the financial statements under item II 'Income on Investments' of Schedule 13: 'Interest Earned' with a contra in Schedule 8: 'Investments'.

RECLASSIFICATIONS BETWEEN CATEGORIES

Reclassification of investments between categories (viz. HTM, AFS and FVTPL) is done only with prior approval of the Board of Directors and the Department of Supervision (DoS), RBI. The reclassification is applied prospectively from reclassification date and the accounting treatment is carried out as per RBI guidelines.

The investments are classified for the purpose of Balance Sheet under six groups viz. (i) Government securities, (ii) Other approved securities, (iii) Shares, (iv) Debentures and Bonds and (v) Subsidiaries and/ or Joint Ventures and (vi) Others.

a) INITIAL RECOGNITION OF INVESTMENTS

- i) All investments are measured at fair value on initial recognition, unless facts and circumstances suggest that the fair value is materially different from the acquisition cost.
- ii) In respect of Government securities acquired through auction (including devolvement), switch operations and open market operations (OMO) conducted by the RBI, the price, at which the security is allotted is considered as fair value.
- iii) any Day 1 gain/ loss for securities where inputs used for valuation are those inputs which are quoted prices, is 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.
- iv) Any Day 1 loss (difference between acquisition cost and the fair value at initial recognition where the acquisition cost exceeds such fair value) arising from Investment where inputs used for valuation of investments are unobservable inputs, is recognized immediately. However, any Day 1 gains (the difference between the fair value at initial recognition and acquisition cost where such fair value exceeds the acquisition cost) on such investments is deferred. In the case of debt instruments, the Day 1 gain is 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 is set aside as a liability until the security is listed or derecognized.

Schedules

forming part of the Accounts for the year ended 31.03.2026

Valuation:

Investments are valued periodically as per RBI guidelines as follows:

a) Quoted Securities:

The quoted securities are valued at the prices declared by the Financial Benchmarks India Private Ltd. (FBIL). Securities for which prices are not published by FBIL are valued at quoted price as available from the trades/ quotes on recognized stock exchanges, reporting platforms or trading platforms authorized by RBI/SEBI or prices declared by the Fixed Income Money Market and Derivatives Association of India (FIMMDA).

b) Unquoted SLR Securities:

- (i) Treasury Bills is valued at carrying cost.
- (ii) Unquoted Central / State Government securities is valued on the basis of the prices/ YTM rates published by the FBIL.
- (iii) Other approved securities is valued applying the YTM method by marking them up by 25 basis points above the yields of the Central Government Securities of equivalent maturity put out by FBIL.

c) Unquoted Non-SLR securities:

i) Debentures/Bonds:

Unquoted debentures and bonds are valued by applying the appropriate mark-up over the YTM rates for Central Government Securities as put out by FBIL/FIMMDA.

ii) Zero Coupon Bonds:

Zero Coupon Bonds are valued at market price and in the absence of market value, the ZCBs is marked to market with reference to the present value of the ZCB.

iii) Equity Shares:

Equity shares for which current quotations are not available i.e., which are classified as illiquid or which are not listed on a recognised exchange, are valued at the break-up value (without considering 'revaluation reserves', if any) which is to be ascertained from the company's latest audited balance sheet. The date as on which the latest balance sheet is drawn up shall not precede the date of valuation by more than 18 months. In case the latest audited balance sheet is not available or is more than 18 months old, the shares are valued at ₹1 per company.

iv) Mutual Funds Units (MF Units):

(a) Investment in un-quoted MF units is valued on the basis of the latest repurchase price declared by the MF in respect of each scheme.

(b) In case of funds with a lock-in period or any other fund, where repurchase price/ market quote is not available, units are valued at Net Asset Value (NAV) of the scheme. If NAV is not available, these shall be valued at cost, till the end of the lock-in period.

v) Commercial Paper:

Commercial paper is valued at the carrying cost.

vi) Conversion of principal and unpaid interest into debt, preference or equity shares. In cases of conversion of principal and unpaid interest into debt, preference or equity instruments bank follows RBI guidelines issued from time to time.

- i. Provisions for Non performing investments are made as per RBI prudential norms.



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forming part of the Accounts for the year ended 31.03.2026

Repurchase (REPO) transactions:

Repo and reverse Repo transactions are accounted in accordance with the extant RBI guidelines. Securities purchased / sold under Liquidity Adjustment Facility (LAF) and Marginal Standby Facility (MSF) with RBI are debited / credited to Investment account and reversed on maturity of the transaction. Interest expended / earned thereon is accounted for as expenditure / revenue.

4. ADVANCES & PROVISIONS

Classification:

- Advances are classified into Standard, Sub-standard, Doubtful and Loss Assets and provisions for possible losses on such advances are made as per prudential norms / directions of the Board of Directors/directions issued by Reserve Bank of India from time to time.
- Advances stated in the balance sheet are net of provisions, claims received from credit guarantee institutions and recoveries pending appropriation and held in sundry/suspense account. Interest on non-performing advances is transferred to an unrealized interest account and not recognized in the Profit and Loss Account until received.
- In case of loan accounts classified as NPA, such accounts may be reclassified as Standard Asset if it conforms to the guidelines prescribed by RBI.

Provisioning, Write Off & Recovery:

- With regard to the Standard Advances, Provisions are made as per extant RBI guidelines. In addition to the specific provision made towards identified NPAs, the bank also holds floating provision. Provisioning on categorized assets are made as follows:

Asset Classification	Provisioning
Sub-standard	Secured 25%
	Unsecured 25%
Doubtful 1	Secured 25%
	Unsecured 100%
Doubtful 2	Secured 40%
	Unsecured 100%
Doubtful 3	100% on outstanding
Loss	100% on outstanding
NCLT referred loans	As per RBI instruction

- Education loans are provided at 100% irrespective of NPA asset classification.
- Amounts guaranteed by National Credit Guarantee Trustee Company Ltd (NCGTC) are excluded from the scope of provisioning.
- Reserve Bank of India has given methodology to arrive at incremental provision towards Unhedged Foreign Currency Exposure (UFCE). Accordingly, the incremental provisioning for UFCE and capital provisions are made as per RBI extant guidelines.
- In terms of RBI guidelines, the NPAs are written-off in accordance with the Bank's policy. Amounts recovered against bad debts written-off are recognised in the profit and loss account.

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forming part of the Accounts for the year ended 31.03.2026

5. FIXED ASSETS & DEPRECIATION

Fixed Assets:

Fixed assets are stated at cost less accumulated depreciation and impairment, if any. Cost includes incidental expenditure incurred on the assets before they are ready for intended use and Taxes and duties to the extent not eligible for input credits if any.

Computer Software is capitalized along with computer hardware and included under other fixed assets.

Carrying amount of fixed assets is reviewed at each balance sheet date for indication of impairment. Impairment loss if any, is recognised in the Profit and Loss Account to the extent the carrying amount of an asset exceeds its estimated recoverable value.

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.

Depreciation:

Depreciation on fixed assets is provided over the estimated useful life of fixed assets on a straight-line basis, in accordance with estimated useful lives as specified in Schedule II to the Companies Act, 2013, and reckoning the residual value at 5% of the original cost of the asset except for the following:

Class of Asset	Rates of depreciation per annum
Computer Hardware & Software	33.33%

In case of Assets purchased / sold during the year, depreciation is provided on a pro-rata basis for the actual number of days the asset has been capitalized.

Expenditure during construction / capital works pending completion is shown at cost.

6. FOREIGN CURRENCY TRANSACTION

Monetary Assets and Liabilities, Forward Exchange Contracts, Guarantees, Letters of Credit, Acceptances, Endorsements and other obligations are evaluated at the closing spot rates / forward rates as published by the Foreign Exchange Dealers Association of India (FEDAI) and in accordance with Accounting Standard 11.

Income and expenditure items are translated at the exchange rates ruling on the respective dates of the transaction.

Gain or loss on evaluation of outstanding monetary assets / liabilities and Foreign Exchange Contracts are taken to Profit and Loss Account.

7. EMPLOYEE BENEFITS

The bank is following Accounting Standard 15 (Revised 2005) "Employee Benefits" as under:

- In respect of contributory plans viz – Provident Fund and Contributory Pension Scheme, the bank pays fixed contribution at pre-determined rates to a separate entity, which invests in permitted securities. The obligation of the bank is limited to such fixed contribution.
- In respect of Defined Benefit Plans, viz. Gratuity and pension as well as for leave encashment, provisions are made based on actuarial valuation as per the guidelines.
- The summarized position of Post-employment benefits and long term employee benefits are recognized in the profit and loss account and balance sheet, as required in accordance with the Accounting Standard-15.



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forming part of the Accounts for the year ended 31.03.2026

- d) The actuarial gain / loss is recognized in the profit and loss account.
- e) Performance based incentives as per the parameters laid down by the Board, are accounted on accrual basis.
- f) The Bank has formulated Employee Stock Option Plan (TMB ESOP 2024), and the same is in consonance as per the provisions and requirements under the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021. The scheme is administered by Compensation Committee constituted by the board as per regulations. The Schemes provide for grant of options to Employees and whole time Directors of the Bank to acquire Equity Shares of the Bank that vest in a graded manner and that are to be exercised within a specified period and the same is in compliance with RBI guidelines. Accordingly, the Bank follows the fair value method for all share linked instruments grants and recognizing the fair value of options computed using the Black Scholes model, without reducing estimated forfeitures, as compensation expense over the vesting period. Options are granted at an exercise price, which is equal to the fair market price of the underlying equity shares at the date of the grant or at such a discount as may be approved by NRC/Board from time to time. The market price is the latest available closing price, prior to the date of grant, on the stock exchange on which the shares of the Bank are listed.

8. SEGMENT REPORTING

As per RBI guidelines on enhancement of disclosures relating to segment reporting under AS-17, the reportable segments have been divided into treasury, corporate / wholesale, retail and other banking operations.

- (a) The Bank recognizes the Business Segment as the Primary Reporting Segment and Geographical Segment as the Secondary Reporting Segment, in accordance with the RBI guidelines and in compliance with the Accounting Standard 17.
- (b) Business Segment is classified into (i) Treasury (ii) Corporate and Wholesale Banking (iii) Retail Banking and (iv) Other Banking Operations.
- (c) Geographical Segment consists only of the Domestic Segment since the Bank does not have any foreign branches.

9. LEASES

Leases where the lessor effectively retains substantially all risks and benefits of ownership are classified as Operating Leases. Operating Lease payments are recognized as an expense in the profit and loss account on a straight line basis over the lease term in accordance with AS19 Leases

10. EARNINGS PER SHARE

The bank reports basic and diluted earnings per share in accordance with applicable AS-20. For the year under reference, both Basic and diluted earning per share being the same, is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding for the period

11. TAXES ON INCOME

- a) Income tax expense is the aggregate amount of current tax and deferred tax. Current taxes are determined in accordance with the provisions of tax laws prevailing in India/ favourable judicial pronouncements. Deferred tax adjustments comprise changes in the deferred tax assets or liabilities during the period and Deferred Tax is determined in terms of AS-22 issued by ICAI.
- b) Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantially enacted prior to the balance sheet date. Deferred tax assets and liabilities are recognized on a prudent basis for future tax consequences of timing differences by adoption of Profit and Loss

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forming part of the Accounts for the year ended 31.03.2026

approach with their respective tax bases. The impact of changes in the deferred tax assets and liabilities is recognized in the profit and loss account.

- c) Deferred tax assets are recognized at each reporting date, based upon management's judgment as to whether realization is considered reasonably certain. Deferred tax assets are recognized on carry forward of unabsorbed depreciation and tax losses only if there is virtual certainty that such deferred tax assets can be realized against future profits.
- d) No withdrawal is made from the Special Reserve created and maintained under the provisions of Section 36(1)(viii) of the Income Tax Act, 1961.

12. IMPAIRMENT OF ASSETS

Impairment losses, if any, on fixed assets are recognized in accordance with the AS-28 - 'impairment of assets' and charged to profit and loss account.

13. NET PROFIT

The net profit is arrived at after provisions for:

- a) direct taxes;
- b) possible losses on standard assets, restructured advances, NPAs and other contingencies;
- c) depreciation / diminution on investments ;
- d) employee retirement benefits and
- e) Other usual and necessary provisions.

14. PROPOSED DIVIDEND

In terms of 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 only after the approval of the shareholders.

15. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash in hand, Balance with RBI, Balance with other Banks and Money at Call at Short Notice including cash in ATM, Coin Vending Machine and Cash Deposit Machine.

16. CASH FLOW STATEMENT

The Bank has adopted the respective Accounting Standard prescribed under Companies (Accounting Standard) Rules, 2021 and follows indirect method.

17. INTANGIBLE ASSETS

In respect of Intangible Assets, the Bank has adopted the respective Accounting Standard (AS26)

18. CONTINGENCIES

Loss, if any from contingencies arising from claims, litigation, assessment, fines, penalties etc are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated.

The Bank does not recognize a contingent liability but discloses its existence in the financial statements. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.



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forming part of the Accounts for the year ended 31.03.2026

19. ACCOUNTING FOR PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

- a) As per the Accounting Standard 29, the bank recognizes provisions only when it has a present obligation as a result of past event, it is probable that an outflow of resources is required to settle the obligation and when a reliable estimate of the amount can be made. The required disclosure for contingent liability is made on possible obligation that arises from past events, the existence of which depends on occurrence or non-occurrence of future event not under control.
- b) Contingent assets are not recognized in the financial statement since this may result in the recognition of income that may never be realized.

Sd/-

Salee S Nair

Managing Director & CEO
DIN: 09231101

Sd/-

K.Ramachandran

Part Time Chairman
DIN: 08589628

Sd/-

M.D.Vincent

Executive Director
DIN: 09850306

Sd/-

A.Niranjana Sankar

Director
DIN: 00084014

Sd/-

K.V.Rama Moorthy

Director
DIN: 07034994

Sd/-

S.R.Aravindkumar

Director
DIN: 02145836

Sd/-

R.Kodeeswaran

Director
DIN: 00466141

Sd/-

C.Chiranjeeviraj

Director
DIN: 08730382

Sd/-

S.Sridharan

Director
DIN: 07205781

Sd/-

R.Deepak Shankar

Director
DIN: 05223027

Sd/-

R.Kanagavalli

Director
DIN: 00883998

Sd/-

A.Shidambaranathan

Director
DIN: 02904738

Sd/-

Sanjoy Kumar Goel

Chief Financial Officer

Sd/-

Swapnil Yelgaonkar

Company Secretary

Vide our report of even date attached

For Sundaram & Srinivasan

Chartered Accountants

FRN No. 004207S

Sd/-

T S Dinesh Kumar

Partner (M.No.229153)

Vide our report of even date attached

For Chandran & Raman

Chartered Accountants

FRN No. 000571S

Sd/-

S Pattabiraman

Partner (M.No.014309)

Thoothukudi
27.04.2026

Notes Forming Part of Accounts

for the year ended 31.03.2026

SCHEDULE – 18: Disclosure in Financial Statements – ‘Notes to Accounts’

- The Financial Statements have been prepared in conformity with Forms A & B of the Schedule III to the Banking Regulation Act, 1949 read with Section 133 of the Companies Act, 2013 read together with paragraph 7 of the Companies (Accounts) Rules 2014 to the extent applicable and practices generally prevalent in the banking industry in India. During the year, all the 622 branches have been subjected to statutory audit.

- Reconciliation of inter branch / office adjustment accounts has been completed up to 31.03.2026.

1. Regulatory Capital

a) Composition of Regulatory Capital

As per Basel-III :

(Amount in ₹ crore)

Sr. No.	Particulars	2025-26	2024-25
i)	Common Equity Tier 1 capital (CET 1) (net of deductions, if any)	9704.70	8642.16
ii)	Additional Tier 1 capital	0.00	0.00
iii)	Tier 1 capital (i + ii)	9704.70	8642.16
iv)	Tier 2 capital	438.66	405.07
v)	Total capital (Tier 1+Tier 2)	10143.36	9047.23
vi)	Total Risk Weighted Assets (RWAs)	30071.18	27659.70
vii)	CET 1 Ratio (CET 1 as a percentage of RWAs)	32.27%	31.24%
viii)	Tier 1 Ratio (Tier 1 capital as a percentage of RWAs)	32.27%	31.24%
ix)	Tier 2 Ratio (Tier 2 capital as a percentage of RWAs)	1.46%	1.46%
x)	Capital to Risk Weighted Assets Ratio (CRAR) (Total Capital as a percentage of RWAs)	33.73%	32.71%
xi)	Leverage Ratio	12.51%	12.57%
xii)	Percentage of the shareholding of Government of India	0.00	0.00
xiii)	Amount of paid-up equity capital raised during the year	0.00	0.00
xiv)	Amount of non-equity Tier 1 capital raised during the year	0.00	0.00
xv)	Amount of Tier 2 capital raised during the year	0.00	0.00

- b) Draw down from Reserve: During the year there has been no draw down from the reserves to the Profit & Loss account.

c) Basel III disclosures

In accordance with RBI Guidelines 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.tmb.bank.in/pages/basel-disclosures>. These disclosures have not been subjected to audit by the Statutory Central Auditors.

Notes Forming Part of Accounts

for the year ended 31.03.2026

2. Asset liability management

a) Maturity pattern of certain items of assets and liabilities as on 31.03.26*

(Amount in ₹ crore)

	Day1	2-7 days	8-14 days	15-30 days	31 days & upto 2 months	Over 2 months & upto 3 months	Over 3 Months & upto 6 months	Over 6 months & upto 1 year	Over 1year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Deposits	1200.51	1292.13	862.29	1997.37	2790.19	2020.64	5696.71	6784.13	37538.57	379.15	1150.66	61712.35
Advances	1220.12	475.12	403.61	948.23	2768.37	1889.18	9470.95	12603.54	15025.26	2782.60	5535.68	53122.66
Investments	3293.37	298.67	170.03	549.21	1782.60	586.96	1364.11	1159.63	5894.95	197.82	395.33	15692.68
Borrowings	0.00	0.00	0.00	0.00	71.00	100.00	171.00	142.00	216.00	0.00	0.00	700.00
Foreign currency in Rs.												
Assets	24.85	110.93	21.70	134.50	249.09	299.70	140.53	0.45	0.66	5.62	0.00	988.03
Liabilities	60.58	2.20	4.45	6.60	14.32	21.39	62.92	283.19	366.60	3.89	0.00	826.14

*as per structural liquidity statement

Note: 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 statutory central auditors.

Maturity pattern of certain items of assets and liabilities as on 31.03.25*

(Amount in ₹ crore)

	Day1	2-7 days	8-14 days	15-30 days	31 days & upto 2 months	Over 2 months & upto 3 months	Over 3 Months & upto 6 months	Over 6 months & upto 1 year	Over 1year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Deposits	529.30	1027.46	665.05	1111.98	2343.68	2430.96	3076.79	6133.00	34208.07	719.80	1442.87	53688.96
Advances	598.71	843.95	623.14	1650.50	1696.70	1850.56	4982.84	11166.61	13734.51	2117.8	4718.35	43983.67
Investments	4211.76	182.60	163.83	816.46	635.33	511.65	783.27	1244.98	5842.70	197.06	511.16	15100.80
Borrowings	0.00	0.00	0.00	0.00	0.00	0.00	100.00	200.00	200.00	0.00	0.00	500.00
Foreign currency in Rs.												
Assets	40.82	533.87	11.84	144.26	257.63	55.79	101.58	0.77	6.04	5.68	0.60	1158.88
Liabilities	57.35	4.22	4.72	35.27	16.27	23.27	74.96	215.69	321.94	78.65	0.00	832.34

*as per structural liquidity statement

Note: 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 statutory central auditors.



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Notes Forming Part of Accounts

for the year ended 31.03.2026

b) Liquidity coverage ratio (LCR):

Quantitative information on Liquidity Coverage Ratio (LCR) for the year ended March 31, 2026 is given below:

The Liquidity Coverage Ratio (LCR) is one of the key reforms of Basel Committee to develop a more resilient banking sector. The objective of the LCR is to promote the short-term resilience of the liquidity risk profile of banks by ensuring that banks have an adequate stock of unencumbered high-quality liquid assets (HQLA) that can be converted easily and immediately into cash to meet their liquidity needs for a 30 calendar days liquidity stress scenario. The LCR is expected to improve the banking sector's ability to absorb shocks arising from financial and economic stress, whatever the source, thus reducing the risk of spillover from the financial sector to the real economy. The LCR is calculated by dividing the bank's stock of HQLA by its total net cash outflows over a 30-days stress period. HQLA of the bank is in the form of Government Securities and highly marketable and liquid securities / bonds. The Bank has been maintaining HQLA mainly in the form of SLR investments over and above the mandatory requirements.

The guidelines for LCR were effective January 1, 2015, with the minimum requirement at 60%, which would rise in equal annual steps to reach 100% on January 1, 2019. In order to accommodate the burden on banks cash flows on account of the Covid19 pandemic, RBI had permitted the banks to maintain LCR as under: vide their circular Ref DOR.BP.BC.No.65/21.04.098/2019-20 dated 17.04.2020.

Date	LCR to be maintained
17.04.2020 to 30.09.2020	80%
01.10.2020 to 31.03.2021	90%
01.04.2021 onwards	100%

The present requirement, as on March 31, 2026 is 100%. Bank prepares Liquidity Coverage Ratio statement on daily basis to assess the liquidity needs of the Bank on an ongoing basis. A number of data points are used in calculating the average figures in the template since January 01, 2017 and a simple average is calculated on daily observations over the previous quarter (i.e the average is calculated over a period of 90 days). Bank has been publishing information on LCR in annual financial statements under Notes to Accounts. LCR related information based on simple average of daily observations of LCR for all the quarters of FY 2025-26 is furnished below:

(Amount in ₹ crore)

Particulars	Current Year 2025-26		Previous Year 2024-25	
	Total Unweighted \$ Value (Average)	Total Weighted# Value (Average)	Total Unweighted \$ Value (Average)	Total Weighted# Value (Average)
High Quality Liquid Assets				
1 Total High Quality Liquid Assets (HQLA)	12487.85	12458.23	12076.67	12028.41
Cash Outflows				
2 Retail deposits and deposits from small business customers, of which:	42241.20	3624.15	38428.79	3095.78
(i) Stable deposits	11999.63	599.99	14941.95	747.09
(ii) Less stable deposits	30241.57	3024.16	23486.84	2348.69
3 Unsecured wholesale funding, of which:	8934.33	4346.39	8618.89	3819.47
(i) Operational deposits (all counterparties)	0.00	0.00	0.00	0.00



Notes Forming Part of Accounts

for the year ended 31.03.2026

(Amount in ₹ crore)

Particulars	Current Year 2025-26		Previous Year 2024-25	
	Total Unweighted \$ Value (Average)	Total Weighted# Value (Average)	Total Unweighted \$ Value (Average)	Total Weighted# Value (Average)
(ii) Non-operational deposits (all counterparties)	8934.33	4346.39	8618.89	3819.47
(iii) Unsecured debt	0.00	0.00	0.00	0.00
4 Secured wholesale funding	0.00	0.00	0.00	0.00
5 Additional requirements, of which	99.61	99.61	985.73	985.73
(i) Outflows related to derivative exposures and other collateral requirements	99.61	99.61	985.73	985.73
(ii) Outflows related to loss of funding on debt products	0.00	0.00	0.00	0.00
(iii) Credit and liquidity facilities	0.00	0.00	0.00	0.00
6 Other contractual funding obligations	5983.65	444.65	5377.18	385.07
7 Other contingent funding obligations	2902.71	1629.95	2207.00	944.28
8 TOTAL CASH OUTFLOWS	60161.50	10144.75	55617.59	9230.33
Cash Inflows				
9 Secured lending (e.g. reverse repos)	117.37	0.00	20.09	0.00
10 Inflows from fully performing exposures	2790.55	2015.95	1534.68	903.02
11 Other cash inflows	28.82	3.54	961.20	961.20
12 TOTAL CASH INFLOWS	2936.74	2019.49	2515.97	1864.22
		Total Adjusted@ Value		Total Adjusted@ Value
13 TOTAL HQLA		12458.23		12028.41
14 TOTAL NET CASH OUTFLOWS		8125.25		7366.11
15 LIQUIDITY COVERAGE RATIO (%)		153.33%		163.29%

\$ Unweighted values are calculated as outstanding balances maturing or callable within 30 days (for inflows and outflows) except where otherwise mentioned in the RBI circular and LCR template.

Weighted values are calculated after the application of respective haircuts (for HQLA) and run-off factor for inflows and outflows.

@ Adjusted values are calculated after the application of both (i) haircuts on inflow and outflow and (ii) any applicable caps (i.e. cap on Level 2B and Level 2 assets for HQLA and cap on inflows).

Notes Forming Part of Accounts

for the year ended 31.03.2026

Note: The above data has been furnished by the management and have been relied upon by the auditors.

i) Liquidity coverage ratio (LCR) Current Year (2025-26)

(Amount in ₹ crore)

	2025-26 (Q1)		2025-26 (Q2)		2025-26 (Q3)		2025-26 (Q4)	
	Total Un-weighted Value (average)	Total Weighted Value (average)	Total Un-weighted Value (average)	Total Weighted Value (average)	Total Un-weighted Value (average)	Total Weighted Value (average)	Total Un-weighted Value (average)	Total Weighted Value (average)
High Quality Liquid Assets								
1. Total High-Quality Liquid Assets(HQLA)		12524.56		12322.68		12218.36		12767.30
Cash Outflows								
2. Retail deposits and deposits from small business customers, of which:	41443.26	3562.31	42158.89	3625.47	43064.64	3692.86	42297.98	3615.93
i. Stable deposits	11640.49	582.03	11808.48	590.43	12272.02	613.60	12277.51	613.88
ii. Less stable deposits	29802.77	2980.28	30350.41	3035.04	30792.62	3079.26	30020.47	3002.05
3. Unsecured wholesale funding, of which:	9119.05	4045.62	8831.29	3859.81	8679.16	3800.58	9107.82	5679.55
i. Operational deposits (all counterparties)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ii. Non-operational deposits (all counterparties)	9119.05	4045.62	8831.29	3859.81	8679.16	3800.58	9107.82	5679.55
iii. Unsecured debt	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
5. Additional requirements, of which	101.57	101.57	131.04	131.04	58.63	58.63	107.18	107.18
i. Outflows related to derivative exposures and other collateral Requirements	101.57	101.57	131.04	131.04	58.63	58.63	107.18	107.18
ii. Outflows related to loss of funding on debt products	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
iii. Credit and liquidity facilities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6. Other contractual funding Obligations	5231.93	365.94	5521.65	384.78	5876.26	404.00	7304.74	623.86
7. Other contingent funding obligations	2746.47	1536.40	2946.97	1624.78	2994.65	1699.02	2922.74	1659.60
8. Total Cash Outflows	58642.28	9611.84	59589.84	9625.88	60673.34	9655.09	61740.46	11686.12
Cash Inflows								
9. Secured lending (e.g. reverse repos)	340.15	0.00	119.55	0.00	6.34	0.00	3.42	0.00
10. Inflows from fully performing Exposures	2628.29	1862.67	2554.41	1861.34	2942.52	2172.69	3036.99	2167.08
11. Other cash inflows	4.79	4.79	0.00	0.00	8.16	7.05	102.32	2.32
12. Total Cash Inflows	2973.23	1867.46	2673.96	1861.34	2957.02	2179.74	3142.73	2169.40
		Total Adjusted Value		Total Adjusted@ Value		Total Adjusted@ Value		Total Adjusted Value
13. Total HQLA		12524.56		12322.68		12218.36		12767.30
14. Total Net Cash Outflows		7744.38		7764.54		7475.35		9516.72
15. Liquidity Coverage Ratio (%)		161.7245%		158.7045%		163.4487%		134.1566%



Notes Forming Part of Accounts

for the year ended 31.03.2026

Note: The above data has been furnished by the management and have been relied upon by the auditors.

ii) Liquidity coverage ratio (LCR) Previous Year (2024-25)

(Amount in ₹ crore)

	2024-25 (Q1)		2024-25 (Q2)		2024-25 (Q3)		2024-25 (Q4)	
	Total Un-weighted Value (average)	Total Weighted Value (average)	Total Un-weighted Value (average)	Total Weighted Value (average)	Total Un-weighted Value (average)	Total Weighted Value (average)	Total Un-weighted Value (average)	Total Weighted Value (average)
High Quality Liquid Assets								
1. Total High-Quality Liquid Assets (HQLA)		12480.08		11727.07		11629.38		12277.09
Cash Outflows								
2. Retail deposits and deposits from small business customers, of which:	37491.75	2967.55	37527.49	2978.80	38243.18	3042.82	40452.73	3393.96
i. Stable deposits	15632.57	781.63	15479.00	773.95	15629.99	781.50	13026.24	651.31
ii. Less stable deposits	21859.18	2185.92	22048.49	2204.85	22613.19	2261.32	27426.49	2742.65
3. Unsecured wholesale funding, of which:	8013.31	3609.50	8269.63	3703.16	8516.51	3756.52	9676.10	4208.71
i. Operational deposits (all counterparties)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ii. Non-operational deposits (all counterparties)	8013.31	3609.50	8269.63	3703.16	8516.51	3756.52	9676.10	4208.71
iii. Unsecured debt	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
5. Additional requirements, of which	1657.06	1657.06	1233.91	1233.91	977.70	977.70	74.26	74.26
i. Outflows related to derivative exposures and other collateral Requirements	1657.06	1657.06	1233.91	1233.91	977.70	977.70	74.26	74.26
ii. Outflows related to loss of funding on debt products	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
iii. Credit and liquidity facilities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6. Other contractual funding Obligations	5343.76	381.00	5357.68	384.00	5617.62	409.41	5189.67	365.85
7. Other contingent funding obligations	1937.83	663.75	1907.28	654.95	2199.21	966.11	2783.69	1492.32
8. Total Cash Outflows	54443.70	9278.86	54295.99	8954.82	55554.22	9152.56	58176.45	9535.10
Cash Inflows								
9. Secured lending (e.g. reverse repos)	8.92	0.00	3.33	0.00	0.00	0.00	68.10	0.00
10. Inflows from fully performing Exposures	1195.13	597.57	1113.07	556.54	1305.50	700.15	2525.01	1757.81
11. Other cash inflows	1605.84	1605.84	1235.19	1235.19	993.64	993.64	10.13	10.13
12. Total Cash Inflows	2809.89	2203.41	2351.59	1791.73	2299.14	1693.79	2603.24	1767.94
		Total Adjusted Value		Total Adjusted@ Value		Total Adjusted@ Value		Total Adjusted Value
13. Total HQLA		12480.08		11727.07		11629.38		12277.09
14. Total Net Cash Outflows		7075.45		7163.09		7458.77		7767.16
15. Liquidity Coverage Ratio (%)		176.39%		163.72%		155.92%		158.06%

Note: The above data has been furnished by the management and have been relied upon by the auditors.

Notes Forming Part of Accounts

for the year ended 31.03.2026

iii) Qualitative disclosure about LCR:

The main drivers of LCR: The bank is having adequate stock of unencumbered high-quality liquid assets (HQLA) that can be converted easily and immediately into cash to meet liquidity needs for a 30 calendar days under liquidity stress scenario.

The net cash outflows for the next 30 days has been calculated after deducting the cash inflows from the outflows for the period. The inflows and outflows have been calculated based on RBI prescribed haircuts and run-off factors.

The Bank's LCR is more than the minimum regulatory requirement for all the dates from April'25 to March'26. LCR of the bank for the Financial Year 2025-26 stood at 153.33%.

Composition of HQLA

The Level 1 Assets of our bank comprises of Cash in hand & Cash at ATM, Excess CRR and SLR, MSF & FALLCR are as per permitted extent. Level 1 asset is the main driver of HQLA of the Bank.

Level 2A and Level 2B assets are well within the regulatory cap of 40% and 15% of the stock of HQLA respectively after the required haircut.

Corporate Bonds not issued by a Bank/Financial/NBFC which have been rated AA- or above by an Eligible Credit Rating Agency have been classified under Level 2A assets. Similarly Bonds not issued by a Bank/FI/NBFC which have been rated not lower than BBB- have been classified under level 2B Assets.

Outflows & Inflows:

Deposits are the main source of funds for the Bank.

Currency mismatch in LCR:

LCR is expected to be met and reported in a single currency. The bank is not having significant liabilities and HQLAs in any foreign currency.

Description of the degree of centralization of liquidity management and interaction between the group's units:

The Bank does not belong to any group and does not have any associate, subsidiaries, joint venture, etc.

c) Net Stable Funding Ratio

The RBI guidelines stipulated the implementation of NSFR effective from 1st October 2021 at a consolidated level with disclosure from quarter ended December 2021. Accordingly, the bank is computing the Consolidated NSFR. The NSFR is defined as the amount of Available Stable Funding relative to the amount of Required Stable Funding.

Net Stable Funding is a liquidity measure which is the indication of the long term liquidity health of the Bank is measured as under.

$$\text{NSFR} = (\text{Available Stable Funding (ASF)}) / (\text{Required Stable Funding (RSF)}) \geq 100\%$$

Available stable funding (ASF) is measured based on the broad characteristics of relative stability of funding sources, including contractual maturity of its liabilities and the differences in the tendency of different types of funding providers to withdraw their funding. Required Stable Funding (RSF) is a function of the liquidity characteristics and residual maturities of the various assets held by the bank including Off-Balance Sheet (OBS) exposures. The result should minimum of 100% to ensure liquidity comfort.

The table given below sets out the un-weighted and weighted value of the NSFR components as on 31st March 2026 based on audited financials.

At a consolidated level, the NSFR of the bank is at 156.63% as on 31st March 2026 against the requirement of 100% as per RBI guidelines.



Notes Forming Part of Accounts

for the year ended 31.03.2026

(Amount in ₹ crore)

NSFR Disclosure						
S.No	ASF Item	Unweighted value by residual maturity				Weighted Value
		No Maturity	< 6 months	6 months to < 1 year	>= 1 year	
1	Capital: (2+3)	0.00	0.00	0.00	10143.36	10143.36
2	Regulatory capital	0.00	0.00	0.00	10143.36	10143.36
3	Other capital instruments	0.00	0.00	0.00	0.00	0.00
4	Retail deposits and deposits from small business customers: (5+6)	15625.51	14566.00	11232.54	4687.09	42138.25
5	Stable deposits	4725.24	3575.48	2994.13	1469.81	12126.42
6	Less stable deposits	10900.27	10990.52	8238.41	3217.28	30011.83
7	Wholesale funding: (8+9)	1657.06	3471.09	6016.95	1706.99	6827.43
8	Operational deposits	0.00	0.00	0.00	0.00	0.00
9	Other wholesale funding	1657.06	3471.09	6016.95	1706.99	6827.43
10	Other liabilities: (11+12)	2982.92	4541.07	4.89	0.01	0.00
11	NSFR derivative liabilities	279.67	0.00	0.00	0.00	0.00
12	All other liabilities and equity not included in the above categories	2703.25	4541.07	4.89	0.01	0.00
13	Total ASF (1+4+7+10)	20265.49	22578.16	17254.38	16537.45	59109.04
13.1	RSF Item					
14	Total NSFR high-quality liquid assets (HQLA)	4883.07	12.53	0.00	76.92	94.93
15	Deposits held at other financial institutions for operational purposes	596.33	0.00	0.00	0.00	298.16
16	Performing loans and securities: (17+18+19+21+23)	0.00	20574.77	19160.30	14329.76	31147.79
17	Performing loans to financial institutions secured by Level 1 HQLA	0.00	0.00	0.00	0.00	0.00
18	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	0.00	172.90	231.42	0.00	141.64
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:	0.00	20373.31	18926.87	9628.50	27767.53
20	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	0.00	0.00	1.27	381.99	249.12
21	Performing residential mortgages, of which:	0.00	0.66	2.01	4356.26	2921.65
22	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	0.00	0.65	1.98	3912.51	2544.45

Notes Forming Part of Accounts

for the year ended 31.03.2026

(Amount in ₹ crore)

NSFR Disclosure						
S.No	ASF Item	Unweighted value by residual maturity				Weighted Value
		No Maturity	< 6 months	6 months to < 1 year	>= 1 year	
23	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	0.00	27.90	0.00	345.00	316.97
24	Other assets: (sum of rows 25 to 29)	2245.21	2926.04	269.45	388.34	5825.35
25	Physical traded commodities, including gold	0.00	0.00	0.00	0.00	0.00
26	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs	24.66	0.00	0.00	0.00	20.96
27	NSFR derivative assets	0.00	0.00	0.00	0.00	0.00
28	NSFR derivative liabilities before deduction of variation margin posted	0.00	181.88	9.40	1.43	192.71
29	All other assets not included in the above categories	2220.55	2744.16	260.05	386.91	5611.68
30	Off-balance sheet items	1389.53	3561.54	2154.35	898.12	372.39
31	Total RSF (14+15+16+24+30)	9114.14	27074.88	21584.10	15693.14	37738.62
Net Stable Funding Ratio						156.63

At a consolidated level, the NSFR of the bank works out to 152.52% as on 31st December 2025 against the requirement of 100% as per RBI guidelines.

(Amount in ₹ crore)

NSFR Disclosure						
S.No	ASF Item	Unweighted value by residual maturity				Weighted Value
		No Maturity	< 6 months	6 months to < 1 year	>= 1 year	
1	Capital: (2+3)	0.00	0.00	0.00	9020.96	9020.96
2	Regulatory capital	0.00	0.00	0.00	9020.96	9020.96
3	Other capital instruments	0.00	0.00	0.00	0.00	0.00
4	Retail deposits and deposits from small business customers: (5+6)	14436.11	9400.44	16314.73	3625.55	40010.69
5	Stable deposits	4360.55	2356.24	4381.88	1132.52	11619.62
6	Less stable deposits	10075.56	7044.20	11932.85	2493.03	28391.07
7	Wholesale funding: (8+9)	1328.76	2938.91	5567.85	979.20	5621.70
8	Operational deposits	0.00	0.00	0.00	0.00	0.00
9	Other wholesale funding	1328.76	2938.91	5567.85	979.20	5621.70
10	Other liabilities: (11+12)	3400.43	3457.97	0.69	0.29	0.00
11	NSFR derivative liabilities	295.94	0.00	0.00	0.00	0.00
12	All other liabilities and equity not included in the above categories	3104.49	3457.97	0.69	0.29	0.00
13	Total ASF (1+4+7+10)					54653.35
13.1	RSF Item					



Notes Forming Part of Accounts

for the year ended 31.03.2026

(Amount in ₹ crore)

NSFR Disclosure						
S.No	ASF Item	Unweighted value by residual maturity				Weighted Value
		No Maturity	< 6 months	6 months to < 1 year	>= 1 year	
14	Total NSFR high-quality liquid assets (HQLA)	3048.85	11.93	5.04	77.68	48.69
15	Deposits held at other financial institutions for operational purposes	520.62	0.00	0.00	0.00	260.31
16	Performing loans and securities: (17+18+19+21+23)	0.00	19638.61	17193.48	13485.12	28953.05
17	Performing loans to financial institutions secured by Level 1 HQLA	0.00	0.00	0.00	0.00	0.00
18	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	0.00	319.19	48.52	0.00	72.14
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:	0.00	19293.63	17142.66	8707.37	25593.92
20	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	0.00	0.00	0.78	380.52	247.86
21	Performing residential mortgages, of which:	0.00	0.53	2.30	4347.64	2899.93
22	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	0.00	0.52	2.27	3984.89	2591.57
23	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	0.00	25.26	0.00	430.11	387.06
24	Other assets: (sum of rows 25 to 29)	2695.07	2670.71	361.21	456.97	6180.26
25	Physical traded commodities, including gold	0.00	0.00	0.00	0.00	0.00
26	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs	24.66	0.00	0.00	0.00	20.96
27	NSFR derivative assets	0.00	0.00	0.00	0.00	0.00
28	NSFR derivative liabilities before deduction of variation margin posted	0.00	92.50	13.62	1.50	107.62
29	All other assets not included in the above categories	2670.41	2578.21	347.59	455.47	6051.68
30	Off-balance sheet items	1269.92	4853.12	1394.19	793.15	390.13
31	Total RSF (14+15+16+24+30)	7534.46	27174.37	18953.92	14812.92	35832.44
Net Stable Funding Ratio						152.52

At a consolidated level, the NSFR of the bank works out to 155.92% as on 30th September 2025 against the requirement of 100% as per RBI guidelines.

Notes Forming Part of Accounts

for the year ended 31.03.2026

(Amount in ₹ crore)

NSFR Disclosure						
S.No	ASF Item	Unweighted value by residual maturity				Weighted Value
		No Maturity	< 6 months	6 months to < 1 year	>= 1 year	
1	Capital: (2+3)	0.00	0.00	0.00	9039.53	9039.53
2	Regulatory capital	0.00	0.00	0.00	9039.53	9039.53
3	Other capital instruments	0.00	0.00	0.00	0.00	0.00
4	Retail deposits and deposits from small business customers: (5+6)	13814.76	12634.06	13338.72	3569.15	39641.15
5	Stable deposits	4202.71	3453.09	3634.22	1112.81	11782.68
6	Less stable deposits	9612.05	9180.97	9704.50	2456.34	27858.47
7	Wholesale funding: (8+9)	1235.02	5216.29	5207.19	717.50	6228.89
8	Operational deposits	0.00	0.00	0.00	0.00	0.00
9	Other wholesale funding	1235.02	5216.29	5207.19	717.50	6228.89
10	Other liabilities: (11+12)	2997.29	1083.72	0.00	0.00	0.00
11	NSFR derivative liabilities	119.42	0.00	0.00	0.00	0.00
12	All other liabilities and equity not included in the above categories	2877.87	1083.72	0.00	0.00	0.00
13	Total ASF (1+4+7+10)					54909.57
13.1	RSF Item					
14	Total NSFR high-quality liquid assets (HQLA)	3537.84	99.95	10.13	47.57	64.34
15	Deposits held at other financial institutions for operational purposes	485.49	0.00	0.00	0.00	242.75
16	Performing loans and securities: (17+18+19+21+23)	0.00	17922.07	16179.56	12808.12	27021.54
17	Performing loans to financial institutions secured by Level 1 HQLA	0.00	10.10	0.00	0.00	1.01
18	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	0.00	134.80	0.00	0.00	20.22
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:	0.00	17748.02	16177.60	7961.46	23646.92
20	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	0.00	0.00	0.01	565.23	367.41
21	Performing residential mortgages, of which:	0.00	0.55	1.96	4359.22	2914.75
22	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	0.00	0.53	1.96	3959.21	2574.73



Notes Forming Part of Accounts

for the year ended 31.03.2026

(Amount in ₹ crore)

NSFR Disclosure						
S.No	ASF Item	Unweighted value by residual maturity				Weighted Value
		No Maturity	< 6 months	6 months to < 1 year	>= 1 year	
23	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	0.00	28.60	0.00	487.44	438.64
24	Other assets: (sum of rows 25 to 29)	2536.98	4356.94	408.20	291.46	7589.95
25	Physical traded commodities, including gold	0.00	0.00	0.00	0.00	0.00
26	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs	24.26	0.00	0.00	0.00	20.62
27	NSFR derivative assets	0.00	0.00	0.00	0.00	0.00
28	NSFR derivative liabilities before deduction of variation margin posted	0.00	118.25	19.07	1.80	139.12
29	All other assets not included in the above categories	2512.72	4238.69	389.13	289.66	7430.21
30	Off-balance sheet items	1377.57	3023.33	1395.21	715.33	298.02
31	Total RSF (14+15+16+24+30)	7937.88	25402.29	17993.10	13862.48	35216.60
Net Stable Funding Ratio						155.92

At a consolidated level, the NSFR of the bank works out to 157.32% as on 30th June 2025 against the requirement of 100% as per RBI guidelines.

(Amount in ₹ crore)

NSFR Disclosure						
S.No	ASF Item	Unweighted value by residual maturity				Weighted Value
		No Maturity	< 6 months	6 months to < 1 year	>= 1 year	
1	Capital: (2+3)	0.00	0.00	0.00	9047.23	9047.23
2	Regulatory capital	0.00	0.00	0.00	9047.23	9047.23
3	Other capital instruments	0.00	0.00	0.00	0.00	0.00
4	Retail deposits and deposits from small business customers: (5+6)	13020.04	15899.85	8068.37	5153.38	38514.10
5	Stable deposits	3546.53	4421.97	2264.88	1499.10	11145.85
6	Less stable deposits	9473.51	11477.88	5803.49	3654.28	27368.25
7	Wholesale funding: (8+9)	1127.32	4987.96	4265.68	1687.19	6498.27
8	Operational deposits	0.00	0.00	0.00	0.00	0.00
9	Other wholesale funding	1127.32	4987.96	4265.68	1687.19	6498.27
10	Other liabilities: (11+12)	3761.93	235.38	0.00	0.00	0.00
11	NSFR derivative liabilities	0.00	0.00	0.00	0.00	0.00
12	All other liabilities and equity not included in the above categories	3761.93	235.38	0.00	0.00	0.00
13	Total ASF (1+4+7+10)					54059.60
13.1	RSF Item					
14	Total NSFR high-quality liquid assets (HQLA)	0.00	0.00	0.00	0.00	100.25

Notes Forming Part of Accounts

for the year ended 31.03.2026

(Amount in ₹ crore)

NSFR Disclosure						
S.No	ASF Item	Unweighted value by residual maturity				Weighted Value
		No Maturity	< 6 months	6 months to < 1 year	>= 1 year	
15	Deposits held at other financial institutions for operational purposes	484.52	0.00	0.00	0.00	242.26
16	Performing loans and securities: (17+18+19+21+23)	0.00	16347.08	17006.29	12388.56	26139.13
17	Performing loans to financial institutions secured by Level 1 HQLA	0.00	339.74	0.00	0.00	33.97
18	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	0.00	114.97	0.00	0.00	17.25
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:	0.00	15870.06	16985.30	7350.73	22576.54
20	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	0.00	0.00	0.03	628.51	408.55
21	Performing residential mortgages, of which:	0.00	0.37	0.78	4401.95	2935.04
22	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	0.00	0.37	0.75	4035.94	2623.92
23	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	17.16	21.94	20.21	635.88	576.33
24	Other assets: (sum of rows 25 to 29)	3420.45	3278.22	595.30	312.01	7602.32
25	Physical traded commodities, including gold	0.00	0.00	0.00	0.00	0.00
26	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs	24.26	0.00	0.00	0.00	20.62
27	NSFR derivative assets	0.00	0.00	0.00	0.00	0.00
28	NSFR derivative liabilities before deduction of variation margin posted	0.00	100.94	26.83	1.94	129.70
29	All other assets not included in the above categories	3396.19	3177.28	568.47	310.07	7452.00
30	Off-balance sheet items	0.00	2023.06	2192.47	0.00	279.66
31	Total RSF (14+15+16+24+30)	3904.97	21648.36	19794.06	12700.57	34363.62
Net Stable Funding Ratio						157.32



Notes Forming Part of Accounts

for the year ended 31.03.2026

(Amount in ₹ crore)

At a consolidated level, the NSFR of the bank is at 163.90% as on 31st March 2025 against the requirement of 100% as per RBI guidelines.

NSFR Disclosure						
S.No	ASF Item	Unweighted value by residual maturity				Weighted Value
		No Maturity	< 6 months	6 months to < 1 year	>= 1 year	
1	Capital: (2+3)	0.00	0.00	0.00	9047.23	9047.23
2	Regulatory capital	0.00	0.00	0.00	9047.23	9047.23
3	Other capital instruments	0.00	0.00	0.00	0.00	0.00
4	Retail deposits and deposits from small business customers: (5+6)	13117.22	15319.79	11397.51	2198.64	38416.60
5	Stable deposits	3519.10	4196.91	3287.85	731.49	11148.57
6	Less stable deposits	9598.12	11122.88	8109.66	1467.15	27268.03
7	Wholesale funding: (8+9)	991.70	5376.46	3707.19	1677.08	6078.45
8	Operational deposits	0.00	0.00	0.00	0.00	0.00
9	Other wholesale funding	991.70	5376.46	3707.19	1677.08	6078.45
10	Other liabilities: (11+12)	3603.94	0.00	0.00	0.00	0.00
11	NSFR derivative liabilities	393.21	0.00	0.00	0.00	0.00
12	All other liabilities and equity not included in the above categories	3210.73	0.00	0.00	0.00	0.00
13	Total ASF (1+4+7+10)					53542.28
13.1	RSF Item					
14	Total NSFR high-quality liquid assets (HQLA)	5846.00	32.15	48.66	67.27	139.28
15	Deposits held at other financial institutions for operational purposes	663.15	0.00	0.00	0.00	331.57
16	Performing loans and securities: (17+18+19+21+23)	0.00	15222.73	16622.44	12691.15	25632.48
17	Performing loans to financial institutions secured by Level 1 HQLA	0.00	199.81	0.00	0.00	19.99
18	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	0.00	161.62	0.00	0.00	24.24
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:	0.00	14839.59	16621.41	7382.27	21871.05
20	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	0.00	0.00	0.01	693.39	450.71
21	Performing residential mortgages, of which:	0.00	0.25	1.03	4469.34	2985.36
22	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	0.00	0.25	0.99	4071.08	2646.82

Notes Forming Part of Accounts

for the year ended 31.03.2026

(Amount in ₹ crore)

NSFR Disclosure						
S.No	ASF Item	Unweighted value by residual maturity				Weighted Value
		No Maturity	< 6 months	6 months to < 1 year	>= 1 year	
23	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	0.00	21.46	0.00	839.54	731.84
24	Other assets: (sum of rows 25 to 29)	2989.47	2523.70	427.90	334.31	6272.28
25	Physical traded commodities, including gold	0.00	0.00	0.00	0.00	0.00
26	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs	20.70	0.00	0.00	0.00	17.60
27	NSFR derivative assets	0.00	0.00	0.00	0.00	0.00
28	NSFR derivative liabilities before deduction of variation margin posted	0.00	114.76	11.89	0.41	127.06
29	All other assets not included in the above categories	2968.77	2408.94	416.01	333.90	6127.62
30	Off-balance sheet items	1245.32	1878.92	2587.67	623.23	291.85
31	Total RSF (14+15+16+24+30)	10743.94	19657.50	19686.67	13715.95	32667.46
Net Stable Funding Ratio						163.90

Notes Forming Part of Accounts

for the year ended 31.03.2026

3. Investments

(i) Composition of Investment Portfolio:

(Amount in ₹ crore)

	2025-26						
	HTM		AFS	FVTPL		Subsidiaries, Associates & JVs	
	At cost	Fair Value		HFT	Non-HFT	At cost	Fair Value
I. Investments in India							
(i) Government securities	10387.97	10196.18	2231.80	58.88	0.00		
(ii) Other approved securities	0.00	0.00	0.00	0.00	0.00		
(iii) Shares	0.00	0.00	0.00	2.97	67.82		
(iv) Debentures and Bonds	193.18	196.11	1190.16	0.00	45.01		
(v) Subsidiaries, associates and joint ventures							
(vi)Others	0.00	0.00	1534.36	49.52	2.90		
Total	10581.15	10392.29	4956.32	111.37	115.73		
Less: Provisions for impairment / NPI	0.00	0.00	25.59	1.55	45.37		
Net	10581.15	10392.29	4930.73	109.82	70.36		
II. Investments outside India							
(i) Government securities (including local authorities)	0.00	0.00	0.00	0.00	0.00		
(ii) Subsidiaries, associates and joint ventures							
(iii) Other investments	0.00	0.00	0.00	0.00	0.42		
Total	0.00	0.00	0.00	0.00	0.42		
Less: Provisions for impairment / NPI	0.00	0.00	0.00	0.00	-0.19		
Net	0.00	0.00	0.00	0.00	0.61		
Total investments (I+II)	10581.15	10392.29	4930.73	109.82	70.97		



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Notes Forming Part of Accounts

for the year ended 31.03.2026

3. Investments

(i) Composition of Investment Portfolio:

(Amount in ₹ crore)

	2024-25						
	HTM		AFS	FVTPL		Subsidiaries, Associates & JVs	
	At cost	Fair Value		HFT	Non-HFT		At cost
I. Investments in India							
(i) Government securities	9705.40	9724.01	2116.52	0.00	0.00		
(ii) Other approved securities	0.00	0.00	0.00	0.00	0.00		
(iii) Shares	0.00	0.00	0.00	2.47	67.82		
(iv) Debentures and Bonds	508.48	514.72	1031.69	0.00	45.01		
(v) Subsidiaries, associates and joint ventures							
(vi) Others	0.00	0.00	869.20	0.00	755.51		
Total	10213.88	10238.73	4017.41	2.47	868.34		
Less: Provisions for impairment / NPI	0.00	0.00	-48.64	0.10	50.29		
Net	10213.88	10238.73	4066.05	2.37	818.05		
II. Investments outside India							
(i) Government securities (including local authorities)	0.00	0.00	0.00	0.00	0.00		
(ii) Subsidiaries, associates and joint ventures							
(iii) Other investments	0.00	0.00	0.00	0.00	0.42		
Total	0.00	0.00	0.00	0.00	0.42		
Less: Provisions for impairment / NPI	0.00	0.00	0.00	0.00	-0.03		
Net	0.00	0.00	0.00	0.00	0.45		
Total investments (I+II)	10213.88	10238.73	4066.05	2.37	818.50		



Notes Forming Part of Accounts

for the year ended 31.03.2026

(Amount in ₹ crore)

(ii) Fair value hierarchy of investment portfolio measured at fair value on balance sheet:

	2025-26							
	AFS				FVTPL			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
I. Investments in India								
(i) Government securities	790.24	1416.26	0.00	2206.50	57.78	0.00	0.00	57.78
(ii) Other approved securities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(iii) Shares	0.00	0.00	0.00	0.00	2.52	0.00	27.29	29.81
(iv) Debentures and Bonds	1030.45	159.43	0.00	1189.88	0.00	40.37	0.00	40.37
(v) Subsidiaries, associates and joint ventures								
(vi) Others	0.00	1534.35	0.00	1534.35	2.70	49.52	0.00	52.22
Total	1820.69	3110.04	0.00	4930.73	63.00	89.89	27.29	180.18
II. Investments outside India								
(i) Government securities (including local authorities)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(ii) Subsidiaries, associates and joint ventures								
(iii) Other investments	0.00	0.00	0.00	0.00	0.00	0.00	0.61	0.61
Total	0.00	0.00	0.00	0.00	0.00	0.00	0.61	0.61
Total investments (I+II)	1820.69	3110.04	0.00	4930.73	63.00	89.89	27.90	180.79

(Amount in ₹ crore)

	2024-25							
	AFS				FVTPL			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
I. Investments in India								
(i) Government securities	764.21	1396.16	0.00	2160.37	0.00	0.00	0.00	0.00
(ii) Other approved securities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(iii) Shares	0.00	0.00	0.00	0.00	2.32	0.00	20.70	23.07
(iv) Debentures and Bonds	766.20	270.28	0.00	1036.48	0.00	40.25	0.00	40.25
(v) Subsidiaries, associates and joint ventures								
(vi) Others	0.00	869.20	0.00	869.20	757.10	0.00	0.00	757.10
Total	1530.41	2535.64	0.00	4066.05	759.47	40.25	20.70	820.42
II. Investments outside India								
(i) Government securities (including local authorities)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Notes Forming Part of Accounts

for the year ended 31.03.2026

(Amount in ₹ crore)

	2024-25							
	AFS				FVTPL			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
(ii) Subsidiaries, associates and joint ventures								
(iii) Other investments	0.00	0.00	0.00	0.00	0.00	0.00	0.45	0.45
Total	0.00	0.00	0.00	0.00	0.00	0.00	0.45	0.45
Total investments (I+II)	1530.41	2535.64	0.00	4066.05	759.47	40.25	21.15	820.87

(iii) Net gains / (losses) on Level 3 financial instruments recognised in AFS- Reserve and Profit and Loss Account

(Amount in ₹ crore)

	2025-26	2024-25
Recognised in AFS-Reserve	0.00	0.00
Recognised in Profit and Loss Account	6.75	3.80

(iv) Details of sales made out of HTM:

(Amount in ₹ crore)

	2025-26	2024-25
A Opening carrying value of securities in HTM	10213.88	10693.31
B Carrying value of all HTM securities sold during the year	2030.06	292.45
C Less: Carrying values of securities sold under situations exempted from regulatory limit	1848.87	292.45
D Carrying value of securities sold (D=B-C)	181.19	0.00
E Securities sold as a percentage of opening carrying value of securities in HTM (E=D÷A)	1.77%	-
F Amount transferred to Capital Reserve in respect of HTM securities which were sold at a gain	19.82	3.11

(v) Reclassification between categories of investments:

Reclassification between categories of investments – NIL

(vi) Movement of Provisions for Depreciation and Investment Fluctuation Reserve

(Amount in ₹ crore)

Particulars	2025-26	2024-25
i) Movement of provisions held towards depreciation on investments		
a) Opening balance	50.37	86.99
b) Add: Provisions made during the year	0.00	0.00
c) Less: Write off / write back of excess provisions during the year	0.00	0.00
d) Less: Transferred to General Reserve due to Fair valuation	0.00	30.67
e) Less: Appreciation due to Fair Valuation of FVTPL/HFT	9.52	5.95



Notes Forming Part of Accounts

for the year ended 31.03.2026

(Amount in ₹ crore)

Particulars	2025-26	2024-25
f) Closing balance	59.89	50.37
ii) Movement of Investment Fluctuation Reserve		
a) Opening balance	120.20	120.20
b) Add: Amount transferred during the year	36.00	0.00
c) Less: Drawdown	26.60	0.00
d) Closing balance	129.60	120.20
iii) Closing balance in IFR as a percentage of closing balance of investments in AFS and HFT/Current category (net of provisions)	2.50%	2.46%

(vii) Non-SLR investment portfolio

(Amount in ₹ crore)

i) Non-performing non-SLR investments

Sr. No.	Particulars	2025-26	2024-25
a)	Opening Balance	56.32	56.32
b)	Additions during the year since 1st April	0.00	0.00
c)	Reductions during the above period	0.00	0.00
d)	Closing balance	56.32	56.32
e)	Total provisions held	56.32	56.32

Notes Forming Part of Accounts

for the year ended 31.03.2026

ii) Issuer composition of non-SLR investment

Sr. No.	Issuer	Amount		Extent of Private Placement		Extent of 'Below Investment Grade' Securities		Extent of 'Unrated' Securities #		Extent of 'Unlisted' Securities @	
(1)	(2)	(3)		(4)		(5)		(6)		(7)	
		2025-26	2024-25	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25
a)	PSUs	200.52	319.02	20.00	50.00	0.00	0.00	0.00	0.00	14.49	14.49
b)	FIs	830.63	779.91	0.00	30.00	0.00	0.00	0.00	0.00	2.01	2.01
c)	Banks	1997.30	1377.06	5.00	15.00	0.00	0.00	5.00	5.00	0.00	0.00
d)	Private Corporates	57.60	809.40	0.00	0.00	0.00	0.00	0.00	0.00	9.89	9.89
e)	Subsidiaries/ Joint Ventures	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
f)	Others	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
g)	Provision held towards NPI	-56.32	-56.32	-5.00	-5.00	0.00	0.00	-5.00	-5.00	-9.47	-9.47
h)	MTM Gain/ Loss	10.70	5.95	0.00	0.00	0.00	0.00	0.00	0.00	10.98	4.22
	Total	3040.43	3235.03	20.00	90.00	0.00	0.00	0.00	0.00	27.90	21.14

Excluding Investments in Equity Shares

@ Excluding Investments in units of Equity Oriented Mutual Funds

Bank Investment in Lakshmi Vilas Bank Limited (LVB)

The Bank had invested in the Tier II bonds of LVB to the tune of ₹5 Crore. As per RBI's scheme of Amalgamation with DBS Bank India with effect from 27 Nov 2020, LVB ceased to exist and the entire amount of the share Capital & Reserves and Tier II bonds were written off. The said amalgamation scheme has been challenged at various High Courts by some of the investors in the above said Tier II Bonds and as per orders of Hon'ble Supreme Court of India the said writ petitions were now transferred to the Hon'ble High Court of Madras. Considering the same, The Bank had treated the investment as NPI and holding 100 % provision.

During April 2024, the Madras High Court asked the RBI to conduct a fresh valuation exercise so that a fresh decision could be taken on the reduction of the value of shares and writing off the Tier 2 bonds. The central bank was given four months to conduct this revaluation exercise. The RBI then appealed to the Supreme Court. On 26.07.2024, the Supreme Court has stayed the Madras High Court's direction pertaining to the fresh valuation of the assets of the Lakshmi Vilas Bank and DBS Bank. The case is yet to be posted before the Supreme Court for the next hearing.



Notes Forming Part of Accounts

for the year ended 31.03.2026

(viii)Repo transactions including Liquidity Adjustment Report (LAF) (in Face Value and market value terms)
for the year 2025-26: (Amount in ₹ crore)

	Minimum outstanding during the year 2025-26		Maximum outstanding during the year 2025-26		Daily average outstanding during the year 2025-26		Outstanding as on March 31, 2026	
	FV	MV	FV	MV	FV	MV	FV	MV
i) Securities sold under repo								
a) Government securities	9.02	9.00	1196.22	1185.39	250.35	249.90	0.00	0.00
b) Corporate debt securities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
c) Any other securities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ii) Securities purchased under reverse repo								
a) Government securities	4.95	4.95	1825.42	1840.04	112.87	113.31	0.00	0.00
b) Corporate debt securities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
c) Any other securities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

(ix) Repo transactions including Liquidity Adjustment Report (LAF) (in Face Value and market value terms) for the year 2024-25: (Amount in ₹ crore)

	Minimum outstanding during the year 2024-25		Maximum outstanding during the year 2024-25		Daily average outstanding during the year 2024-25		Outstanding as on March 31, 2025	
	FV	MV	FV	MV	FV	MV	FV	MV
i) Securities sold under repo								
a) Government securities	0.00	0.00	2865.00	2891.59	1403.83	1423.37	0.00	0.00
b) Corporate debt securities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
c) Any other securities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ii) Securities purchased under reverse repo								
a) Government securities	5.00	5.09	1357.20	1351.25	21.04	17.87	200.00	202.02
b) Corporate debt securities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
c) Any other securities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Notes Forming Part of Accounts

for the year ended 31.03.2026

(x) Government Security Lending (GSL) transactions (in market value terms)

As at 31.03.2026

(Amount in ₹ crore)

	Minimum outstanding during the year	Maximum outstanding during the year	Daily average outstanding during the year	Total volume of transactions during the year	Outstanding as on March 31 2026
	2025-26	2025-26	2025-26	2025-26	2025-26
Securities lent through GSL Transactions	NIL		NIL		
Securities borrowed through GSL Transactions					
Securities placed as collateral under GSL Transactions					
Securities received as collateral under GSL Transactions					

As at 31.03.2025

(Amount in ₹ crore)

	Minimum outstanding during the year	Maximum outstanding during the year	Daily average outstanding during the year	Total volume of transactions during the year	Outstanding as on March 31 2025
	2024-25	2024-25	2024-25	2024-25	2024-25
Securities lent through GSL Transactions	NIL		NIL		
Securities borrowed through GSL Transactions					
Securities placed as collateral under GSL Transactions					
Securities received as collateral under GSL Transactions					

(xi) Overseas Assets and Revenue

(Amount in ₹ crore)

	31-03-2026	31-03-2025
Deposit with Overseas Bank	589.60	645.00
Nostro	1.90	7.29
Total	591.50	652.29



Notes Forming Part of Accounts

for the year ended 31.03.2026

4) Asset quality

a) Classification of advances and provisions held current year (2025-26)

(Amount in ₹ crore)

	Standard	Non-Performing				Total
	Total Standard Advances	Sub-standard	Doubtful	Loss	Total Non-Performing Advances	
Gross Standard Advances and NPAs						
Opening Balance	43809.39	132.36	407.42	16.35	556.13	44365.52
Add: Additions during the year					85.33	85.33
Less: Reductions during the year					253.25	253.25
Closing balance	52990.71	72.87	287.89	27.45	388.21	53378.92
Reductions in Gross NPAs due to:						
i) Upgradation					6.18	6.18
ii) Recoveries (excluding recoveries from upgraded accounts)					97.38	97.38
iii) Technical/ Prudential Write-offs					149.69	149.69
iv) Write-offs other than those under (iii) above					0.00	0.00
Provisions (excluding Floating Provisions)						
Opening balance of provisions held	127.33	33.66	330.90	16.35	380.91	508.24
Add: Fresh provisions made during the year					72.09	72.09
Less: Excess provision reversed/ Write-off loans					185.98	185.98
Closing balance of provisions held	162.47	20.59	218.98	27.45	267.02	429.49
Net NPAs						
Opening Balance		98.70	61.75	0.00	160.45	
Add: Fresh additions during the year					13.24	
Less: Reductions during the year					76.28	
Closing Balance (*) Floating provision of Rs.23.78 crore, is excluded to arrive Net NPA		52.28	45.13	0.00	97.41(*)	97.41
Floating Provisions						
Opening Balance						14.77
Add: Additional provisions made during the year						9.01
Less: Amount drawn down during the year						0.00
Closing balance of floating provisions						23.78

Notes Forming Part of Accounts

for the year ended 31.03.2026

(Amount in ₹ crore)

	Standard	Non-Performing				Total
	Total Standard Advances	Sub-standard	Doubtful	Loss	Total Non-Performing Advances	
Technical write-offs and the recoveries made thereon						
Opening balance of Technical/ Prudential written-off accounts						2067.82
Add: Technical/ Prudential write-offs during the year						149.69
Less: Recoveries made from previously technical/ prudential written-off accounts during the year						77.86(*)
Closing balance						2139.65

(*) Including principal waiver of Rs.3.84 crore.

(Amount in ₹ crore)

Ratios (in per cent)	2025-26	2024-25
Gross NPA to Gross Advances	0.73%	1.25%
Net NPA to Net Advances	0.18%	0.36%
Provision coverage ratio	96.14%	93.86%

a) ii) Classification of advances and provisions held previous year (2024-25)

(Amount in ₹ crore)

	Standard	Non-Performing				Total
	Total Standard Advances	Sub-standard	Doubtful	Loss	Total Non-Performing Advances	
Gross Standard Advances and NPAs						
Opening Balance	39395.34	351.32	197.61	26.13	575.06	39970.40
Add: Additions during the year					177.76	177.76
Less: Reductions during the year					196.69	196.69
Closing balance	43809.39	132.36	407.42	16.35	556.13	44365.52
Reductions in Gross NPAs due to:						
i) Upgradation					12.90	12.90
ii) Recoveries (excluding recoveries from upgraded accounts)					156.70	156.70
iii) Technical/ Prudential Write-offs					27.09	27.09
iv) Write-offs other than those under (iii) above					0.00	0.00
Provisions (excluding Floating Provisions)						
Opening balance of provisions held	115.99	90.76	111.96	26.14	228.86	344.85
Add: Fresh provisions made during the year					310.17	310.17
Less: Excess provision reversed/ Write-off loans					158.12	158.12
Closing balance of provisions held	127.33	33.66	330.90	16.35	380.91	508.24



Notes Forming Part of Accounts

for the year ended 31.03.2026

(Amount in ₹ crore)

	Standard	Non-Performing				Total
	Total Standard Advances	Sub-standard	Doubtful	Loss	Total Non-Performing Advances	
Net NPAs						
Opening Balance		260.55	75.27	0.00	335.82	
Add: Fresh additions during the year					136.69	
Less: Reductions during the year					312.06	
Closing Balance		98.70	61.75	0.00	160.45	160.45
Floating Provisions						
Opening Balance						10.38
Add: Additional provisions made during the year						4.39
Less: Amount drawn down during the year						0.00
Closing balance of floating provisions						14.77
Technical write-offs and the recoveries made thereon						
Opening balance of Technical/ Prudential written-off accounts						2127.34
Add: Technical/ Prudential write-offs during the year						28.92(**)
Less: Recoveries made from previously technical/ prudential written-off accounts during the year						88.44(#)
Closing balance						2067.82

(**) Including adjustment entries of Rs.1.83 crore pertaining to claims.

(#) Including principal waiver of Rs.0.71 crore.

Ratios (in percent)	2024-25	2023-24
Gross NPA to Gross Advances	1.25%	1.44%
Net NPA to Net Advances	0.36%	0.85%
Provision coverage ratio	93.86%	87.52%

Notes Forming Part of Accounts

for the year ended 31.03.2026

b) Sector-wise Advances and Gross NPAs

(Amount in ₹ crore)

Sr. No.	Sector	2025-26			2024-25		
		Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector	Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector
i)	Priority Sector						
a)	Agriculture and allied activities	20056.79	32.82	0.16	18583.69	49.63	0.27
b)	Advances to industries sector eligible as priority sector lending	5725.83	52.67	0.92	5349.40	102.25	1.91
	Of i) Food Processing	1038.70	2.80	0.27	883.77	5.35	0.61
	ii) Textile	1862.63	29.24	1.57	1716.88	67.52	3.93
c)	Services	9811.87	84.72	0.86	8174.77	106.41	1.30
d)	Personal loans	1976.19	5.37	0.27	2170.82	12.95	0.60
	Of i) Housing Loan	1927.60	5.01	0.26	2124.43	12.95	0.61
	Subtotal (i)(a+b+c+d)	37570.68	175.58	0.47	34278.68	271.24	0.79
ii)	Non-priority Sector						
a)	Agriculture and allied activities	27.13	0.00	0.00	6.92	0.00	0.00
b)	Industry	812.96	175.76	21.62	913.15	173.73	19.03
	of i) Food Processing	307.86	0.00	0.00	301.76	0.00	0.00
	ii) Textile	355.41	155.07	43.63	430.14	155.07	36.05
c)	Services	2032.83	22.47	1.11	2151.21	94.46	4.39
d)	Personal loans	12935.32	14.40	0.11	7015.56	16.70	0.24
	Of i) Housing Loan	2763.71	11.67	0.42	2697.38	13.60	0.50
	Sub-total (ii)(a+b+c+d)	15808.24	212.63	1.35	10086.84	284.89	2.85
	Total (i + ii)	53378.92	388.21	0.73	44365.52	556.13	1.25

Note : Food credit Consortium O/s as on 31.03.2026=₹252.36 and 31.03.2025 =₹99.24 crore (included in total advances). Advance to Priority Sector under Agriculture and allied activities is net of Rs.1000cr in lieu of issue of Inter Bank Participation Certificate (IBPC).

c) Overseas assets, NPAs and revenue – There is no foreign operation, hence not applicable.

d) Particulars of resolution plan and restructuring:

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for the year ended 31.03.2026

i) Particulars of resolution plan and restructuring Details of Loan assets subjected to Restructuring for the FY 2025-2026 (Amount in ₹ Crore)

Sl No	Type of Restructuring → Asset Classification → Details ↓	Under CDR Mechanism				Under SME Debt Restructuring / MSME One time Restructuring Mechanism				Others / Resolution Framework				Total						
		Standard	Sub standard	Doubtful	Loss	Total	Standard	Sub standard	Doubtful	Loss	Total	Standard	Sub standard	Doubtful	Loss	Total				
1	Restructured standard category during the FY Accounts as on April 1 of the FY (opening figures)	0	0	0	0	39	1	9	0	49	1494	5	42	2	1543	6	51	2	1592	
	No. of borrowers																			
	Amount outstanding	0.00	0.00	0.00	0.00	33.79	2.45	9.23	0.00	45.47	299.98	7.56	23.44	0.93	331.91	10.01	32.67	0.93	377.38	
	Provision thereon	0.00	0.00	0.00	0.00	1.77	0.61	6.05	0.00	8.43	32.93	1.89	10.61	0.93	46.36	2.50	16.66	0.93	54.79	
2	Fresh Re-structuring During the year	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	No. of borrowers																			
	Amount outstanding	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
	Provision thereon	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
3	Upgradations to restructured standard category during the FY	0	0	0	0	1	-1	0	0	0	5	-3	-2	0	0	6	-4	-2	0	0
	No. of borrowers																			
	Amount outstanding	0.00	0.00	0.00	0.00	1.64	-2.45	0.00	0.00	-0.81	1.40	0.50	-0.78	0.00	1.12	3.04	-1.95	-0.78	0.00	0.31
	Provision thereon	0.00	0.00	0.00	0.00	0.09	-0.61	0.00	0.00	-0.52	0.18	-0.12	-0.42	0.00	-0.36	0.27	-0.73	-0.42	0.00	-0.88
4	Restructured standard advances which cease to attract higher provisioning and/or additional risk weight at the end of FY and hence need not be shown as restructured standard advances at the beginning of the next FY	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	No. of borrowers																			
	Amount outstanding	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Provision thereon	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00



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for the year ended 31.03.2026

(Amount in ₹ Crore)

Sl No	Type of Restructuring →	Under CDR Mechanism				Under SME Debt Restructuring / MSME One time Restructuring Mechanism				Others / Resolution Framework				Total					
		Standard	Sub standard	Doubtful	Loss	Total	Standard	Sub standard	Doubtful	Loss	Total	Standard	Sub standard	Doubtful	Loss	Total			
		Details ↓																	
5	Down gradation of borrowers	0	0	0	0	0	0	0	0	0	-6	5	1	0	-6	5	1	0	0
	restructured accounts	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-0.27	-6.78	9.04	0.00	-0.27	-6.78	9.04	0.00	1.99
	Amount outstanding during the FY																		
	Provision thereon	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-0.03	-1.66	2.26	0.00	-0.03	-1.66	2.26	0.00	0.57
6	Write-offs/ Recovery of restructured accounts	0	0	0	0	-9	0	-5	0	-14	-393	-1	-23	-2	-402	-1	-28	-2	-433
	Amount outstanding during the FY*	0.00	0.00	0.00	0.00	-8.32	0.00	-6.05	0.00	-14.37	-109.29	-0.05	-20.97	-0.93	-117.61	-0.05	-27.02	-0.93	-145.61
		0.00	0.00	0.00	0.00	-0.44	0.00	-4.81	0.00	-5.25	-12.00	-0.01	-9.48	-0.93	-12.44	-0.01	-14.29	-0.93	-27.67
7	Restructured as on March 31 of the FY(closing figure*)	0	0	0	0	31	0	4	0	35	1100	6	18	0	1124	6	22	0	1159
	Amount outstanding	0.00	0.00	0.00	0.00	27.11	0.00	3.18	0.00	30.29	191.82	1.23	10.73	0.00	218.93	1.23	13.91	0.00	234.07
		0.00	0.00	0.00	0.00	1.42	0.00	1.24	0.00	2.66	21.08	0.10	2.97	0.00	22.50	0.10	4.21	0.00	26.81

*Excluding the figures of Standard Restructured Advances which do not attract higher provisioning or risk weight (if applicable).

Foot Note 1 - The figures under S.No.6 include reduction from existing restructured accounts by way of closure / recovery / write-offs.

Foot Note 2 - The figures under S.No.7 include total provision held on restructured accounts.

Notes Forming Part of Accounts

for the year ended 31.03.2026

i) Particulars of resolution plan and restructuring Details of Loan assets subjected to Restructuring for the FY 2024-2025 (Amount in ₹ Crore)

Sl No	Type of restructuring → Asset Classification → Details ↓	Under CDR Mechanism				Under SME Debt Restructuring/ MSME One time Restructuring Mechanism				Others / Resolution Framework				Total			
		Standard Sub standard	Doubtful	Loss	Total	Standard Sub standard	Doubtful	Loss	Total	Standard Sub standard	Doubtful	Loss	Total	Standard Sub standard	Doubtful	Loss	Total
1	Restructured No. of standard category borrowers during the FY Accounts as on April 1 of the FY (opening figures)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Amount outstanding	0.00	0.00	0.00	0.00	45.41	13.30	0.00	63.30	458.30	2.73	44.54	1.11	503.71	7.32	57.84	1.11
	Provision thereon	0.00	0.00	0.00	0.00	2.37	8.55	0.00	12.00	50.61	0.77	21.75	1.11	52.98	1.85	30.30	1.11
2	Fresh Restructuring During the year	0	0	0	0	0	0	0	0	0	1	0	0	0	1	0	0
	Amount outstanding	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	7.01	0.00	0.00	7.01	0.00	0.00	0.00
	Provision thereon	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.75	0.00	0.00	1.75	0.00	0.00	0.00
3	Upgradations to restructured standard category during the FY	0	0	0	0	0	0	0	0	6	-5	-2	0	6	-5	-2	0
	Amount outstanding	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.14	-0.60	-1.01	0.00	1.14	-0.60	-1.01	0.00
	Provision thereon	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.14	-0.15	-0.49	0.00	0.14	-0.15	-0.49	0.00
4	Restructured No. of standard advances which cease to attract higher provisioning and/or additional risk weight at the end of FY and hence need not be shown as restructured standard advances at the beginning of the next FY	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Amount outstanding	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Provision thereon	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00



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for the year ended 31.03.2026

(Amount in ₹ Crore)

Sl No	Type of Restructuring →	Under CDR Mechanism				Under SME Debt Restructuring / MSME One time Restructuring Mechanism				Others / Resolution Framework				Total						
		Standard	Sub standard	Doubtful	Loss	Total	Standard	Sub standard	Doubtful	Loss	Total	Standard	Sub standard	Doubtful	Loss	Total				
Details ↓																				
5	No. of gradation of borrowers	0	0	0	0	0	-1	0	1	0	0	-15	-4	18	1	0	-4	19	1	0
	Amount restructured accounts during the FY outstanding	0.00	0.00	0.00	0.00	0.00	-2.96	-0.17	2.03	0.00	-1.10	-12.79	-0.38	11.31	0.01	-1.85	-15.75	-0.55	13.34	0.01
	Provision thereon	0.00	0.00	0.00	0.00	0.00	-0.16	-0.04	0.51	0.00	0.31	-1.44	-0.10	4.48	0.01	2.95	-1.60	-0.14	4.99	0.01
6	No. of Write-offs/ Recovery of restructured borrowers	0	0	0	0	0	-10	-1	-3	0	-14	-512	-11	-15	-1	-539	-522	-12	-18	-1
	Amount restructured accounts during the FY*	0.00	0.00	0.00	0.00	0.00	-8.66	-1.97	-6.10	0.00	-16.73	-146.67	-1.20	-31.40	-0.19	-179.46	-155.33	-3.17	-37.50	-0.19
	Provision thereon	0.00	0.00	0.00	0.00	0.00	-0.44	-0.43	-3.00	0.00	-3.87	-16.38	-0.38	-14.76	-0.19	-31.71	-16.82	-0.81	-17.76	-0.19
7	No. of Restructured as on March 31 of the FY (closing figure*)	0	0	0	0	0	39	1	9	0	49.00	1494	5	42	2	1543	1533	6	51	2
	Amount outstanding	0.00	0.00	0.00	0.00	0.00	33.79	2.45	9.23	0.00	45.47	299.98	7.56	23.44	0.93	331.91	333.77	10.01	32.67	0.93
	Provision thereon	0.00	0.00	0.00	0.00	0.00	1.77	0.61	6.06	0.00	8.44	32.93	1.89	10.98	0.93	46.73	34.70	2.50	17.04	0.93
																				55.17

Excluding the figures of Standard Restructured Advances which do not attract higher provisioning or risk weight (if applicable).

Foot Note 1 - The figures under S.No.6 include reduction from existing restructured accounts by way of closure / recovery / write-offs.

Foot Note 2 - The figures under S.No.7 include total provision held on restructured accounts.



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for the year ended 31.03.2026

iii) Disclosure on Micro, Small and Medium Enterprises (MSME) sector – Restructuring of Advances (RBI/DBR. BP.BC.No.18/21.04.048/ 2018-19 dated 1st January 2019

(Amount in ₹ crore)

Year	No.of Accounts Restructured – MSME	Amount
2025-26	Nil	Nil
2024-25	Nil	Nil
2023-24	Nil	Nil
2022-23	Nil	Nil
2021-22	Nil	Nil
2020-21	135	82.20

iv) Details of single borrower limit (SBL)/group borrower limit (GBL) exceeded by the Bank.

Single Borrower limit / Group Borrower limit has not been exceeded during the financial year (not exceeded the same for previous year) .

(e) Divergence in Asset Classification and provisioning:

Divergence in Asset classification and Provisioning for NPAs. The divergence observed by RBI for the financial year 2024-25 in respect of the Bank's asset classification and provisioning under the extant prudential norms on income recognition, asset classification and provisioning is within the prescribed limit for disclosure.

(f) Disclosure of transfer of Loan exposures:

- There were no loans that are not in default or stressed, transferred and acquired to or from other entities – NIL (For Previous FY 2024-25 – NIL). Bank has received Rs.1000 crore under Inter Bank Participation Certificate (IBPC).
- Particulars of stressed loans transferred acquired – NIL (For Previous FY 2024-25 – NIL)

(g) Disclosure on Co-Lending Arrangements (CLA): NIL

(h) Non-Fund Based (NFB) Credit Facilities

(Amount in ₹ crore)

		As at 31st March 2026	As at 31st March 2026	As at 31st March 2025	As at 31st March 2025
		Secured Portion	Unsecured Portion	Secured Portion	Unsecured Portion
I	Outstanding Guarantees				
	i) In India	824.97	193.24	739.16	227.66
	ii) Outside India	0	0	0	0
II	Acceptances, Endorsements and other Obligations	246.83	124.49	205.88	72.61
III	Other NFB Credit facilities	0	0	0	0

Notes Forming Part of Accounts

for the year ended 31.03.2026

(i) Fraud accounts

(Amount in ₹ crore)

Particulars	2025-26	2024-25
Number of frauds reported (Advances & Non- Advances)*	24	34
Amount involved in fraud*	88.76	260.43
Amount of Book Balance (excluding interest) for Advances related fraud a/cs	27.48	259.74
Amount Recovered	2.64	16.69
Amount of provision made for such frauds	24.84	243.05
Amount of Unamortised provision debited from 'other reserves' as at the end of the year	0.00	0.00

*As per FMR reported to RBI.

(j) Disclosure related to project finance:

Sl. No	Item Description	Number of accounts	Total outstanding (in ₹ crore)
1	Projects under implementation accounts at the beginning of the quarter.	99	266.53
2	Projects under implementation accounts sanctioned during the quarter.	59	74.05
3	Projects under implementation accounts where DCCO has been achieved during the quarter	18	41.81
4	Projects under implementation accounts at the end of the quarter. (1+2-3)	140	298.77
5	Out of '4' – accounts in respect of which resolution process involving extension in original / extended DCCO, as the case may be, has been invoked.	-	-
5.1	Out of '5' – accounts in respect of which Resolution plan has been implemented.	-	-
5.2	Out of '5' – accounts in respect of which Resolution plan is under implementation.	-	-
5.3	Out of '5' – accounts in respect of which Resolution plan has failed.	-	-
6	Out of '5', accounts in respect of which resolution process involving extension in original / extended DCCO, as the case may be, has been invoked due to change in scope and size of the project.	-	-
7	Out of '5', account in respect of which cost overrun associated with extension in original / extended DCCO, as the case may be, was funded	-	-
7.1	Out of '7', accounts where SBCF was sanctioned during financial closure and renewed continuously	-	-
7.2	Out of '7', accounts where SBCF was not presanctioned or renewed continuously	-	-



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for the year ended 31.03.2026

Sl. No	Item Description	Number of accounts	Total outstanding (in ₹ crore)
8	Out of '4' – accounts in respect of which resolution process not involving extension in original / extended DCCO, as the case may be, has been invoked.	-	-
8.1	Out of '8' – accounts in respect of which Resolution plan has been implemented.	-	-
8.2	Out of '8' – accounts in respect of which Resolution plan is under implementation.	-	-
8.3	Out of '8' – accounts in respect of which Resolution plan has failed.	-	-

(k) Disclosure under Resolution Framework for COVID-19 related Stress:

Disclosures to be made half yearly Resolution Framework 1.0 and Resolution Framework 2.0.

For the First half year ending 30.09.2025:

(Amount in ₹ crore)

Type of the Borrower	Exposure to accounts classified as standard consequent to implementation of resolution plan – position as at the end of the previous half-year ending 31.03.2025 (A)	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A) amount written off during the half-year	Of (A) amount paid by the borrowers during the half-year	Exposure to accounts classified as standard consequent to implementation of resolution plan – position as at the end of this half-year ending 30.09.2025
Personal Loan	118.03	0.73	0.00	10.54	106.76
Corporate Persons*	3.86	0.00	0.00	1.68	2.18
Of which MSMEs	0.54	0.00	0.00	0.15	0.39
Others	88.15	0.92	0.00	13.77	73.46
Total	210.04	1.65	0.00	25.99	182.40

*As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016. "corporate person" means a company as defined in clause (20) of section 2 of the Companies Act, 2013, a limited liability partnership, as defined in clause (n) of sub-section (1) of section 2 of the Limited Liability Partnership Act, 2008, or any other person incorporated with limited liability under any law for the time being in force but shall not include any financial service provider

Personal Loan 'Personal loans', for the purpose of this circular shall have the same meaning as defined in the Circular DBR.No.BP.BC.99/08.13.100/2017-18 dated January 4, 2018 on "XBRL Returns – Harmonization of Banking Statistics".

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for the year ended 31.03.2026

For the First half year ending 30.09.2024:

(Amount in ₹ crore)

Type of the Borrower	Exposure to accounts classified as standard consequent to implementation of resolution plan - position as at the end of the previous half-year ending 31.03.2024 (A)	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A) amount written off during the half-year	Of (A) amount paid by the borrowers during the half-year	Exposure to accounts classified as standard consequent to implementation of resolution plan - position as at the end of this half-year ending 30.09.2024
Personal Loan	143.63	0.22	0.00	12.44	130.97
Corporate Persons*	57.99	0.00	0.00	3.97	54.02
Of which MSMEs	0.78	0.00	0.00	0.10	0.68
Others	146.92	3.48	0.00	27.50	115.94
Total	348.54	3.70	0.00	43.91	300.93

*As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016. "corporate person" means a company as defined in clause (20) of section 2 of the Companies Act, 2013, a limited liability partnership, as defined in clause (n) of sub-section (1) of section 2 of the Limited Liability Partnership Act, 2008, or any other person incorporated with limited liability under any law for the time being in force but shall not include any financial service provider;

For the second half year ending 31.03.2026:

(Amount in ₹ crore)

Type of borrower	Exposure to accounts classified as standard consequent to implementation of resolution plan - position as at the end of the previous half-year ending 30.09.2025 (A)	Of (A) aggregate debt that slipped into NPA during the half-year	Of (A) amount written off during the half-year	Of (A) amount paid by the borrowers during the half-year	Exposure to accounts classified as standard consequent to implementation of resolution plan - position as at the end of this half-year ending 31.03.2026
Personal Loans	106.76	0.05	0.00	10.63	96.08
Corporate persons*	2.18	0.00	0.00	2.14	0.04
Of which MSMEs	0.39	0.00	0.00	0.36	0.03
Others	73.46	0.00	0.00	8.01	65.45
Total	182.40	0.05	0.00	20.78	161.57

*As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016. "corporate person" means a company as defined in clause (20) of section 2 of the Companies Act, 2013, a limited liability partnership, as defined in clause (n) of sub-section (1) of section 2 of the Limited Liability Partnership Act, 2008, or any other person incorporated with limited liability under any law for the time being in force but shall not include any financial service provider;



Notes Forming Part of Accounts

for the year ended 31.03.2026

For the second half year ending 31.03.2025

(Amount in ₹ crore)

Type of borrower	Exposure to accounts classified as standard consequent to implementation of resolution plan – position as at the end of the previous half-year ending 30.09.2024 (A)	Of (A) aggregate debt that slipped into NPA during the half-year	Of (A) amount written off during the half-year	Of (A) amount paid by the borrowers during the half-year	Exposure to accounts classified as standard consequent to implementation of resolution plan – position as at the end of this half-year ending 31.03.2025
Personal Loans	130.96	0.62	0.00	12.31	118.03
Corporate persons*	54.03	0.00	0.00	50.17	3.86
Of which MSMEs	0.68	0.00	0.00	0.14	0.54
Others	115.94	8.38	0.00	19.41	88.15
Total	300.93	9.00	0.00	81.89	210.04

*As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016. “corporate person” means a company as defined in clause (20) of section 2 of the Companies Act, 2013, a limited liability partnership, as defined in clause (n) of sub-section (1) of section 2 of the Limited Liability Partnership Act, 2008, or any other person incorporated with limited liability under any law for the time being in force but shall not include any financial service provider;

Type of borrower	Exposure to accounts classified as standard consequent of resolution plan – position as at the end of the previous half year ending 30.09.2024 (A)	Of (A) aggregate debt that slipped into NPA during the half-year	Of (A) amount written off during the half-year	Of (A) amount paid by the borrowers during the half-year	Exposure to accounts classified as standard consequent of resolution plan – position as at the end of the previous half year ending 31.03.2025
Personal Loan	130.96	0.62	0.00	12.31	118
Corporate persons*	54.03	0.00	0.00	50.17	3.8
Of which MSMEs	0.68	0.00	0.00	0.14	0.5
Others	115.94	8.38	0.00	19.41	88.1
Total	300.93	9.00	0.00	81.89	210.0

* As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016, “corporate person” means a company as defined in clause (20) of Section 2 of the Companies Act, 2013, a limited liability partnership, as defined in clause (n) of sub-section (1) of Section 2 of the Limited Liability Partnership Act, 2008, or any other person incorporated with Limited Liability under any law for the time being in force but shall not include any financial service provider.

(I) COVID -19

The Bank continues to hold a provision of ₹ 250 Crore on advances as on March 31, 2026, which was created to meet any exigencies arising out of COVID-19 pandemic.

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for the year ended 31.03.2026

5. Exposures

a) Exposure to real estate sector

(Amount in ₹ crore)

Category	2025-26	2024-25
i) Direct exposure	4889.38	4990.34
a) Residential Mortgages –	1986.77	2167.64
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	202.79	188.02
Of Which		
Individual housing loans eligible for inclusion in priority sector advances shall be shown separately. Exposure would also include non-fund based (NFB) limits.		
b) Commercial Real Estate –		
Lending secured by mortgages on commercial real estate (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits;	202.79	188.02
c) Investments in Mortgage-Backed Securities (MBS) and other securitized exposures –		
i. Residential	0.00	0.00
ii. Commercial Real Estate	0.00	0.00
ii) Indirect Exposure		
Fund based and non-fund-based exposures on National Housing Bank and Housing Finance Companies.	0.00	0.00
Total Exposure to Real Estate Sector	5092.17	5178.36

b) Exposure to capital market

(Amount in ₹ crore)

Particulars	2025-26	2024-25
i) 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;	22.79	24.94
ii) 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;	1.60	2.13
iii) 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;	0.00	0.00



Notes Forming Part of Accounts

for the year ended 31.03.2026

(Amount in ₹ crore)

Particulars	2025-26	2024-25
iv) 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;	0.00	0.00
v) Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	1.88	1.52
vi) 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;	0.00	0.00
vii) Bridge loans to companies against expected equity flows / issues;	0.00	0.00
viii) 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;	0.00	0.00
ix) Financing to stockbrokers for margin trading;	0.00	0.00
x) All exposures to Venture Capital Funds (both registered and unregistered)	0.00	0.00
Total exposure to capital market	26.27	28.59

c) Risk category-wise country exposure

(Amount in ₹ crore)

Risk Category	Exposure (net) as at 31/03/2026	Provision held as at 31/03/2026	Exposure (net) as at 31/03/2025	Provision held as at 31/03/2025
Insignificant	331.66	0.00	642.19	0.00
Low	380.86	0.00	113.15	0.00
Moderately Low	0.35	0.00	0.00	0.00
Moderate	41.83	0.00	26.46	0.00
Moderately High	2.88	0.00	2.21	0.00
High	0.00	0.00	2.60	0.00
Very High	0.00	0.00	0.00	0.00
Total	757.58	0.00	786.61	0.00

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).

d) Unsecured advances

(Amount in ₹ crore)

Particulars	2025-26	2024-25
Total unsecured advances of the bank	53.89	138.43
Out of the above, amount of advances for which intangible securities such as charge over the rights, licenses, authority, etc. have been taken	0.00	0.00
Estimated value of such intangible securities	0.00	0.00

Notes Forming Part of Accounts

for the year ended 31.03.2026

e) **Factoring exposures** – Nil (For Previous FY 2024-25 – NIL)

f) **Intra-group exposures as on 31.03.2026**

- i) Total amount of intra-group exposures – NIL (For Previous FY 2024-25 – NIL)
- ii) Total amount of top 20 intra-group exposures – NIL (For Previous FY 2024-25 – NIL)
- iii) Percentage of intra-group exposures to total exposure of the bank on borrowers/customers – NIL (For Previous FY 2024-25 – NIL)
- iv) Details of breach of limits on intra-group exposures and regulatory action thereon, if any – NIL (For Previous FY 2024-25 – NIL)

g) **Unhedged foreign currency exposure (UFCE)**

Bank has a laid down policy for hedging Foreign Currency Exposure, Bank shall insist on hedging the unhedged foreign currency risk of our Borrowers. In case of extreme resistance to hedge the Foreign Currency Exposure or bear the additional Interest Rate the Bank may stipulate, the Bank may on case to case merit, insist on the customer to place suitable term deposits with the bank under lien to the unhedged exposure to take care of the likely losses arising out of adverse currency movements.

UFCE shall exclude items which are effective hedge of each other natural hedges and financial hedges already made shall be excluded for arriving at the UFCE.

Bank shall make incremental provisioning and capital provisioning as under, as prescribed by RBI, and shall adopt the provisioning and capital provisioning requirements of RBI in respect of those entities on which total exposure of the Banking system is above ₹50 crore. Bank shall follow the RBI guidelines in respect of smaller entities (i.e. total exposure of the Banking system is at ₹50 crore or less) and shall make an incremental provisioning of 10 bps over and above the extant standard asset provisioning for the unhedged exposure.

The provisioning required for currency induced Credit Risk for the bank on account of the unhedged Foreign Currency Exposure of the borrowers was estimated at ₹1.60 Crore (Previous Year – ₹ 2.06 Crore). Bank holds required provision towards the same. Bank holds additional capital of ₹ NIL (previous year ₹16.54 Crore) towards the unhedged foreign currency exposure as per extant guidelines.

h) **Exposures to Related Parties**

Details of exposures to related parties :

(Amount in ₹ crore)

Sr. No.	Particulars	2024-25	2025-26
A. Loans to Related Parties			
1.	Aggregate value of loans sanctioned to related parties during the year	-	-
2.	Aggregate value of outstanding loans to related parties as on 31st March	21.33	0.42
3.	Aggregate value of outstanding loans to related parties as a proportion of total credit exposure as on 31st March (in %)	0.05	-
4.	Aggregate value of outstanding loans to related parties which are categorized as:	-	-
	(i) Special Mention Accounts as on 31st March	-	-
	(ii) Non-Performing Assets as on 31st March	-	-



Notes Forming Part of Accounts

for the year ended 31.03.2026

Sr. No.	Particulars	2024-25	2025-26
5.	Amount of provisions held in respect of loans to related parties as on 31st March	0.09	0.00
B. Contracts and Arrangements involving Related Parties			
6.	Aggregate value of contracts and arrangements awarded to related parties during the year	-	-
7.	Aggregate value of outstanding contracts and arrangements involving related parties as on 31st March	-	-

6. Concentration of deposits, advances, exposures and NPAs

a) Concentration of deposits

(Amount in ₹ crore)

Particulars	2025-26	2024-25
Total deposits of the twenty largest depositors	6863.46	5972.81
Percentage of deposits of twenty largest depositors to total deposits of the bank	11.12%	11.12%

b) Concentration of advances

(Amount in ₹ crore)

Particulars	2025-26	2024-25
Total advances to the twenty largest borrowers	2072.68	1957.67
Percentage of advances to twenty largest borrowers to total advances of the bank	3.88%	4.41%

c) Concentration of exposures

(Amount in ₹ crore)

Particulars	2025-26	2024-25
Total exposure to the twenty largest borrowers/customers	2982.33	2968.41
Percentage of exposures to the twenty largest borrowers/customers to the total exposure of the bank on borrowers/customers	4.66%	5.43%

d) Concentration of NPAs

(Amount in ₹ crore)

Particulars	2025-26	2024-25
Total Exposure to the top twenty NPA accounts	278.46	339.18
Percentage of exposures to the twenty largest NPA exposure to total Gross NPAs.	71.73%	60.99%

Notes Forming Part of Accounts

for the year ended 31.03.2026

7) Derivatives

a) Details of derivative portfolio

(Amount in ₹ crore)

	2025-26			2024-25		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Interest Rate Derivatives	NIL	NIL	NIL	NIL	NIL	NIL
MTM – Assets						
MTM – Liabilities						
Net Gain / Loss recognised in Profit & Loss Account						
Exchange Rate Derivatives						
MTM – Assets						
MTM – Liabilities						
Net Gain / Loss recognised in Profit & Loss Account						
Credit Risk Derivatives						
MTM – Assets						
MTM – Liabilities						
Net Gain / Loss recognised in Profit & Loss Account						
Other Derivatives (specify)						
MTM – Assets						
MTM – Liabilities						
Net Gain / Loss recognised in Profit & Loss Account						

b) Forward rate agreement/Interest rate swap

(Amount in ₹ crore)

Particulars	2025-26	2024-25
1) The notional principal of swap agreements	NIL	NIL
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		
4) Concentration of credit risk arising from the swaps		
5) The fair value of the swap book		

Total outstanding of Forward contracts

(Amount in ₹ crore)

Particulars	2025-26	2024-25
Purchases	3574.56	2147.93
Sales	3854.23	2541.14
Total	7428.79	4689.07

Note: There are no derivative transaction undertaken during the year 2025-26, other than Forward Forex Contracts.



Notes Forming Part of Accounts

for the year ended 31.03.2026

c) Exchange traded interest rate derivatives

(Amount in ₹ crore)

S.No	Particulars	2025-26	2024-25
1.	Notional principal amount of exchange traded interest rate derivatives undertaken during the year (instrument-wise)	NIL	NIL
2.	Notional principal amount of exchange traded interest rate derivatives outstanding as on 31st March for the year (instrument-wise)		
3.	Notional principal amount of exchange traded interest rate derivatives outstanding and not "highly effective" (instrument-wise)		
4.	Mark-to-Market value of exchange traded interest rate derivatives outstanding and not "highly effective" (instrument-wise)		

d) Disclosures on risk exposure in derivatives

i) Qualitative disclosures

Bank has not entered into any derivative transactions in respect of Forward rate agreement/Interest Rate Swap / Exchange Traded Interest Rate Derivatives during the year 2025-26.

ii) Quantitative disclosures

(Amount in ₹ crore)

S.No	Particulars	Currency derivatives	Interest rate derivatives	Currency derivatives	Interest rate derivatives
		2025-26	2025-26	2024-25	2024-25
1.	Derivatives (Notional Principal Amount)	NIL	NIL	NIL	NIL
	a) For hedging				
	b) For trading				
2.	Marked to Market Positions				
	a) Assets (+)				
	b) Liability (-)				
3.	Credit Exposure				
4.	Likely impact of one percentage change in interest rate (100*PV01)				
	a) On hedging derivatives				
	b) On trading derivatives				
5.	Maximum and Minimum of 100*PV01 observed during the year				
	a) On hedging				
	b) On trading				

e) Credit default swaps – NIL

8) Disclosures relating to securitization- NIL

Notes Forming Part of Accounts

for the year ended 31.03.2026

9) Off balance sheet SPVs sponsored (which are required to be consolidated as per accounting norms)

Name of the SPV sponsored	
Domestic	Overseas
NIL	NIL

10) Transfers to Depositor Education and Awareness Fund (DEA Fund) (Amount in ₹ crore)

Sr. No.	Particulars	2025-26	2024-25
i)	Opening balance of amounts transferred to DEA Fund	151.55	126.66
ii)	Add: Amounts transferred to DEA Fund during the year	27.36	27.44
iii)	Less: Amounts reimbursed by DEA Fund towards claims	2.01	2.55
iv)	Closing balance of amounts transferred to DEA Fund	176.90	151.55

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 of complaints

a) Summary information on complaints received by the bank from customers and from the Offices of Ombudsman

Sr. No.	Particulars	2025-26	2024-25
Complaints received by the bank from its customers			
1.	Number of complaints pending at beginning of the year	491	571
2.	Number of complaints received during the year	16684	11601*
3.	Number of complaints disposed during the year	16937	11681
3.1	Of which, number of complaints rejected by the bank	-	-
4.	Number of complaints pending at the end of the year	238	491
Maintainable complaints received by the bank from Office of Ombudsman			
5.	Number of maintainable complaints received by the bank from Office of Ombudsman	282	222
5.1.	Of 5, number of complaints resolved in favour of the bank by Office of Ombudsman	273	214
5.2	Of 5, number of complaints resolved through conciliation/ mediation/advisories issued by Office of Ombudsman	9	8
5.3	Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the bank	-	-
6.	Number of Awards unimplemented within the stipulated time (other than those appealed)	-	-

Note: Maintainable complaints refer to complaints on the grounds specifically mentioned in Integrated Ombudsman Scheme, 2021 (Previously Banking Ombudsman Scheme, 2006) and covered within the ambit of the Scheme.



Notes Forming Part of Accounts

for the year ended 31.03.2026

*Number of complaints received and disposed during the year 2024-25 (11(a)2 and 3) has been reported as 11601 and 11681 respectively in the Annual Report instead of 22857 and 22366. The reason is digital complaints of 6193 and 5063 numbers relating to the quarter June 2024 and September 2024 have not been included as advised by the then Internal ombudsman. But as per IRAR 2024 observations, we started to include all complaints from 01-10-2025 onwards. All the calculations in 11(b) are based on total complaints 22857 only.

b) Top five grounds of complaints received by the bank from customers

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/decrease in the number of complaints received over the year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
2025-26					
ATM/ Debit Cards	28	4273	-17.78%	10	2
Internet/ Mobile/Electronic Banking	457	11540	-32.23%	227	
Loans and Advances	5	228	+107.27%	1	
Service Charges	-	6	-82.35	-	-
Account opening/ Difficulty in operation of accounts	-	-	-	-	-
Others	1	637	+30.27%	-	-
Total	491	16684		238	2
2024-25					
ATM/ Debit Cards	571	5197	-82.08%	28	-
Internet/ Mobile/Electronic Banking	-	17027	-296.25%	457	-
Loans and Advances	-	110	-27.63%	5	4
Service Charges	-	34	-5.56%	-	-
Account opening/ Difficulty in operation of accounts	-	-	-	-	-
Others	-	489	187.65%	1	-
Total	571	22857	-	491	4

12) Disclosure of penalties imposed by the Reserve Bank of India

RBI has imposed monetary penalties under following grounds:

- Penalty charged for deficiencies in exchange of notes and coins/remittances sent to RBI/operations of currency chests etc., by RBI: Penalty charged by RBI under Scheme of Incentives and Penalties for Bank Branches including Currency chests during the period from 01.04.2025 to 31.03.2026 ₹ 18,275/-.
- During the year, RBI has imposed penalty of ₹.3,90,000/- under the scheme of penalty for Non-replenishment of ATM (DCM(RMMT) No.S153/11.01.01/2022-23) dated August 10, 2021

Notes Forming Part of Accounts

for the year ended 31.03.2026

- iii. Indirectly imposing charges on person's making payment by using UPI – ₹10 lakh
- iv. Failure to credit to the DEA Fund within the prescribed time period under section 264 of the BR Act. – ₹29.60 lakh

13 Disclosures on remuneration:

Type of disclosure	S.No	Information	
Qualitative	(a)	Information relating to the composition and mandate of the Nomination and Remuneration Committee.	The Nomination and Remuneration Committee of the Board, comprising of five members, is constituted to oversee the framing, review, and implementation of the Bank's Compensation Policy on behalf of the Board. As on March 31, 2026, the Nomination & Remuneration Committee of the Board comprises the following Directors: Thiru.A.Shidambaranathan, Independent Director (Chairman) Thiru.A.Niranjan Sankar, Non-Executive Director Thiru.C.Chiranjeeviraj, Independent Director Thiru.S.Sridharan, Independent Director Thiru.R.Deepak Shankar, Independent Director Terms of Reference / Roles and Responsibilities of the Committee are: 1. Formulate the criteria for determining the qualifications, positive attributes and independence of a director and recommend to the board of Directors of the Bank ("Board") a policy relating to the remuneration of the Directors, key managerial personnel and other employees; 2. Formulation of criteria for evaluation of the performance of independent Directors and the Board; 3. Devise a policy on diversity of the Board; 4. Identify persons, who are qualified to become Directors or who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and carrying out evaluation of every director's performance; 5. Determine whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent Directors; 6. Recommend remuneration of executive Directors and any increase therein from time to time within the limit approved by the members of the Bank; 7. Recommend remuneration to non-executive Directors in the form of sitting fees for attending meetings of the Board and its committees, remuneration for other services, commission on profits;



Notes Forming Part of Accounts

for the year ended 31.03.2026

Type of disclosure	S.No	Information	
Qualitative	(a)	Information relating to the composition and mandate of the Nomination and Remuneration Committee.	8. Recommend to the Board, all remuneration, in whatever form, payable to senior management; 9. Perform such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as amended; 10. Engage the services of any consultant/professional or other agency for the purpose of recommending compensation structure/policy; 11. Ensure the 'fit and proper' status of the proposed and existing Directors in terms of the Master Directions; 12. Analyse, monitor and review various human resource and compensation matters; 13. Review and approve the compensation strategy from time to time in the context of the current Indian market in accordance with applicable laws; 14. Frame suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including: a) The SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended; or b) The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003, as amended; and c) Performing such other functions as may be delegated by the Board and/or prescribed under the SEBI Listing Regulations, the Master Directions, Companies Act, each as amended or other applicable law. 15. Performing such other functions as may be delegated by the Board and/or prescribed under the SEBI Listing Regulations, the Master Directions, Companies Act, each as amended or other applicable law. 16. To oversee the framing, review and implementation of compensation policy of the Bank on behalf of the Board. 17. To achieve effective alignment between remuneration and risks. 18. To ensure that the cost / income ratio of the bank supports the remuneration package consistent with maintenance of sound capital adequacy ratio.
	(b)	Information relating to the design and structure of remuneration processes and the key features and objectives of remuneration policy.	The Bank has formulated and adopted a comprehensive compensation policy & HR policy covering all the employees. The policy is reviewed on an annual basis. The policy covers all aspects of the compensation structure, such as fixed pay, variable compensation, perquisites, performance bonus, pension, gratuity, etc., taking into account the guidelines issued by the Reserve Bank of India from time to time. Key Features: i) Board oversees the design of the compensation package and operations. ii) Compensation commensurate with the responsibility and accountability.

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for the year ended 31.03.2026

Type of disclosure	S.No	Information	
	(b)	Information relating to the design and structure of remuneration processes and the key features and objectives of remuneration policy.	Objectives: 1. Ensure compliance with applicable laws, rules, and regulations as well as the 'Fit and Proper criteria' of directors before their appointment 2. Formulate criteria for determining qualifications, positive attributes, and independence of directors 3. Develop and regularly review succession plan for the Board 4. Develop and recommend to the Board a set of corporate governance principles that takes a leadership role in shaping the corporate governance of the Bank 5. Identify, assess, and recommend to the Board on nominees for appointment as directors. 6. Make recommendations to the Board as to the size, composition, and structure of the Board, and also evaluation criteria of the directors, conduct annual review of the performance of the Chief Executive Officer, and oversee the Bank's Chief Executive Officer's succession planning process 7. Retain, motivate, and promote talent to ensure long-term sustainability of talented KMP and senior management. 8. Establish standards on compensation/ remuneration, including fixed and variable, which are in alignment with the applicable rules and regulations and are based on the trends and practices of remuneration prevailing in the industry Recommend to the Board in relation to appointment, removal, and remuneration of Directors, KMP, and senior management..
	(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.	Material Risk takers are identified and placed in the NRC of the Board. Regional Heads, Branch Heads, IT department, MIS, Information security officials and Dealers in Treasury & IBD are paid special allowance based on risk taken by them.
	(d)	Description of the ways in which the bank seeks to link performance during a performance measurement period with levels of remuneration.	Performance Based Incentive scheme is approved by our Board of Directors every year.



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for the year ended 31.03.2026

Type of disclosure	S.No	Information	
	(e)	A discussion of the bank's policy on deferral and vesting of variable remuneration and a discussion of the banks policy and criteria for adjusting deferred remuneration before vesting and after vesting.	The first tranche (50%) of cash based incentive shall be paid immediately after the grant is approved by the Bank. The remaining portion of the cash based incentive shall be paid as 2nd, 3rd and 4th tranche of 30%, 35% and 35% (Remaining 50%) respectively after completion of 1 year, 2 years and 3 years respectively from the date of grant. Vesting of the Share-based shall be over a period of 3 years from the grant date (30%, 30% & 40% at the end of 1st, 2nd & 3rd year from date of grant respectively) which takes into account the mandatory requirement of lock-in period of 1 year from date of grant.
	(f)	Description of the different forms of variable remuneration (i.e., cash and types of share-linked instruments) that the bank utilizes and the rationale for using these different forms.	The variable pay component for the Managing Director and Executive Director for FY2024-25 has been granted as 50% cash-based and 50% share-based.

Type of disclosure	S.No	Information	2025-26	2024-25
Quantitative disclosures (The quantitative disclosures should only cover Whole Time Directors/ Chief Executive Officer/ Material Risk Takers)	(g)	Number of meetings held by the Nomination and Remuneration Committee during the financial year and remuneration paid to its members.	7 meetings (Nomination and Remuneration Committee) were held during the financial year and the sitting fees paid to the members during the year 2025-26 is ₹10,00,000/-	16 meetings (Nomination and Remuneration Committee) were held during the financial Year, and the sitting fees paid to the members during the year 2024-25 is ₹18,25,000/-

Notes Forming Part of Accounts

for the year ended 31.03.2026

Type of disclosure	S.No	Information	2025-26	2024-25
	(h)	(i) Number of employees having received a variable remuneration award during the financial year	i) Five executives 1. Shri. K.V.Rama moorthy, Former MD & CEO 2. Shri.S.Krishnan, former MD & CEO) 3. Shri.S.Narayanan former EVP (Credit) 4. Salee Sukumaran Nair MD&CEO 5. Vincent Menachery Devassy, Executive Director Other employees/ executives paid with Variable pay – 4572	i) Two (Shri. K.V.Rama moorthy, Former MD & CEO & Shri.S.Krishnan, former MD & CEO) + 4352 (Other employees who are given variable Pay) Total – 4354
		(ii) Number and total amount of sign-on/ joining bonus made during the financial year.	ii) NIL	ii) NIL
		(iii) Details of severance pay, in addition to accrued benefits, if any	iii) NIL	iii) NIL
	(i)	(i) Total amount of outstanding deferred remuneration, split into cash, shares and share linked instruments and other forms.	i) a) Shri.S.Krishnan, former MD&CEO – ₹ 20,21,118/- (Cash) b) Shri.S.Narayanan former EVP(Credit) – ₹6,30,000/- (Cash) c) Shri.Salee Sukumaran Nair – ₹9,94,272/- (cash) d) Shri.Vincent Menachery Devassy – ₹7,43,010/- (Cash)	i) a) Shri.K.V.Rama Moorthy, Former MD & CEO – ₹8,22,500/- (cash) b) Shri.S.Krishnan, former MD & CEO – ₹10,65,356/- (cash)



Notes Forming Part of Accounts

for the year ended 31.03.2026

Type of disclosure	S.No	Information	2025-26	2024-25
		(ii) Total amount of deferred remuneration paid out in the financial year.	ii) a) Shri.K.V.Ramamoorthy, Former MD & CEO – ₹8,22,500/- (cash) b) Shri.S.Krishnan, former MD & CEO – ₹11,70,581/- (cash) c) Shri.S.Narayanan former EVP (Credit) – ₹2,70,000/- (Cash)	ii) Shri.K.V.Rama Moorthy, Former MD & CEO – ₹8,22,500/- (cash) Shri.S.Krishnan, former MD & CEO – ₹4,56,581/- (cash)
	(j)	Breakdown of amount of remuneration awards for the financial year to show fixed and variable, deferred and non-deferred.	Shri. Salee Sukumaran Nair, MD & CEO Fixed Pay – ₹.85,23,756/- Variable Pay – ₹.9,94,272.30 Shri. Vincent Menachery Devassy Fixed Pay – ₹.61,10,439/- Variable Pay – ₹.7,43,010/-	Shri. Salee Sukumaran Nair, MD & CEO Fixed Pay – ₹.97,39,811/- Variable Pay – ₹.97,39,811/- Shri. Vincent Menachery Devassy Fixed Pay – ₹.74,30,100/- Variable Pay – ₹.74,30,100/-
	(k)	(i) Total amount of outstanding deferred remuneration and retained remuneration exposed to ex post explicit and / or implicit adjustments. (ii) Total amount of reductions during the financial year due to ex post explicit adjustments. (iii) Total amount of reductions during the financial year due to ex post implicit adjustments.	NIL	NIL
	(l)	Number of MRTs identified.	2	2

Notes Forming Part of Accounts

for the year ended 31.03.2026

Type of disclosure	S.No	Information	2025-26	2024-25
	(m)	(i) Number of cases where malus has been exercised. (ii) Number of cases where clawback has been exercised. (iii) Number of cases where both malus and clawback have been exercised.	NIL	NIL
General Qualitative Disclosure	(n)	The mean pay for the bank as a whole (excluding sub-staff) and the deviation of the pay of each of its WTDs from the mean pay.	Mean Pay – ₹78,588.00 MD Pay – ₹5,75,000.00 Difference – ₹4,96,412.00 ED Pay – ₹4,25,000.00 Difference – ₹3,46,412.00	Mean Pay – ₹77,971.00 MD Pay – ₹5,75,000.00 Difference – ₹4,97,029.00 ED Pay – ₹4,25,000.00 Difference – ₹3,47,029.00

14) Other Disclosures

a) Business ratios

Particulars	2025-26	2024-25
i) Interest Income as a percentage to Working Funds	8.38	8.42%
ii) Non-interest income as a percentage to Working Funds	1.26	1.35%
iii) Cost of Deposits	5.86%	5.91%
iv) Net Interest Margin	3.98%	4.07%
v) Operating Profit as a percentage to Working Funds	2.67	2.78%
vi) Return on Assets	1.93%	1.88%
vii) Business (deposits plus advances) per employee (in ₹ crore)	23.98	20.59
viii) Profit per employee (in ₹ crore)	0.28	0.25

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.

b) Bancassurance business

The details of fees / brokerage earned in respect of insurance broking, agency and bancassurance business undertaken by us is given below (Amount in ₹ crore)

Particulars	2025-26	2024-25
Commission from General insurance business	3.95	3.98
Commission from Life insurance business	27.25	21.38
Grand Total	31.20	25.36



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for the year ended 31.03.2026

- c) **Marketing and distribution:** Banks shall disclose the details of fees / remuneration received in respect of the marketing and distribution function (excluding bancassurance business) undertaken by them.

(Amount in ₹ crore)

S.No	Particulars	2025-26	2024-25
1	Government Schemes related NPS, etc	1.53	1.38
2	Distribution of Mutual Fund	0.29	0.26
3	Credit Card related	3.47	4.06
4	Depository Services	0.36	0.37
5	Others	0.97	1.59
	Total	6.62	7.66

- d) **Disclosures regarding Priority Sector Lending Certificates (PSLCs)**

(Amount in ₹ crore)

S.No	Particulars	2025-26		2024-25	
		Purchase	Sale	Purchase	Sale
i)	PSLC- Agriculture	0.00	9060.00	0.00	2800.00
ii)	PSLC- Small & Marginal Farmer	0.00	2900.00	0.00	9615.00
iii)	PSLC- Micro Enterprises	0.00	0.00	0.00	225.00
iv)	PSLC- General	0.00	0.00	0.00	0.00
	Grand Total	0.00	11960.00	0.00	12640.00

- e) **Provisions and contingencies**

(Amount in ₹ crore)

Provision debited to Profit and Loss Account	2025-26	2024-25
i) Provisions for NPI	0.00	0.00
ii) Provision towards NPA	12.98	170.32
iii) Provision made towards Income tax	463.65	386.33
iv) Other Provisions and Contingencies (with details)		
a) Provision towards Standard Asset	35.15	11.33
b) Floating Provision for Advances	9.01	4.40
c) Deferred Tax	5.40	5.95
d) Provision for Restructured Advances	(12.22)	(18.27)
e) Contingency Provision for Covid and other uncertainties	0.00	0.00
f) Provision for fair value for Restructured Advances	0.29	(0.72)
g) Provision for unhedged foreign currency exposure	(0.46)	(1.13)
h) Provision for stressed sector (Exp)	0.00	(2.52)
i) Other provisions	3.88	7.44
Grand Total	517.68	563.13

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for the year ended 31.03.2026

Provision for standard advances

(Amount in ₹ crore)

Particulars	31.03.2026	31.03.2025
Standard Assets	162.48	127.32
Of which Food Credit	3.13	2.72

f) Implementation of IFRS converged Indian Accounting Standards (Ind AS)

The Proforma Financial Statement (PFS) are being submitted to RBI on a periodical basis. Bank is in the process of development of software for IFRS converged India Accounting Standard (IndAS). However bank is awaiting for the final guidance from RBI in order to make suitable system related changes.

g) Payment of DICGC Insurance Premium

(Amount in ₹ crore)

Sr. No.	Particulars	2025-26	2024-25
i)	Payment of DICGC Insurance Premium*	72.96	67.75
ii)	Arrears in payment of DICGC premium	0.00	0.00

*Including GST

h) Disclosure on amortisation of expenditure on account of enhancement in family pension of employees of banks - Not Applicable. (Applicable for banks covered under the 11th Bipartite Settlement and Joint Note dated November 11, 2020)

i) Disclosure of Letters of Comfort (LoCs) issued by bank:-

The Bank has not issued any Letters of Comfort during the financial year 2025-2026.

j) Portfolio-level information on the use of funds raised from green deposits: -

The Bank has not raised any green deposit in the Financial year 2025-2026.

k) Pending Litigations with Directorate of Enforcement under FEMA on Transfer of certain shares and issue of Bonus shares thereon:-

The Bank had received a show-cause notice dated 17.12.2014 from the office of the Special Director, Directorate of Enforcement, Chennai, which was simultaneously issued to 26 persons/entities, including Standard Chartered Bank (SCB) and SCB's Head of operations, in connection with the alleged violation in transfer of shares on 13.05.2007, 26.12.2011 and 11.06.2012.

Subsequently, after considering all our submissions / written replies / responses / personal hearing, the Directorate of Enforcement had levied a penalty of Rs.16.99 Crores on our bank, vide its order dated 14.08.2020.

In the meantime, on 27.01.2021, the Deputy legal advisor of the Directorate of Enforcement has filed an appeal before the appellate tribunal for foreign exchange, New Delhi with a prayer for confiscation of shares/de-nova proceedings. We understand from the other noticee (previous Directors/officials) that they have also gone for appeal against the order of DoE. Considering the situation, Bank has also filed an appeal before the Appellate Tribunal, New Delhi on 04.11.2022.

On 05.12.2022, the Appellate Tribunal was not inclined to hear the main issue in the absence of pre-deposit of the penalty amount before the Tribunal, as required under law. We have therefore agreed to deposit the amount of penalty and the penalty was deposited on 16.12.2022 and the bank is having necessary provision.

Pending disposal of the appeal before the Appellate Tribunal, the Bank has fully provided and pre-deposited the penalty of ₹1699 Lakhs on December 16, 2022, relating to alleged irregularity under FEMA in respect of transfer of



Notes Forming Part of Accounts

for the year ended 31.03.2026

shares, during the years 2007, 2011 & 2012 levied by Directorate of Enforcement. The Bank has also fully provided the penalty of ₹ 225 Lakhs levied by Directorate of Enforcement for alleged FEMA Violation against 11 persons who were Directors / Company Secretary of the Bank at the time of transfer of above shares and pre-deposited 20% thereof amounting to ₹45 Lakhs. Further, the bank has also provided a sum of ₹2 Lakhs on the basis of legal opinion towards leviable penalty in respect of show-cause notice from Directorate of Enforcement, for the issue of Bonus Shares to the above-said transferees.

.I) Transfer of Dividend and shares to IEPF:

Unclaimed Dividend and shares pertaining to the Financial Years 2015-16 (2nd Interim), 2016-17 (1st Interim), 2016-17 (2nd Interim), 2017-18 (1st Interim & 2nd Interim) have been transferred to IEPF during the FY 2025-26.

15) Disclosure Requirements as per Accounting Standards where RBI has issued guidelines in respect of disclosure items for Notes to Accounts:

15.1 Changes in Accounting Policies (AS-5):

There were no material pertaining to prior period Income /Expenditure requiring disclosure as per AS5.

The bank has applied its significant accounting policies in the preparation of these financial statements, consistent with those followed in the previous financial years except in relation to performance based incentive

15.2 Revenue Recognition (AS-9):

The heads of income recognized on cash basis are neither material enough nor do they require disclosure under AS 9 on Revenue Recognition.

15.3 Employee Benefits (AS-15):

(Amount in ₹ crore)

	2025-26			2024-25		
	Pension	Gratuity	Leave Encashment	Pension	Gratuity	Leave Encashment
(i) Principal Actuarial Assumption used						
Discount Rate	7.59%	7.90%	7.90%	6.82%	6.92%	6.92%
Rate of return on Plan Assets	6.82%	6.92%	6.92%	7.45%	7.22%	0.00%
Salary Escalation	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%
(ii) Change in Benefit Obligation:						
Liability at the beginning of the year	797.65	214.80	44.75	711.77	208.92	47.31
Interest Cost	58.14	14.36	2.96	46.46	14.50	3.21
Current Service Cost	49.70	10.55	4.07	44.88	12.35	3.85
Plan amendments	--	--	5.56	--	--	--
Benefit Paid	-63.24	-14.49	-4.06	-61.14	-16.28	-5.75
Actuarial (gain) / loss on obligation	56.61	2.92	-7.02	55.68	-4.69	-3.86
Acquisitions/Divestures	0.06	0.12	--	--	--	--
Liability at the end of the year	898.92	228.26	46.25	797.65	214.80	44.75
(iii) Fair Value of Plan Assets :						
Fair value of Plan Assets at the beginning of the year	797.71	214.92	--	711.66	208.74	--
Expected return on plan Assets	57.66	14.76	1.22	54.60	14.73	--

Notes Forming Part of Accounts

for the year ended 31.03.2026

(Amount in ₹ crore)

	2025-26			2024-25		
	Pension	Gratuity	Leave Encashment	Pension	Gratuity	Leave Encashment
Contributions	110.95	11.36	35.14	103.86	6.92	--
Benefits paid	-63.24	-14.49	-4.06	-61.14	-16.28	-5.75
Employer direct benefit payments	--	--	4.06	--	--	5.75
Actuarial Gain / (loss) Plan Assets	-4.57	1.59	-0.56	-11.27	0.81	--
Fair value of Plan Assets at the End of the year	898.51	228.14	35.79	797.71	214.92	--
(iv) Actual Return on Plan Assets						
Expected Return On Plan Assets	57.66	14.76	1.22	54.60	14.73	--
Actuarial gain/ (loss) Plan Assets	-4.57	1.59	-0.56	-11.27	0.81	--
Actual return on Plan Assets	53.09	16.35	0.65	43.33	15.54	--
(v) Amount Recognised in the Balance Sheet						
Liability at the end of the year	898.92	228.26	46.25	797.65	214.80	44.75
Fair value of Plan Assets at the End of the year	898.51	228.14	35.79	797.71	214.92	--
Amount recognised in the Balance Sheet	-0.41	-0.12	-10.46	0.06	0.12	-44.75
(vi) Expenses Recognised in the Income Statement						
Current Service Cost	49.70	10.55	9.63	44.88	12.35	3.85
Interest Cost	58.14	14.36	2.96	46.46	14.50	3.21
Expected Return On Plan Assets	-57.66	-14.76	1.22	-54.61	-14.73	--
Actuarial gain or Loss	61.18	1.33	-6.46	66.95	-5.51	-3.86
Past Service Cost	0.00	0.00	0.00	0.00	0.00	0.00
Expenses Recognised in P & L (Net of Provision)	111.36	11.48	-4.91	103.68	6.61	3.19

Experience adjustments

i) Gratuity

(Amount in ₹ crore)

Particulars	31-03-2026	31-03-2025	31-03-2024	31-03-2023	31-03-2022
Defined benefit obligations	228.26	214.80	208.92	190.92	178.73
Plan Assets	228.14	214.92	208.74	190.89	178.73
(Surplus)/Deficit	-0.12	0.12	-0.18	-0.03	0.00
Experience adjustment gain / (loss) on plan assets	-1.59	-0.81	-1.02	-0.39	-0.42
Experience adjustment (gain) / loss on plan Liabilities	2.92	-11.45	-3.64	3.55	8.29



Notes Forming Part of Accounts

for the year ended 31.03.2026

II) Pension

(Amount in ₹ crore)

Particulars	31-03-2026	31-03-2025	31-03-2024	31-03-2023	31-03-2022
Defined benefit obligations	898.92	797.65	711.77	629.94	592.06
Plan Assets	898.51	797.71	711.66	634.99	592.16
(Surplus)/Deficit	-0.41	0.06	-0.11	5.05	0.10
Experience adjustment gain / (loss) on plan assets	4.57	11.27	8.79	0.09	0.72
Experience adjustment (gain) / loss on plan Liabilities	56.61	55.68	61.52	61.97	1.11

III) Leave Encashment

(Amount in ₹ crore)

Particulars	31-03-2026	31-03-2025	31-03-2024	31-03-2023	31-03-2022
Defined benefit obligations	46.25	44.75	47.31	41.14	48.80
Plan Assets	35.79	0.00	0.00	0.00	0.00
(Surplus)/Deficit	-10.46	-44.75	-47.31	-41.14	-48.80
Experience adjustment gain / (loss) on plan assets	-0.72	-5.24	0.58	5.44	0.00
Experience adjustment (gain) / loss on plan Liabilities	0.56	0.00	0.00	0.00	0.00

Details of Provisions made for Other Long term Employee Benefits:

(Amount in ₹ crore)

S.no	Other Long Term Benefits	2025-26	2024-25
1	Leave Encashment	4.91	3.20
2	Sick Leave	0.00	0.00

Performance Based Incentive:

The Board has formulated a policy for variable pay based on the performance linked scorecard methodology for achievement of targets of the employees and the same is provided on accrual basis as against the past practice of accounting the incentive in the year of payment. As a result of the above change profit for the current financial year is lower by Rs.49.80cr with corresponding increase in other liabilities.

ESOP:

In line with the policy of the Bank, duly approved by the shareholders, the Bank during the year granted 7879 equity shares under the scheme Tamilnad Mercantile Bank Ltd Employee Stock Option Plan, 2024 (TMB ESOP Plan 2024) which shall vest over the next three years. The ESOP expenses of Rs.8.67 Lakhs has been recognized in the Statement of Profit and Loss for the year based on fair value option estimated using Black-Scholes Merton formula.

Impact of the New Labour Code:

The management has taken into consideration the New Labour Codes notified by Government of India on November 21, 2025. Based on the assessment, the Bank is of the opinion that the incremental impact is not material for the year ended March 31,2026 and accordingly no provision is considered for the year. The Bank will continue to monitor the finalization of Central and State Rules and clarifications issued by the Government on the New Labour Codes and would provide for appropriate accounting effects on the basis of such developments, as needed.

Notes Forming Part of Accounts

for the year ended 31.03.2026

15.4 Accounting Segment Reporting (AS-17):

PART A: Operational Segments:

(Amount in ₹ crore)

Business Segments	Treasury		Corporate / Wholesale Banking		Retail Banking		Other Banking Business		Total	
Particulars	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25
Revenue	1280.75	1256.21	581.76	579.78	4833.98	4305.76	0.00	0.00	6696.49	6141.75
Result	300.22	256.54	161.82	156.45	1344.57	1161.90	0.00	0.00	1806.60	1574.89
Unallocated expenses									0.00	0.00
Operating profit									1806.60	1574.89
Income taxes									469.05	392.28
Extraordinary profit / loss	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net profit									1337.55	1182.61
Other information:										
Segment assets	17119.84	16540.10	7620.10	6759.05	49407.31	41325.04	0.00	0.00	74147.25	64624.19
Unallocated assets									1152.35	1825.68
Total assets									75299.60	66449.87
Segment liabilities	18603.88	17144.77	4842.37	4524.55	40236.36	33602.01	0.00	0.00	63682.61	55271.33
Unallocated liabilities									1506.82	2169.85
Total liabilities									65189.44	57441.18

Note:

- Assets and Liabilities wherever directly related to segments have been accordingly allocated to segments and wherever not directly related have been allocated on the basis of segment revenue.
- The Bank operates only in 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 A: Operational 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:

- 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 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.



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- 2) Corporate/ Wholesale banking includes all advances to trusts, partnership firms, companies, and statutory bodies, which are not included under Retail Banking. Revenue comprises of interest and fees / charges earned from such clients and expenses are those incurred on interest towards funds utilized and other allocated overheads.
- 3) Retail banking comprises of lending of funds and other banking services to any legal person including small business customers, on the basis of the borrower, nature of the product, granularity of the exposure and quantum thereof. Revenue comprises of interest and fees / charges earned from such clients and expenses are those incurred on interest towards funds utilized and other allocated overheads.
- 4) Other banking operations includes items not included above i.e. para-banking activities like bancassurance, third party product distribution, demat services and other banking transactions and includes items like deposits in RIDF, MSME Funds etc. Income earned from such services and costs related thereto are reported thereunder.

Part B: Geographic segments

(Amount in ₹ crore)

	Domestic		International		Total	
	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25
(a) Revenue	6696.49	6141.75	0.00	0.00	6696.49	6141.75
(b) Assets	75299.60	66449.87	0.00	0.00	75299.60	66449.87

15.5 Related Party disclosures (AS-18)

The bank has identified the following person to be the Key Management Person(KMP) as per AS-18 on related Party Disclosures:

i) Emoluments: Thiru Salee S Nair

(Amount in ₹)

Particulars	2025-26	2024-25
Salary	69,00,000.00	40,80,645.16
Bank contribution to provident Fund	8,28,000.00	4,89,677.00
Other Benefits	8,11,881.00	33,937.00
Variable Pay	9,94,272.30	0.00
Halting allowance	4,32,500.00	0.00
Total	99,66,653.30	46,04,259.16

ii) Emoluments: Thiru Vincent Menachery Devassy

(Amount in ₹)

Particulars	2025-26	2024-25
Salary	51,00,000.00	26,06,666.67
Bank contribution to provident Fund	6,12,000.00	3,12,800.00
Other Benefits	3,98,439.00	1,54,000.00
Variable Pay	7,43,010.00	0.00
Halting allowance	5,77,000.00	0.00
House Rent Allowance	3,60,000	1,50,000
Total	77,90,449.00	32,23,466.67

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Remuneration of Independent Director (Part Time Chairman) from: 14.08.2025 to 31.03.2026

iii) Emoluments: Thiru K.Ramachandran,

(Amount in ₹)

Particulars	2025-26
Salary	11,37,097.00
Bank contribution to provident Fund	0.00
Other Benefits	0.00
Variable Pay	0.00
Total	11,37,097.00

B. Others – The bank has not paid any remuneration other than sitting fees to its non-executive directors.

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C. Other transaction with the Managing Director & CEO

(i) Thiru Salee S Nair – Managing Director and Chief Executive Officer

(Amount in ₹ crore)

Items/ Related Party	Parent (as per ownership or control)		Subsidiaries		Associates/ Joint ventures		Key Management Personnel		Relatives of Key Management Personnel		Total	
	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025
Borrowings	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Deposits	Nil	Nil	Nil	Nil	Nil	Nil	0.020	0.043	Nil	Nil	0.020	0.043
Placement of deposits	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Advances	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Investments	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Non-funded commitments	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Leasing/HP arrangements availed	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Leasing/HP arrangements provided	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Purchase of fixed assets	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sale of fixed assets	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Interest paid	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Interest received by KMP	Nil	Nil	Nil	Nil	Nil	Nil	0.0029	0.0012	Nil	Nil	0.0029	0.0012
Rendering of services	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Receiving of services	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Management contracts	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil



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(ii) Thiru Vincent Menachery Devassy – Executive Director

(Amount in ₹ crore)

Items/ Related Party	Parent (as per ownership or control)		Subsidiaries		Associates/ Joint ventures		Key Management Personnel		Relatives of Key Management Personnel		Total	
	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025
Borrowings	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Deposits	Nil	Nil	Nil	Nil	Nil	Nil	0.31	0.19	Nil	Nil	0.31	0.19
Placement of deposits	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Advances	Nil	Nil	Nil	Nil	Nil	Nil	0.005	0.005	Nil	Nil	0.005	0.005
Investments	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Non-funded commitments	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Leasing/HP arrangements availed	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Leasing/HP arrangements provided	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Purchase of fixed assets	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sale of fixed assets	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Interest paid	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Interest received by KMP	Nil	Nil	Nil	Nil	Nil	Nil	0.015	0.0014	Nil	Nil	0.015	0.0014
Rendering of services	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Receiving of services	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Management contracts	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil



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for the year ended 31.03.2026

15.6 Earnings per Share (AS-20)

Particulars	2025-26	2024-25
Net Profit after Tax available for equity share holders (Rs. in Lakhs)	133754.76	118260.72
Average number of shares	158351454	158351454
Basic and Diluted EPS (in Rs.)	84.47	74.68
Nominal value per share (in Rs.)	10.00	10.00

15.7 Consolidated Financial Statements (AS-21)

The Bank has no subsidiaries/Joint ventures/ Associates. Hence reporting under CFS is not applicable.

15.8. Accounting for Taxes on Income (AS-22)

(Amount in ₹ crore)

Particulars	Deferred tax Asset	Deferred tax Liability	Deferred tax Asset	Deferred tax Liability
	31.03.2026	31.03.2026	31.03.2025	31.03.2025
Depreciation on Fixed Assets	9.82	0.00	7.47	0.00
Provision for NPAs/Bad Debts	0.00	0.00	0.00	0.00
Special Reserve u/s 36 (1) (viii)	0.00	119.26	0.00	109.70
Provisions on retirement benefit, Leave encashment etc	12.93	0.00	21.48	0.00
Others	23.19	0.00	12.83	0.00
Deferred tax asset/liability	45.94	119.26	41.78	109.70
Net Deferred Tax Asset/ (Liability)	(73.32)		(67.92)	

Note :

Deferred Tax Asset on IPO expenses ₹ 3.07 Crore

Less: 1/5th transfer to DTA expense ₹ 1.53 Crore

Deferred Tax Asset carried to years 2027 ₹ 1.54 Crore

15.9. Accounting for Investment in associates in CFS (AS-23)

The Bank has no associates. Hence reporting under AS 23 is not applicable.

15.10. Discontinuing Operation (AS-24):

The bank has not discontinued any operations. Hence reporting under AS 24 is not applicable.

15.11. Intangible assets (AS-26)

Depreciation on software is calculated on straight line method at 33.33%.

15.12. Impairment of Assets (AS-28)

In the opinion of the management, there is no impairment to the assets to which AS 28 "Impairment of Assets" applies.

15.13. Contingent Liabilities and Provisions (AS-29)

The details of provisions and contingencies, contingent liabilities, the movement of provisions on NPA's and depreciation on investment which are considered material are disclosed elsewhere under the appropriate headings as per RBI guidelines.

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a) Provisions:

(Amount in ₹ crore)

Particulars	Provisions as at the beginning of the year	Additions During the year	Amount used during the year	Unused Amounts Reversed During the year	Provisions As at the Close of the year
A. Provision for Interest sacrifice on restructured accounts(DFV)	0.79	0.44	0.00	0.15	1.08
B.Provision for Contingencies	30.39	4.50	0.00	0.71	34.18

b) Contingent Liabilities:

(Amount in ₹ crore)

PARTICULARS	As on 31.03.2026	As on 31.03.2025
1. Claims not acknowledged as debt		
a)Counter suits filed by the borrowers against the Bank has initiated legal action	10.54	8.77
b)Cases filed in Consumer/Civil Courts fordeficiency in services	0.89	1.05
c)Any other claims against the bank not Acknowledged as debts	620.03	595.17
2. Forward exchange contracts	7428.79	4689.07
3.Guarantees issued on behalf of constituents	1021.62	970.23
4.Acceptance, endorsements & other obligations	371.32	278.49
5. Other items for which the Bank is contingently liable	191.26	160.87
TOTAL	9644.45	6703.65

15.14. Additional disclosure of material items as per RBI notification reference RBI/2022-23/15 DOR.ACC.REC. No.91/21.04.018/2022-23 dated December 13, 2022

a) Miscellaneous Income exceeding 1% of total income

(Amount in ₹ crore)

Particulars	2025-26	2024-25
Proposal processing charges	76.69	62.13
PSLC fee received	135.66	195.92
Recovery in Technical Write Off a/cs	75.50	89.34
Handling Charges for Jewel Loans	87.34	40.12*

* last year less than 1% of total income

b) Other expenditure exceeding 1% of total expense Nil (PY Nil)

c) Other Liabilities and Provision-Others exceeding 1% of total assets Nil (PY Nil)

d) Other Assets-Others exceeding 1% of total assets Nil (PY Nil)

e) Commission, Exchange and Brokerage exceeding 1% of the total income

(Amount in ₹ crore)

Particulars	2025-26	2024-25
COMMISSION- NPCI SETTLEMENT	58.61*	65.18

*Current year less than 1% of total income



Notes Forming Part of Accounts

for the year ended 31.03.2026

15.15. Issue of fresh shares: NIL

15.16. Dividend:

Final Dividend (paid during the year 2025-26)

The Board, in its meeting held on 23.04.2025, had approved/declared final dividend for the financial year 2024-25, at the rate of ₹11/- (Rupees Eleven only) per share, i.e. 110% on the fully paid up equity shares of ₹10/- each. The same was approved by shareholders in the Annual General Meeting held on August 08, 2025. The record date for the same was fixed as Friday, August 01, 2025. The payout (15,83,51,454 shares * ₹11= ₹174,18,65,994/-) process was completed by 20.08.2025.

Proposed dividend recommendation if any:

A final dividend for the financial year 2025-26, has been proposed at the rate of ₹12.50/- per share, i.e. 125% on the fully paid up equity shares of ₹10/- each subject to the approval of the shareholders in the upcoming Annual General Meeting.

15.17. Corporate Social Responsibility:

The bank was required to spend Rs. 29.07 crore (Previous year Rs. 26.08 crore) during the financial year 2025-26 towards Corporate Social Responsibility (CSR) in accordance with companies Act, 2013. The bank has spent an amount of Rs. 29.07 crore (Previous year Rs. 26.08 crore) in respect of CSR activities across the country. None of the CSR expenditure incurred by the Bank is to entities controlled by related parties identified by the bank as per Accounting Standard 18, Related Party Disclosures. The amount spent as above is for the purpose other than for construction/acquisition of any asset in 2025-26/2024-2025.

16 Fixed assets (Land and Building) include property held in Chennai, land (UDS 753.117 sqft Rs.10.76 lakh) and building (Rs.11.10 lakh) purchased during January 1993. While the UDS of land was registered in Bank's name, the building was to be handed over to the Bank after construction, by the corporate debtor, who are in corporate insolvency resolution process, which they failed to do so and the bank had preferred a suit in Madras High Court against them for specific performance and damages which is pending due to moratorium imposed by NCLT. Further, the Bank has already filed necessary claims with the resolution professional/liquidator appointed by NCLT under IBC, 2016.

In addition to the above, our Bank has filed necessary petitions before NCLT, Chennai (IA.No.871/2025) seeking the following reliefs;

- 1) To direct the liquidator to hand over the possession of the property to our Bank.
- 2) To treat all the rents collected over the premises during the CIRP Period from the date of commencement to upto the date and treat the same as Interim Finance from our Bank and hold the same shall have priority as per Section 53 of the IBC, 2016
- 3) To direct the liquidator to amend the Asset Memorandum by excluding our Property and the same being not part of the Liquidation estate as per Section 36(4) of IBC.

At present the case before NCLT is posted to 04.06.2026 for hearing.

17 Pursuant to the statutory regulations outlined under the Reserve Bank of India guidelines on Compensation of Whole Time Directors/ Chief Executive Officers/ Material Risk Takers and Control Function staff (RBI/2019-20/89 DOR.Appt.BC.No.23/29.67.001/2019-20 dated November 4, 2019), the Bank has implemented ESOP Scheme known as Tamilnad Mercantile Bank Limited (TMB) Employee Stock Option Plan, 2024 ('TMB ESOP 2024'). The ESOP plan was approved by the Board in their meeting dated January 17, 2025 and subsequently it was approved by the Shareholders on March 12, 2025.

Notes Forming Part of Accounts

for the year ended 31.03.2026

The Bank has designated the Nomination and Remuneration Committee (NRC) of the Board as the Compensation Committee ("CC") and the CC in their meeting held on October 27, 2025 had approved the following grant to the MD&CEO and the Executive Director:

S.No.	Name of the Grantee	No. of the Shares to be allotted	Financial Year/ deferment
1	Mr. Salee S Nair MD&CEO	4509	2024-25 – to be allotted in the ratio of 30:30:40.
2	Mr. Vincent M.D. Executive Director	3370	2024-25 – to be allotted in the ratio of 30:30:40.

18 In respect of certain branches/offices where additional information was required, the data available at Controlling/Head office was considered.

19 Previous year's figures have been regrouped wherever necessary to conform to this year's classification.

20 Figures have been rounded off to the nearest thousand rupees in the Financial Statements.

Sd/-
Salee S Nair
Managing Director & CEO
DIN: 09231101

Sd/-
K.Ramachandran
Part Time Chairman
DIN: 08589628

Sd/-
M.D.Vincent
Executive Director
DIN: 09850306

Sd/-
A.Niranjana Sankar
Director
DIN: 00084014

Sd/-
K.V.Rama Moorthy
Director
DIN: 07034994

Sd/-
S.R.Aravindkumar
Director
DIN: 02145836

Sd/-
R.Kodeeswaran
Director
DIN: 00466141

Sd/-
C.Chiranjeeviraj
Director
DIN: 08730382

Sd/-
S.Sridharan
Director
DIN: 07205781

Sd/-
R.Deepak Shankar
Director
DIN: 05223027

Sd/-
R.Kanagavalli
Director
DIN: 00883998

Sd/-
A.Shidambaranathan
Director
DIN: 02904738

Sd/-
Sanjoy Kumar Goel
Chief Financial Officer

Sd/-
Swapnil Yelgaonkar
Company Secretary

Vide our report of even date attached
For Sundaram & Srinivasan
Chartered Accountants
FRN No. 004207S
Sd/-
T S Dinesh Kumar
Partner (M.No.229153)

Vide our report of even date attached
For Chandran & Raman
Chartered Accountants
FRN No. 000571S
Sd/-
S Pattabiraman
Partner (M.No.014309)

Thoothukudi
27.04.2026



Cash Flow Statement

for the period ended 31.03.2026

(₹ in Thousands)

Particulars	Period ended 31.03.2026	Period ended 31.03.2025
Cash Flow from Operating Activities		
Net Profit after Tax	1337 54 76	1182 60 72
Adjustments for :		
(Profit)/Loss on sale of assets	(40 54)	(52 74)
Depreciation on Fixed assets	92 58 11	86 23 31
Provisions & Contingencies (incl. Deferred tax adjustments)	517 68 55	563 13 25
Total - I	1947 40 88	1831 44 54
Adjustments for working capital changes :		
Increase / (Decrease) in Liabilities		
Deposits	8023 39 24	4173 88 60
Other liabilities & Provisions	(1054 71 18)	(125 94 74)
(Increase) / Decrease in Assets		
Advances	(9138 99 57)	(4249 91 90)
Investments	(591 88 22)	225 03 51
Other assets	1159 91 47	416 33 71
Total - II	(1602 28 26)	439 39 18
Direct tax paid - III	446 00 00	372 00 00
Net Cash Flow from / (Used in) Operating Activities [I + II - III] = (A)	(100 87 38)	1898 83 72
Cash Flow from Investing Activities		
Sale/disposal of fixed assets	10 10 76	6 05 81
Purchase of fixed assets	(128 35 48)	(105 26 78)
Net Cash Flow from / (Used in) Investing Activities = (B)	(118 24 72)	(99 20 97)
Cash Flow from Financing Activities		
Interim / Final Dividend	(174 18 66)	(158 35 15)
Borrowings	200 00 00	(801 15 11)
Issue of Shares incl.premium	-	-
Net Cash Flow from / (Used in) Financing Activities = (C)	25 81 34	(959 50 26)
Net Increase / (Decrease) in Cash and Cash Equivalents - (A + B + C) = (D)	(193 30 76)	840 12 49
Cash & Cash equivalents at the beginning of the year = (E)	4408 24 68	3568 12 19
Cash & Cash equivalents at the end of the year - (D + E) = (F)	4214 93 92	4408 24 68

Sd/-

Salee S NairManaging Director & CEO
DIN: 09231101

Sd/-

K.Ramachandran
Part Time Chairman
DIN: 08589628

Sd/-

M.D.Vincent
Executive Director
DIN: 09850306

Sd/-

A.Niranjana Sankar
Director
DIN: 00084014

Sd/-

K.V.Rama Moorthy
Director
DIN: 07034994

Sd/-

S.R.Aravindkumar
Director
DIN: 02145836

Sd/-

R.Kodeeswaran
Director
DIN: 00466141

Sd/-

C.Chiranjeeviraj
Director
DIN: 08730382

Sd/-

S.Sridharan
Director
DIN: 07205781

Sd/-

R.Deepak Shankar
Director
DIN: 05223027

Sd/-

R.Kanagavalli
Director
DIN: 00883998

Sd/-

A.Shidambaranathan
Director
DIN: 02904738

Sd/-

Sanjoy Kumar Goel
Chief Financial Officer

Sd/-

Swapnil Velgaonkar
Company Secretary

Vide our report of even date attached

For Sundaram & Srinivasan
Chartered Accountants
FRN No. 004207S
Sd/-**T S Dinesh Kumar**
Partner (M.No.229153)

Vide our report of even date attached

For Chandran & Raman
Chartered Accountants
FRN No. 000571S
Sd/-**S Pattabiraman**
Partner (M.No.014309)



BASEL III – PILLAR 3 DISCLOSURES



Basel III – Pillar 3 Disclosures

as on 31.03.2026

1. Scope of Application and Capital Adequacy

Table DF-1– Scope of application

Name of the head of the banking group to which the framework applies:- Tamilnad Mercantile Bank Ltd.,

Qualitative Disclosures	Applicability to our Bank
a. List of Group entities considered for consolidation.	The Bank does not belong to any group and does not have any associate, subsidiaries, joint venture, etc.
b. List of Group entities not considered for consolidation both under the accounting and regulatory scope of consolidation.	Not Applicable
Quantitative Disclosures	
c. List of group entities considered for consolidation	The Bank does not belong to any group and does not have any associate, subsidiaries, joint venture, etc.
d. The aggregate amount of capital deficiencies in all subsidiaries which are not included in the regulatory scope of consolidation i.e., that are deducted and the name(s) of such subsidiaries.	Not Applicable
e. The aggregate amounts (e.g., Current book value) of the bank's total interests in insurance entities, which are risk-weighted.	Not Applicable
f. Any restriction or impediments on transfer of funds or regulatory capital within the banking group.	Not Applicable

Table DF-2–Capital Adequacy

Qualitative Disclosures

A summary discussion of the Bank's approach to assessing the adequacy of its capital to support current and future activities.

The Bank is following standardized approach, Standardized Duration approach and Basic Indicator approach for measurement of capital charge in respect of credit risk, market risk and operational risk respectively.

The computation of Capital for credit risk under Standardized Approach is done granularly borrower & account wise based on the data captured through Core Banking Solution. Bank is also taking efforts on an ongoing basis for the accuracy of the data. The various aspects of Basel III Capital Regulation norms are imparted to field level staff regularly through circulars and letters for continuous purification of data and to ensure accurate computation of Risk Weight and Capital Charge. The Bank has used the credit risk mitigation in computation of capital for credit risk, as prescribed in the RBI guidelines under Standardized Approach.

The capital for credit risk on Loans and Advances, market risk and operational risk as per the prescribed approaches are being computed at the bank's Head Office and aggregated to arrive at the position of bank's Capital to Risk weighted Assets Ratio (CRAR). The bank has followed the RBI guidelines in force, to arrive at the eligible capital funds, for computing CRAR.

Basel III – Pillar 3 Disclosures

as on 31.03.2026

Besides computing CRAR under the Pillar I requirement, the Bank also periodically undertakes stress testing in various risk areas to assess the impact of stressed scenario or plausible events on asset quality, liquidity, profitability and capital adequacy.

The bank conducts Internal Capital Adequacy Assessment Process (ICAAP) on an annual basis to assess the sufficiency of its capital funds to cover the risks specified under Pillar – II of Basel guidelines. The adequacy of Bank's capital funds to meet the future business growth is also assessed in the ICAAP document, which is approved by the Board. While the surplus CRAR available at present acts as a buffer to support the future activities, the headroom available for the bank for mobilizing Tier 1 and Tier 2 capital (subject to approval by the competent authorities) is also assessed to meet the required CRAR against future activities.

The Bank is having high quality Common Equity Tier 1 (CET 1) capital, as the entire components of CET1 capital comprises of Paid-up Capital, Reserves & Surplus and retained earnings.

Minimum capital requirements under Basel-III:

Under the Basel III Capital Regulations, Banks are required to maintain a minimum Pillar 1 Capital (Tier-I + Tier-II) to Risk-weighted Assets Ratio (CRAR) of 9% on an on-going basis. Besides this minimum capital requirement, Basel III also provides for creation of Capital Conservation Buffer (CCB). The CCB requirements were implemented from 31st March 2016 in phases and final tranche 0.625% was fully implemented from October 1, 2021 to the extent of 2.50% (total CCB) of Risk Weighted Assets.

The total regulatory capital funds under Basel-III norms consist of the sum of the following categories and banks are required to maintain 11.50% of Risk Weighted Assets (9% + 2.50%) from October 2021.

- Tier 1 Capital comprises of: -
 - ◆ Common Equity Tier 1 capital (with a minimum of 5.50%)
 - ◆ Additional Tier 1 capital (1.50%)
 - ◆ Total Tier 1 capital of minimum 7%
- Tier 2 Capital (2%)
 - ◆ Total Tier 1 + Tier 2 should be more than 9%
- Capital Conservation Buffer (CCB) (with a minimum of 2.50%)
 - ◆ Total capital including CCB should be 11.50%

In line with the RBI guidelines for implementing the New Capital Adequacy Frame Work under Basel III, the bank has successfully migrated to Basel III since April 01, 2013.

Component of Capital:

(₹ in crore)

Particulars	Amount
Common Equity Tier 1 (CET1) Capital	9704.70*
Tier 1 Capital	9704.70
Tier 2 Capital	438.66
Total Capital	10143.36

* The effect of proposed dividend payment of ₹197.94 crore is considered in arriving at the CET 1 capital.



Basel III – Pillar 3 Disclosures

as on 31.03.2026

Quantitative Disclosure

(₹ in crore)

	Particulars		Amount
a)	Capital requirement for Credit Risk: (@9% on risk Weighted Assets)		
	• Portfolios subject to Standardised Approach		2225.23
	• Securitisation exposures		Nil
b)	Capital requirements for Market Risk @ 9 % :		
	• Standardised Duration Approach		13.39
	o Interest Rate Risk	3.42	
	o Equity Risk	1.15	
	o Foreign Exchange Risk	8.82	
c)	Capital requirements for Operational Risk @ 9% :		
	• Basic Indicator Approach		467.79
d)	Capital required under CCB (2.50%)		751.78
e)	Total Capital required		3458.19
f)	Total Capital funds available		10143.36
g)	Total Risk Weighted Assets		30071.18
	Common Equity Tier I CRAR		32.27%
	Tier I CRAR		32.27%
	Tier II CRAR		1.46%
h)	Total CRAR		33.73%

2. Risk exposure and Assessment

Risk is an integral part of banking business in an ever dynamic environment, which is undergoing radical changes both on the technology front and product offerings. The main risks faced by the bank are credit risk, market risk and operational risk. The bank aims to achieve an optimum balance between risk and return to maximize shareholder value. The relevant information on the various categories of risks faced by the bank is given in the ensuing sections. This information is intended to give market participants a better idea on the risk profile and risk management practices of the bank.

The Bank has a comprehensive risk management system in order to address various risks and has set up an Integrated Risk Management Department (RMD), which is independent of operational departments. Bank has a Risk Management Committee of Board functioning at apex level for formulating, implementing and reviewing bank's risk management measures pertaining to credit, market and operational risks. Apart from the Risk Management Committee of the Board at apex level, the Bank has a strong Bank-wide risk management structure comprising of Credit Risk Management Committee of Executives (CRMCE), Operational Risk Management Committee of Executives (ORMCE) and Asset Liability Management Committee (ALCO) at senior management level.

The Bank has formulated the required policies such as Loan Policy, Credit Risk Management Policy, Credit Risk Mitigation Techniques & Collateral Management Policy, Integrated Risk Management Policy, ALM Policy, Operational Risk Management Policy, Investment Policy, Foreign Exchange Risk Management Policy, Policy guidelines for Hedging Foreign Currency Exposure, Market Risk Management Policy, Concurrent Audit Policy, Inspection Policy, IS Audit Policy, KYC policy, Credit Monitoring Policy, Stock Audit Policy, Outsourcing Policy, IT Business Continuity and Disaster Recovery Plan (IT BC-DRP), Risk Based Internal Audit Policy, Stress Testing Policy,

Basel III – Pillar 3 Disclosures

as on 31.03.2026

Disclosure Policy, ICAAP Policy, Model Risk Policy etc., for mitigating the risks in various areas and monitoring the same. The bank continues to focus on refining and improving its risk measurement and management systems.

Table DF-3- CREDIT RISK: GENERAL DISCLOSURES

Qualitative Disclosures:

a. Credit Risk

Credit risk is the possibility of losses associated with diminution in the credit quality of borrowers or counter-parties. In a Bank's portfolio, Credit Risk arises mostly from lending activities of the Bank, as a borrower is unable to meet his financial obligations to the lender. It emanates from potential changes in the credit quality / worthiness of the borrowers or counter-parties.

Credit Rating & Appraisal Process

The Bank has well-structured internal credit rating framework and well-established standardized credit appraisal / approval processes. Credit Rating is a decision-enabling tool that helps the bank to take a view on acceptability or otherwise of any credit proposal. In order to widen the scope and coverage further and to strengthen the credit risk management practices, the bank has developed risk sensitive in-house rating models.

The parameters in internal rating take into consideration, the quantitative and qualitative issues relating to management risk, business risk, industry risk, financial risk, credit discipline and also risk mitigation, based on the collaterals available.

Credit rating, as a concept, has been well internalized within the Bank. The rating of eligible borrower is reviewed at least once in a year. The Bank uses the credit ratings for deciding the interest rates on borrowal accounts. The advantage of credit rating is that it enables to rank different proposals and to do meaningful comparison.

With the view to migrate to advanced approaches in credit risk, the Bank has implemented the system driven rating using web based rating model solutions (RAM CRRM & CRESS) acquired from M/s.Crisil Risk & Infrastructure solutions Ltd.

The bank follows a well-defined multi layered discretionary power structure for sanction of loans. New Business Group (NBG) has been constituted at HO for considering in-principle approval for taking up fresh credit proposals above a specified cut-off.

Credit Risk Management Policies:

The Bank has put in place a well-structured Credit Risk Management Policy duly approved by the Bank's Board. The Policy document defines organization structure, roles & responsibilities and the processes whereby the Credit Risks carried out by the Bank can be identified, quantified & managed within the framework that the Bank considers consistent with its mandate and risk tolerance.

Credit Risk is monitored on a bank-wide basis and compliance with the risk limits approved by Board/Risk Management Committee of Board is ensured.

The Bank has taken earnest steps to put in place best credit risk management practices in the bank. In addition to Credit Risk Management Policy, the bank has also framed Board approved Loan Policy, Investment Policy, etc., which form integral part in monitoring Credit risk in the bank. Besides, the bank has framed a policy on Credit Risk Mitigation Techniques & Collateral Management which lays down the details of securities (both Primary and Collateral) normally accepted by the Bank and administration of such securities to protect the interest of the Bank. These securities act as mitigation against the credit risk to which the bank is exposed.



Basel III – Pillar 3 Disclosures

as on 31.03.2026

Classification of Non-Performing Assets

The Bank follows the prudential guidelines issued by the RBI on classification of non-performing assets as under,

- interest and/or installment of principal remain overdue for a period of more than 90 days in respect of a term loan.
- the account remains 'out of order' if the outstanding balance remains continuously in excess of sanctioned limits / DP for more than 90 days in respect of Overdraft / Cash Credit (OD/CC).
- the bill remains overdue for a period of more than 90 days in the case of bills purchased and discounted.
- the installment of principal or interest thereon remains overdue for two crop seasons for short duration crop.
- the installment of principal or interest thereon remains overdue for one crop season for long duration crops.
- in respect of derivative transactions, the overdue receivables representing positive mark-to-market value of a derivative contract, if these remain unpaid for a period of 90 days from the specified due date for payment.
- an account where the regular / adhoc credit limits have not been reviewed / renewed within 180 days from the due date / date of adhoc sanction will be treated as NPA.

Where the interest charged during any quarter is not serviced fully within 90 days from the end of the quarter, the account is classified as non-performing. A non-performing asset ceases to generate income for the bank.

b. Gross Credit Risk exposures as on 31.03.2026

(₹ in crore)

Category	Gross Credit Exposure
Fund Based 1	61909.73
Non Fund Based 2	1681.50
Total	63591.23

- Fund based exposure includes advances, un-availed portion (including credit card un-availed) of fund based advances.
- Non-Fund Based exposure includes outstanding Letter of Credit, Acceptances, Bank Guarantee Exposures and credit equivalent of Forward Contracts.

c. Geographical Distribution of Gross Credit Exposures as on 31.03.2026

(₹ in crore)

Exposure Distribution	Treasury	Corporate / Wholesale banking		Retail Banking		Total credit Exposure	
		FB	NFB	FB	NFB	FB	NFB
Domestic	15739.40	12872.31	1177.01	49037.42	504.49	61909.73	1681.50
Overseas	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	15739.40	12872.31	1177.01	49037.42	504.49	61909.73	1681.50

Basel III – Pillar 3 Disclosures

as on 31.03.2026

d. Industry type distribution of credit exposures as on 31.03.2026

(₹ in crore)

Industry Name	Exposures			
	FB	NFB	Investment	Total
A. Mining and Quarrying	173.94	1.61	30.19	205.74
B. Food Processing	2003.09	138.15	0.45	2141.69
C. Beverages (excluding Tea & Coffee) and Tobacco	64.21	0.00	0.00	64.21
D. Textiles	3608.06	54.41	0.00	3662.47
E. Leather and Leather products	22.01	0.00	0.00	22.01
F. Wood and Wood Products	274.50	21.16	0.00	295.66
G. Paper and Paper Products	470.02	5.85	0.00	475.87
H. Petroleum (non-infra), Coal Products (non-mining) and Nuclear Fuels	33.43	0.53	3.90	37.86
I. Chemicals and Chemical Products (Dyes, Paints, etc.)	694.62	10.67	0.00	705.29
J. Rubber, Plastic and their Products	346.15	13.49	0.00	359.64
K. Glass & Glassware	138.84	2.59	0.00	141.43
L. Cement and Cement Products	130.41	3.50	0.00	133.91
M. Basic Metal and Metal Products	515.14	2.79	0.00	517.93
N. All Engineering	368.84	37.70	0.00	406.54
O. Vehicles, Vehicle Parts and Transport Equipments	33.34	127.37	0.70	161.41
P. Gems and Jewellery	128.87	0.00	0.00	128.87
Q. Construction	107.20	0.10	0.00	107.30
R. Infrastructure	544.57	57.42	83.88	685.87
S. Other Industries, pl. specify	66.65	394.90	0.00	461.55
All Industries (A to S) *	9723.89	872.24	119.12	10715.25

* Exclude all other advances / investments

The details of the industries wherein the bank's exposure in the related industry has exceeded the 5% of total gross credit exposure as on 31.03.2026 is furnished below: (₹ in crore)

Industry	Fund Based	Non Fund Based	% to Gross Credit Exposures
Textile	3608.06	54.41	5.76%



Basel III – Pillar 3 Disclosures

as on 31.03.2026

e. Residual Contractual Maturity Breakdown of assets as on 31.03.2026

(₹ in crore)

Maturity Buckets	Cash and Balance with RBI	Balance with Banks and Money at Call and Short Notice	Investments	Advances	Fixed Assets	Other Assets	Grand Total
Next day	773.66	1004.73	3293.37	1220.12	0.00	20.67	6312.55
2-7 days	32.17	205.60	298.67	475.12	0.00	125.13	1136.69
8-14 days	31.97	0.00	170.03	403.61	0.00	33.40	639.01
15-30 days	72.46	88.00	549.21	948.23	0.00	136.43	1794.33
31 days & Upto 2 months	74.87	176.00	1782.60	2768.37	0.00	87.06	4888.90
2 months & Upto 3 months	54.07	220.00	586.96	1889.18	0.00	106.84	2857.05
3 to 6 months	183.42	0.00	1364.11	9470.95	0.00	100.44	11118.92
6 months to 1 year	180.71	0.00	1159.63	12603.54	0.00	54.26	13998.14
1 year to 3 years	1065.24	0.00	5894.95	15025.26	0.00	233.22	22218.67
3 to 5 years	13.20	0.00	197.82	2782.60	0.00	914.28	3907.90
Above 5 years	38.84	0.00	395.33	5535.68	310.56	147.03	6427.44
Total	2520.61	1694.33	15692.68	53122.66	310.56	1958.76	75299.60

f. Amount of Gross Non-Performing Advances (NPAs) as on 31.03.2026 :

(₹ in crore)

Amount of Gross NPAs	
Amount of NPAs (Gross)	388.21
• Substandard	72.87
• Doubtful	287.89
Of which DFI	72.45
DF2	215.05
DF3	0.39
• Loss	27.45
Net NPAs	97.40
NPA Ratios	
• Gross NPAs to gross advances	0.73
• Net NPAs to net advances	0.18

Basel III – Pillar 3 Disclosures

as on 31.03.2026

g. Movement of NPAs(Gross):

(₹ in crore)

Movement of NPAs	
• Opening Balance as on 01.04.2025	556.13
• Additions	85.33
• Reductions	253.25
• Closing Balance as on 31.03.2026	388.21

h. Movement of provisions

a. Movement of provisions for NPAs:-

(₹ in crore)

Movement of specific provisions for NPAs	
• Opening Balance as on 01.04.2025	363.50
• Provisions made during the period	102.50
• Write off	149.69
• Reductions	0.00
Write back of excess provisions	86.33
• Any other adjustments, including transfers between provisions	0.00
• Closing Balance as on 31.03.2026	229.98

b. Movement of Provisions of Standard Assets:-

(₹ in crore)

Particulars	
• Opening Balance as on 01.04.2025	162.04
• Provisions made during the period	35.15
• Write back of excess provisions	12.22
• Any other adjustments, including transfer between provisions	0.00
• Closing Balance as on 31.03.2026	184.97

c. Stock of Technical / Prudential Write-offs and recoveries made thereon:-

(₹ in crore)

Particulars	Amount
Opening balance for recoveries of Technical / Prudential written-off accounts as on 01.04.2025	2067.82
Add: Technical / Prudential write-offs accounts during the period	149.69
Less: Recoveries from previously technical / prudential written-off accounts taken to income account during the period.	77.86(*)
Closing balance as on 31.03.2026	2139.65

(*) Including principal waiver of ₹3.84 crore

i. Non-Performing Investments (NPIs) as on 31.03.2026:

(₹ in crore)

a. Non-Performing Investments	56.32
b. Provisions held for non-performing investments	56.32



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as on 31.03.2026

k. Movement of provisions for depreciation on investments:

(₹ in crore)

• Opening Balance as on 01.04.2025	-5.95
• Provisions made during the period (01.04.2025–31.03.2026)	-3.64
• Write-off	0.00
• Amount adjusted for shifting of securities	0.00
• Excess provision reversed	0.00
• Provision transferred to General Reserve at the time transition to new RBI guidelines on 01.04.2025	0.00
• Closing Balance as on 31.03.2026	-9.59

l. Industry wise distribution of NPAs:

(₹ in crore)

Industry Name	As on March 31, 2026			For the quarter ended March 31, 2026		
	Gross NPA	Provision for NPA	Standard Asset Provision	Write – Off	Provision for NPA	Standard Asset Provision
A. Mining and Quarrying	0.01	0.01	0.62	3.77	-0.28	0.01
B. Food Processing	2.80	1.32	5.04	2.84	-2.83	0.15
C. Beverages (excluding Tea & Coffee) and Tobacco	0.29	0.20	0.18	0.40	-0.47	-0.03
D. Textiles	184.31	145.43	6.98	10.72	-12.79	0.23
E. Leather and Leather products	0.52	0.17	0.07	0.00	0.05	-0.06
F. Wood and Wood Products	0.00	0.00	0.72	0.61	-0.01	-0.12
G. Paper and Paper Products	0.63	0.16	1.22	0.13	-0.05	-0.11
H. Petroleum (non-infra), Coal Products (non-mining) and Nuclear Fuels	0.00	0.00	0.07	0.00	0.00	-1.38
I. Chemicals and Chemical Products (Dyes, Paints, etc.)	1.14	0.29	1.18	0.06	-0.03	-0.03
J. Rubber, Plastic and their Products	9.04	2.26	1.12	0.60	-1.43	-0.05
K. Glass & Glassware	1.41	0.35	0.35	0.00	0.00	0.00
L. Cement and Cement Products	0.20	0.05	0.34	0.00	-0.60	0.06
M. Basic Metal and Metal Products	6.00	1.72	1.45	0.36	0.41	0.08
N. All Engineering	2.91	0.95	2.06	0.00	0.23	0.03
O. Vehicles, Vehicle Parts and Transport Equipments	0.29	0.12	0.06	0.00	-0.13	0.00

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Industry Name	As on March 31, 2026			For the quarter ended March 31, 2026		
	Gross NPA	Provision for NPA	Standard Asset Provision	Write – Off	Provision for NPA	Standard Asset Provision
P. Gems and Jewellery	0.00	0.00	0.31	0.00	0.00	0.11
Q. Construction	0.00	0.00	0.26	0.00	0.00	-0.01
R. Infrastructure	17.65	11.90	1.51	0.00	0.00	0.31
S. Other Industries, pl. specify	1.23	0.20	0.14	3.02	-2.70	-0.12
All Industries (A to S)	228.43	165.13	23.68	22.51	-20.63	-0.93
All others	159.78	64.85	161.29	127.18	-60.73	8.51
Total	388.21	229.98	184.97	149.69	-81.36	7.58

m. Geographic distribution of NPAs as on 31.03.2026:

(₹ in crore)

Particulars	Domestic	Overseas	Total
Gross NPA	388.21	0.00	388.21
Provisions for NPA	229.98	0.00	229.98
Provision for Standard assets	184.97	0.00	184.97

Table DF – 4

CREDIT RISK: DISCLOSURES FOR PORTFOLIOS SUBJECT TO THE STANDARDISED APPROACH

Qualitative disclosures:

a) General Principle:

In accordance with RBI guidelines, the Bank has adopted Standardized Approach of the New Capital Adequacy Framework (NCAF) for computation of capital for Credit Risk with effect from 31.03.2009. Bank has assigned risk weights to different assets classified as prescribed by the RBI for computation of capital.

External Credit Ratings:

Rating of borrowers by External Credit Rating Agencies (ECRA) assume importance in the light of guideline for implementation of the New Capital Adequacy Framework (Basel-II). Exposures on Corporate / PSEs / Primary Dealers are assigned with risk weights based on the external ratings. For this purpose, the Reserve Bank of India has permitted Banks to use the rating of the seven domestic ECRA's namely (a) Credit Analysis and Research Ltd., (CARE), (b) CRISIL Ratings Ltd., (c) India Ratings and Research P Ltd., (Formerly Fitch India) (d) ICRA Ltd., (e) ACUTE Ratings and Research Limited (Formerly SMERA Ratings Ltd) and (f) INFOMERICS Valuation, Rating Pvt Ltd., (INFOMERICS) and (g) Brickwork Ratings India Private Limited (BRICKWORK). Bank is also using the ratings of international credit rating agencies such as (a) Fitch (b) Moody's (c) Standard & Poor's and (d) CareEdge Global IFSC Ltd., for assigning risk weights to claims for capital adequacy purposes where the exposure can be specified as international exposure. In consideration of the above guidelines, the bank accepts the ratings assigned by all these ECRA's.

The bank has well-structured internal credit rating mechanism to evaluate the credit risk associated with a borrower and accordingly the systems are in place for taking credit decisions with regard to acceptability of proposals and level of exposures and pricing.



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In case of bank's investment in particular issues of Corporate / PSEs, the issue specific rating of the approved ECRAs are reckoned and accordingly the risk weights applied after a corresponding mapping to rating scale is provided.

With regard to the coverage of exposures by external ratings as relevant for capital computation under Standardized Approach, the process is being popularized among the borrowers so as to take the benefit of capital relief available for better rating of customers.

- Rating assigned by one rating agency can be used for all the types of claims on the borrowing entity.
- Long term ratings are used for facilities with contractual maturity of one year & above.
- Short term ratings are generally applied for facilities with contractual maturity of less than one year.

Quantitative Disclosures

For exposure amounts after risk mitigation subject to the standardized approach, amount of a bank's outstanding (rated and unrated) in the following three major risk buckets as well as those that are deducted as per risk mitigation are given below:-

(₹ in crore)

Risk Weight	Rated	Unrated	Total *
Below 100%	1396.59	39242.07	40638.66
100%	1469.19	8501.80	9970.99
More than 100%	2236.51	10745.08	12981.59
Total Exposure before mitigation	5102.29	58488.95	63591.24
Deducted (as per Risk Mitigation)	35.29	26293.14	26328.43
Total outstanding after mitigation	5067.00	32195.81	37262.81

* This includes total gross credit exposure i.e. (FB+ NFB (including 2% of Forward Contract) + undrawn or partially undrawn fund-based facility)

Table DF – 5

CREDIT RISK MITIGATION: DISCLOSURE FOR STANDARDISED APPROACHES

Qualitative disclosures:

Policy on Credit Risk Mitigation under Standardized Approach:

As advised by RBI, the Bank has adopted the comprehensive approach relating to credit risk mitigation under Standardized Approach, which allows fuller offset of securities (primary and collateral) against exposures, by effectively reducing the exposure amount by the value ascribed to the securities. Thus, the eligible financial collaterals are fully used to reduce the credit exposure in computation of credit risk capital. In doing so, the bank has recognized specific securities namely (a) bank's own deposits (b) Gold/Ornaments (c) Life Insurance Policies (d) Government Securities (e) NSC/KVP etc and (f) Units of Mutual Funds, in line with the RBI guidelines on the subject.

Besides, other approved forms of credit risk mitigation are "On Balance Sheet netting" and availability of "Eligible Guarantees". On balance sheet nettings has been reckoned to the extent of the deposits available against the loans /advances of the borrower (to the extent of exposure) as per the RBI guidelines. Further, in computation of credit risk capital, the types of guarantees recognized for taking mitigation, in line with RBI guidelines are (a) Central Government Guarantee (0%) (b) Credit Risk Guarantee Fund Trust for Low

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Income Housing (CRGFTLIH) (0%) (c) CGTMSE (0%) (d) State Government (20%) (e) ECGC (20%) and (f) Bank Guarantee in the form of bills purchased / discounted under Letter of credit (20%). The Bank has ensured compliance of legal certainty as prescribed by the RBI in the matter of credit risk mitigation.

Concentration Risk in Credit Risk Mitigation:

All types of securities eligible for mitigation are easily realizable financial securities. As such, presently no limit/ceiling has been prescribed to address the concentration risk in credit risk mitigants recognized by the Bank.

Quantitative Disclosures:

(₹ in crore)

a. For each separately disclosed credit risk portfolio, the total exposure (after, where applicable, on or off-balance sheet netting) that is covered by eligible financial collateral (FCs) after the application of haircuts is given below:

Portfolio category	Financial collateral	Quantum of exposure covered
1. Funded – Credit	Bank's own deposits	1282.76
2. Funded – Credit	Gold jewels	24788.64
3. Funded – Credit	Life Insurance policies	21.76
4. Funded – Credit	NSC/KVP	1.82
5. Non-Funded	Bank's own deposits	350.12
b. For each separately disclosed portfolio, the total exposure (after, on balance sheet netting) that is covered by Guarantees:		
1. Funded – Credit	ECGC	300.00
2. Funded – Credit	CGTMSE	144.07

Table DF – 6

Securitization: Disclosure for standardized approach

Qualitative Disclosures

The bank has not undertaken any securitization activity.

Quantitative Disclosures: NIL

Table DF-7

MARKET RISK IN TRADING BOOK

Qualitative Disclosures:

a) Market Risk:

Market Risk is defined as the possibility of loss to a bank in on-balance sheet and off-balance sheet positions caused by the changes / movements in the market variables such as interest rates, foreign currency exchange rates, equity prices and commodity prices. Bank's exposure to market risk arises from domestic investments (interest related instruments and equities) in trading book (HFT category), the foreign exchange positions (including open position in precious metals) and trading related derivatives. The objective of the market risk management is to minimize the impact of losses on earnings and equity capital arising from market risk.



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Policies for management of Market Risk:

The bank has put in place Board approved Asset Liability Management (ALM) policy, Investment Policy and Market Risk Management Policy for effective management of market risk in the bank. The policy sets various risk limits for effective management of market risk and ensuring that the operations are in line with Bank's expectation of return to market risk through proper Asset Liability Management. The policy also deals with the reporting framework for effective monitoring of market risk.

The ALM policy specifically deals with liquidity risk management and interest rate risk management framework. As envisaged in the policy, Liquidity risk is managed through the mismatch analysis, based on residual maturity / behavioral pattern of assets and liabilities, on a daily basis based on best available data coverage, as prescribed by the RBI. The bank has put in place mechanism of short-term dynamic liquidity management and contingent funding plan. Prudential (tolerance) limits are prescribed for different residual maturity time buckets for efficient asset liability management. Liquidity profile of the bank is evaluated through various liquidity ratios. The bank has also drawn various contingent measures to deal with any kind of stress on liquidity position. Bank ensures adequate liquidity managed on a real time basis by Domestic Treasury through systematic and stable funds planning.

Interest Rate Risk is managed through use of GAP analysis of rate sensitive assets and liabilities and monitored through prudential (tolerance) limits prescribed. The bank has also put in place Duration Gap Analysis framework for management of interest rate risk. The bank estimates Earnings at Risk (EaR) and Modified Duration Gap (DGAP) periodically against adverse movement in interest rate (as prescribed in the Policy) for assessing the impact on Net Interest Income (NII) and Economic Value of Equity (EVE) with a view to optimize shareholder value.

The Asset-Liability Management Committee (ALCO) / Risk Management Committee of Board (RMCB) monitors adherence of prudential limits fixed by the bank and determines the strategy in the light of the market condition (current and expected) as articulated in the ALM policy.

Quantitative Disclosures:

- b) In line with the RBI's guidelines, the bank has computed capital for market risk as per Standardized Duration Approach (SDA) framework for maintaining capital. The Capital requirements for market risk in trading Book as on 31.03.2026 is as below,

(₹ in crore)

• Interest Rate Risk	3.42
• Equity Position Risk	1.15
• Foreign Exchange Risk	8.82
Total	13.39

Table DF – 8

OPERATIONAL RISK

Qualitative Disclosures:

a) Operational Risk:

Operational Risk is 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 reputation risks.

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Policies on management of Operational Risk:

The Bank has framed Operational Risk Management Policy duly approved by the Bank's Board. Other policies adopted by the Board which deal with management of Operational risk are (a) Information Systems Security Policy (b) Foreign Exchange Risk Management Policy (c) Policy document on Know Your Customers (KYC) and Anti Money Laundering (AML) Procedures (d) Fraud Risk Management Policy (e) IT Business Continuity and Disaster Recovery Plan (IT BC-DRP).

The Operational Risk Management Policy adopted by the Bank outlines organization structure and detail processes for management of operational risk. The basic objective of the policy is to closely integrate operational risk management system into the day-to-day risk management processes of the bank by clearly assigning roles for effectively identifying, assessing, monitoring and controlling / mitigating operational risk and by timely reporting of operational risk exposures, including material operational losses. Operational risks in the Bank are managed through comprehensive and well-articulated internal control frameworks.

Quantitative Disclosures:

- b) In line with the guidelines issued by RBI, the Bank has adopted the Basic Indicator Approach for computing capital for Operational Risk. As per the guidelines, the capital charge for Operational Risk is equal to the 15 % of the previous three years (2022-23, 2023-24 & 2024-25) average positive annual Gross income as defined by RBI. As per such estimate, the capital requirement for operational risk as on 31.03.2026 is ₹467.79 crore.

Table DF – 9

INTEREST RATE RISK IN THE BANKING BOOK (IRRBB)

Qualitative Disclosures:

- a) Interest Rate Risk in the Banking Book:

Interest Rate Risk is the risk where changes in the market interest rates might affect a bank's financial condition. Changes in interest rates affect both the current earnings (earnings perspective) as also the net worth of the Bank (economic value perspective). The risk from earnings perspective can be measured as impact in the Net Interest Income (NII) or Net Interest Margin (NIM). Similarly, the risk from economic value perspective can be measured as drop in the Economic value of Equity (EVE).

The Bank identifies the risks associated with the changing interest rates on its on-balance sheet and off-balance sheet exposures in the banking book from a short term (Earning perspective) and long term (Economic value perspective).

The impact on income (Earning perspective) is measured by using Earnings at Risk (EaR) with the assumption that the re-pricing dates of assets and liabilities are evenly spread across the respective time buckets and the change in interest rate is uniform across the maturity spectrum. The prudential limit on EaR will be 10% of the previous year Net Interest Income (NII). For the calculation of impact on earnings, the Traditional Gap is taken from the Rate Sensitivity Statement and based on the remaining period from the mid point of a particular bucket the impact for change in interest rates upto 100 bps is arrived at. The same is reported to ALCO/Risk Management Committee of Board (RMCB) periodically along with the Rate Sensitivity statement on monthly basis.

The Bank has adopted Traditional Gap Analysis combined with Duration Gap Analysis for assessing the impact (as a percentage) on the Economic value of Equity (Economic Value Perspective) by applying



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a notional interest rate shock of 200 bps. As per the Guidelines on Banks “Asset Liability Management” Directions, 2025 issued by the RBI DOR.LRG.No.82/13-10-001/2025-26 dated 28.11.2025, the Bank calculates Modified Duration Gap (DGAP) & the impact on the Economic Value of equity (EVE). Assets and Liabilities are grouped as per Interest Rate Sensitivity Statement & bucket wise Modified Duration is computed for these groups of Assets and Liabilities using account level coupon and yield as per yield curves suggested by RBI, actual Re-price date of the individual account is considered for bucketing, Weighted average Modified duration is calculated at account level by using “Market value”, the yield is taken as per the internal rating and external rating mapping at account level, Modified duration is calculated individually for each forward and swap contracts. For investment portfolio, the Modified Duration of individual items are computed and taken. The DGAP is calculated by the Bank once in a month and is reported to ALCO/ Risk Management Committee of Board (RMCB).

The Asset-Liability Management Committee (ALCO) / Risk Management Committee of Board (RMCB) monitors adherence of prudential limits fixed by the bank and determines the strategy in the light of market conditions (current and expected).

Quantitative Disclosures:

The increase or decrease in earnings and economic value for upward and downward rate shocks based on the assets and liabilities outstanding as on 31.03.2026 are as follows.

1. The impact of change in Interest Rate i.e Earnings at Risk for increasing 100 Basis points interest rate shock is ₹176.39 cr (7.67 % of previous year Net Interest Income).
2. Change in Market Value of Equity for 200 basis points interest rate shock is ₹436.76 cr (4.32% of Net worth)

TABLE DF – 10

General disclosures for exposures related to counterparty credit risk

Counterparty Credit Risk (CCR) is the risk that a counter party to a transaction could default before the final settlement of the transaction cash flows. Unlike a firm’s exposure to credit risk through a loan, where the exposure to credit risk is unilateral and only the lending bank faces the risk of loss, CCR creates a bilateral risk of loss to either party.

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 contracts.

Credit exposures on forward contracts

The Bank enters into the forward contracts in the normal course of business for proprietary trading and arbitrage purposes, as well as for our own risk management needs, including mitigation of interest rate and foreign currency risk. Derivative exposures are calculated according to the current exposure method.

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as on 31.03.2026

Counterparty Credit exposure as on March 31, 2026

(₹ in crore)

Nature	Notional Amount	Current Credit Exposure (positive mark to market value)	Potential Future Credit Exposure	Total Credit Exposure under Current Exposure Method (CEM)
Forward contracts	7428.79	55.34	153.13	208.47

Composition of Capital Disclosure Templates

TABLE DF – 11: Composition of Capital

Part I

(₹ in crore)

Common Equity Tier 1 capital: instruments and reserves			Ref No.
1	Directly issued qualifying common share capital plus related stock surplus (share premium)	927.58	
2	Retained earnings		
3	Accumulated other comprehensive income (and other reserves)	8880.63*	
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 CET1)		
6	Common Equity Tier 1 capital before regulatory adjustments	9808.21	
Common Equity Tier 1 capital : Regulatory adjustments			
7	Prudential valuation adjustments		
8	Goodwill (net of related tax liability)		
9	Intangibles (net of related tax liability)	92.53	
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		
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)		
	*The effect of proposed dividend payment of Rs.197.94 crore is considered in computing Tier I capital.		



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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		
23	of which : significant investments in the common stock of financial entities		
24	of which : mortgage servicing rights		
25	of which : deferred tax assets arising from temporary differences		
26	National specific regulatory adjustments (26a+26b+26c+26d)		
26a	of which : Investments in the equity capital of unconsolidated insurance subsidiaries		
26b	of which : Investments in the equity capital of unconsolidated non- financial subsidiaries		
26c	of which : Shortfall in the equity capital of majority owned financial entities which have not been consolidated with the bank		
26d	of which: Unrealised profits arising because of transfer of loans		
26e	of which: deductions applicable on account of SRs guaranteed by the Government of India		
26f	of which: Intra-group exposures beyond permissible limits		
26g	of which: Net unrealised gains arising on fair valuation of Level 3 financial instruments recognised in the Profit and Loss Account or in the AFS-Reserve	10.98	
27	Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions		
28	Total regulatory adjustments to Common equity Tier 1	103.51	
29	Common Equity Tier 1 capital (CET1)	9704.70	
Additional Tier 1 capital: instruments			
30	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus (share premium) (31+32)		
31	of which : classified as equity under applicable accounting standards (Perpetual Non-Cumulative preference Shares)		
32	of which : classified as liabilities under applicable accounting standards (Perpetual debt Instruments)		
33	Directly issued capital instruments subject to phase out from Additional Tier 1		
34	Additional Tier 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	Additional Tier 1 capital before regulatory adjustments		
Additional Tier 1 capital: regulatory adjustments			
37	Investments in own Additional Tier 1 instruments		
38	Reciprocal cross-holdings in Additional Tier 1 instruments		

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39	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold)		
40	Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)		
41	National specific regulatory adjustments (41a+41b)		
41a	Of which : Investments in the Additional Tier 1 capital of unconsolidated insurance subsidiaries		
41b	Of which:- Shortfall in the Additional Tier 1 capital of majority owned financial entities which have not been consolidated with the bank.		
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions		
43	Total regulatory adjustments to Additional Tier 1 capital		
44	Additional Tier 1 capital (AT1)		
45	Tier 1 capital (T1 = CET1 + Admissible AT1) (29 + 44)	9704.70	
Tier 2 capital : instruments and provisions			
46	Directly issued qualifying Tier 2 instruments plus related stock surplus		
47	Directly issued capital instruments subject to phase out from Tier 2		
48	Tier 2 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 Tier 2)		
49	of which : instruments issued by subsidiaries subject to phase out		
50	Provisions include the following	438.66	Subject to maximum of 1.25% total credit risk weighted assets*
	a) Investment Fluctuation Reserve ₹ 129.60 crore		
	b) Provision for Standard Asset including restructured Standard Assets* ₹184.97 crore		
	c) Provision for Unhedged Foreign Currency Exposure ₹ 1.60 crore		
	d) Contingency Prov. For Covid & Other Uncertainties* ₹ 250.00 crore		
	e) Provision for stressed Sector* ₹ 0.00 crore		
51	Tier 2 capital before regulatory adjustments (46+ 47 + 48 + 50)	438.66	
Tier 2 capital: regulatory adjustments			
52	Investments in own Tier 2 instruments		
53	Reciprocal cross-holdings in Tier 2 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)		
55	Significant investments in the capital banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)		



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56	National specific regulatory adjustments (56a+56b)		
56a	of which : Investments in the Tier 2 capital of unconsolidated insurance subsidiaries		
56b	of which : Shortfall in the Tier 2 capital of majority owned financial entities which have not been consolidated with the bank		
57	Total regulatory adjustments to Tier 2 capital		
58	Tier 2 capital (T2)	438.66	
59	Total capital (TC = T1 + T2) (45 + 58)	10143.36	
60	Total risk weighted assets (60a + 60b + 60c)	30071.18	
60a	of which : total credit risk weighted assets	24724.77	
60b	of which : total market risk weighted assets	148.77	
60c	of which : total operational risk weighted assets	5197.64	
Capital ratios and buffers			
61	Common Equity Tier 1 (as a percentage of risk weighted assets)	32.27%	
62	Tier 1 (as a percentage of risk weighted assets)	32.27%	
63	Total capital (as a percentage of risk weighted assets)	33.73%	
64	Institution specific buffer requirement (minimum CET1 requirement plus capital conservation and countercyclical buffer requirements plus G-SIB and D-SIB buffer requirement, expressed as a percentage of risk weighted assets)	8.00%	
65	of which : capital conservation buffer requirement	2.50%	
66	of which : bank specific countercyclical buffer requirement		
67	of which : G-SIB and D-SIB buffer requirement		
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk weighted assets)	32.27%	
National minima (if different from Basel III)			
69	National Common Equity Tier 1 minimum ratio (if different from Basel III minimum)	5.50%	
70	National Tier 1 minimum ratio (if different from Basel III minimum)	7.00%	
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 Tier 2			
76	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardized approach (prior to application of cap)		
77	Cap on inclusion of provisions in Tier 2 under standardized approach		

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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 to the template

Row No. of the template	Particulars	(₹ in crore)
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 Common Equity Tier 1 capital	
	of which : Increase in Additional Tier 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 Common Equity Tier 1 capital	
	(ii) Increase in risk weighted assets	
50	Eligible Provisions included in Tier 2 capital	438.66
	Eligible Revaluation Reserves included in Tier 2 capital	
	Total of row 50	438.66



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Table DF-12:

Composition of Capital – Reconciliation Requirements

Step 1:

(₹ in crore)

		Balance sheet as in financial statements	Balance sheet under regulatory scope of consolidation
		As on reporting date	As on reporting date
A	Capital & Liabilities		
i.	Paid-up Capital	158.35	N.A
	Reserves & Surplus	9951.81	N.A
	Minority Interest	0.00	
	Total Capital	10110.16	N.A
ii.	Deposits	61712.35	
	of which : Deposits from banks	0.22	
	of which : Customer deposits	61712.13	
	of which : Other deposits (pl. specify)		
iii.	Borrowings	700.00	
	of which : From RBI	0.00	
	of which : From banks	0.00	
	of which : From other institutions & agencies	700.00	
	of which : Others (pl. specify) Outside India	0.00	
	of which : Capital instruments	0.00	
iv.	Other liabilities & provisions	2777.09	
	Total	75299.60	N.A
B	Assets		
i.	Cash and balances with Reserve Bank of India	2520.61	
	Balance with banks and money at call and short notice	1694.33	
ii.	Investments :	15692.68	
	of which : Government securities	12678.65	
	of which : Other approved securities	0.00	
	of which : Shares	74.11	
	of which : Debentures & Bonds	1428.35	
	of which : Subsidiaries / Joint Ventures / Associates	0.00	
	of which : Others (Certificate of Deposits, Commercial Papers, Mutual Funds etc.)	1558.29	

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		Balance sheet as in financial statements	Balance sheet under regulatory scope of consolidation
		As on reporting date	As on reporting date
	Less: Depreciation	46.72	
iii.	Loans and advances	53122.66	
	of which : Loans and advances to banks	0.00	
	of which : Loans and advances to customers	53122.66	
iv.	Fixed assets	310.56	
v.	Other assets	1958.76	
	of which : Goodwill and intangible assets	0	
	of which : Deferred tax assets	44.41	
vi.	Goodwill on consolidation		
vii.	Debit balance in Profit & Loss account	0	
	Total Assets	75299.60	N.A

Step 2:

- 1) As the Bank is not having any subsidiary, no disclosure relating any legal entity for regulatory consolidation is made.
- 2) The entire paid-up capital of the Bank amounting to ₹158.35 crore is included in CET I. (refer Item-1 of DF-11)
- 3) The break up for Reserves & Surplus ₹ 9951.81 crore as shown in the Bank's financial statements is given hereunder for the purpose of reconciliation for calculation of Regulatory Capital in DF-11.

(₹ in crore)

As per Balance Sheet	Amount	As shown in DF-11 Capital
a) Statutory Reserves	4949.51	Included in Regulatory CET I capital DF-11 (item-3)
b) Capital Reserves	121.86	Included in Regulatory CET I capital DF-11 (item-3)
c) Revenue and Other Reserves	3178.05	Included in Regulatory CET I capital DF-11 (item-3)
d) AFS reserve	-25.58	Included in Regulatory CET I capital DF-11 (item-3)
e) Investment Fluctuation Reserve	129.60	Included in Regulatory Tier II capital DF-11 (item-50)
f) Special Reserve u/s 36(1) (Viii) of IT Act 1961	473.90	Included in Regulatory CET I capital DF11 (item-3)
g) Share Premium	769.23	Included in Regulatory CET I capital DF11 (item-1)
h) Employees Stock options / Units	0.08	Included in Regulatory CET I capital DF11 (item-3)
h) Balance in P&L	355.16*	Included in CET I capital DF-11 (item-3)
	9951.81	

*Including the proposed dividend payment of Rs.197.94 crore.

4) Other Liabilities:-

- i) Provision for Standard assets including restructured standard assets ₹184.97 crore (Item-50 – DF-11)
- ii) Provision for unhedged Foreign Currency Exposure ₹1.60 crore (Item-50-DF-11)



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iii) Contingency Prov. For Covid & Other Uncertainties ₹250.00 crore (Item – 50 – DF – 11)

However, they are shown under Tier II capital for computation of Regulatory Capital (DF-11) as noted in brackets as per extant RBI guidelines.

Step 3

Extract of Basel III common disclosure template (with added column) – Table DF-11 (Part I / Part II whichever, applicable)

Common Equity Tier 1 capital: instruments and reserves

		Component of regulatory capital reported by bank	Source based on reference numbers / letters of the balance sheet under the regulatory scope of consolidation from step 2
1	Directly issued qualifying common share (and equivalent for non-joint stock companies) capital plus related stock surplus	158.35	
2	Retained earnings		
3	Accumulated other comprehensive income (and other reserves)	9649.86*	
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 CET1)		
6	Common Equity Tier 1 capital before regulatory adjustments	9808.21	
7	Prudential valuation adjustments	0.00	
8	Goodwill (net of related tax liability)		

*The effect of proposed dividend payment of Rs.197.94 crore is considered in arriving at CET 1 capital.

Table DF-13

Main Features of Regulatory Capital

S.No	Description	Equity Shares
1	Issuer	Tamilnad Mercantile Bank Ltd
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	ISIN: INE668A01016
3	Governing law(s) of the instrument	Indian Laws
Regulatory treatment		
4	Transitional Basel III rules	Common equity Tier 1
5	Post-transitional Basel III rules	Common equity Tier 1
6	Eligible at solo / group / group & solo	Solo
7	Instrument type	Common Shares

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S.No	Description	Equity Shares
8	Amount recognized in regulatory capital (Rs. in million, as of most recent reporting date)	₹158.35 crore
9	Par value of instrument	₹ 10 per share
10	Accounting classification	Shareholder's Equity
11	Original date of issuance	Various
12	Perpetual or dated	Perpetual
13	Original maturity date	No Maturity
14	Issuer call subject to prior supervisory approval	No
15	Optional call date, contingent call dates and redemption amount	NA
16	Subsequent call dates, if applicable	NA
Coupons / dividends		
17	Fixed or floating dividend / coupon	NA
18	Coupon rate and any related index	NA
19	Existence of a dividend stopper	No
20	Fully discretionary, partially discretionary or mandatory	Fully Discretionary
21	Existence of step up or other incentive to redeem	No
22	Noncumulative or cumulative	Non-Cumulative
23	Convertible or non-convertible	NA
24	If convertible, conversion trigger(s)	NA
25	If convertible, fully or partially	NA
26	If convertible, conversion rate	NA
27	If convertible, mandatory or optional conversion	NA
28	If convertible, specify instrument type convertible into	NA
29	If convertible, specify issuer of instrument it converts into	NA
30	Write-down feature	No
31	If write-down, write-down trigger(s)	NA
32	If write-down, full or partial	NA
33	If write-down, permanent or temporary	NA
34	If temporary write-down, description of write-up mechanism	NA
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Subordinated to all other claims
36	Non-compliant transitioned features	No
37	If yes, specify non-compliant features	NA



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Table DF-14

Full Terms and Conditions of Regulator Capital Instruments

The details of the Tier II capital [Bonds] raised by the Bank

Table DF-14 : Full Terms and Conditions of Regulatory Capital Instruments

Instruments	Full Terms and Conditions
	Not Applicable

Table DF – 15

Disclosure Requirements for Remuneration

Qualitative disclosures	(a)	Information relating to the composition and mandate of the Remuneration Committee.	The Nomination and Remuneration Committee of the Board, comprising of five members, is constituted to oversee the framing, review, and implementation of the Bank's Compensation Policy on behalf of the Board. As on March 31, 2026, the Nomination & Remuneration Committee of the Board comprises the following Directors: 1) Thiru.A.Shidambaranathan, Independent Director (Chairman) 2) Thiru.A.Niranjana Sankar, Non-Executive Director 3) Thiru.C.Chiranjeeviraj, Independent Director 4) Thiru.S.Sridharan, Independent Director 5) Thiru.R.Deepak Shankar, Independent Director
	(b)	Information relating to the design and structure of remuneration processes and the key features and objectives of remuneration policy.	Terms of Reference / Roles and Responsibilities of the Committee are: 1. Formulate the criteria for determining the qualifications, positive attributes and independence of a director and recommend to the board of Directors of the Bank ("Board") a policy relating to the remuneration of the Directors, key managerial personnel and other employees; 2. Formulation of criteria for evaluation of the performance of independent Directors and the Board; 3. Devise a policy on diversity of the Board; 4. Identify persons, who are qualified to become Directors or who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and carrying out evaluation of every director's performance;

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	(b) Information relating to the design and structure of remuneration processes and the key features and objectives of remuneration policy.	5. Determine whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent Directors; 6. Recommend remuneration of executive Directors and any increase therein from time to time within the limit approved by the members of the Bank; 7. Recommend remuneration to non-executive Directors in the form of sitting fees for attending meetings of the Board and its committees, remuneration for other services, commission on profits; 8. Recommend to the Board, all remuneration, in whatever form, payable to senior management; 9. Perform such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as amended; 10. Engage the services of any consultant/professional or other agency for the purpose of recommending compensation structure/policy; 11. Ensure the 'fit and proper' status of the proposed and existing Directors in terms of the Master Directions; 12. Analyse, monitor and review various human resource and compensation matters; 13. Review and approve the compensation strategy from time to time in the context of the current Indian market in accordance with applicable laws; 14. Frame suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including: a) The SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended; or b) The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003, as amended; and c) Performing such other functions as may be delegated by the Board and/or prescribed under the SEBI Listing Regulations, the Master Directions, Companies Act, each as amended or other applicable law.
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	(b)	Information relating to the design and structure of remuneration processes and the key features and objectives of remuneration policy.	15. Performing such other functions as may be delegated by the Board and/or prescribed under the SEBI Listing Regulations, the Master Directions, Companies Act, each as amended or other applicable law.
			16. To oversee the framing, review and implementation of compensation policy of the Bank on behalf of the Board.
			17. To achieve effective alignment between remuneration and risks.
			18. To ensure that the cost / income ratio of the bank supports the remuneration package consistent with maintenance of sound capital adequacy ratio.
	(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.	Material Risk takers are identified and placed in the NRC of the Board. Regional Heads, Branch Heads, IT department, MIS, Information security officials and Dealers in Treasury & IBD are paid special allowance based on risk taken by them
	(d)	Description of the ways in which the bank seeks to link performance during a performance measurement period with levels of remuneration.	Performance Based Incentive scheme is approved by our Board of Directors every year. The Performance-Based Incentive (PBI) for senior management is determined in accordance with Board-approved parameters. For Department / Region / Vertical Staff, it is measured on their role based performance subject to the performance of the Bank. For Branch staff it is measured based on individual performance parameters and branch performance parameters.
	(e)	A discussion of the bank's policy on deferral and vesting of variable remuneration and a discussion of the bank's policy and criteria for adjusting deferred remuneration before vesting and after vesting.	The first tranche (50%) of cash based incentive shall be paid immediately after the grant is approved by the Bank. The remaining portion of the cash based incentive shall be paid as 2nd, 3rd and 4th tranche of 30%, 35% and 35% (Remaining 50%) respectively after completion of 1 year, 2 years and 3 years respectively from the date of grant. Vesting of the Share-based shall be over a period of 3 years from the grant date (30%, 30% & 40% at the end of 1st, 2nd & 3rd year from date of grant respectively) which takes into account the mandatory requirement of lock-in period of 1 year from date of grant.

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	(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.	The variable pay component for the Managing Director and Executive Director for FY2024-25 has been granted as 50% cash-based and 50% share-based
Quantitative disclosures (The quantitative disclosures should only cover Whole Time Directors / Chief Executive Officer / Other Risk Takers)	(g)	*Number of meetings held by the Remuneration Committee during the financial year and remuneration paid to its members.	7 meetings (Nomination and Remuneration Committee) were held during the financial year and the sitting fees paid to the members during the year 2025-2026 is ₹10,00,000/-
	(h)	*Number of employees having received a variable remuneration award during the financial year.	i) Five executives 1. Shri. K.V.Rama moorthy , Former MD & CEO 2. Shri.S.Krishnan, former MD & CEO) 3. Shri.S.Narayanan former EVP (Credit) 4. Salee Sukumaran Nair MD&CEO 5. Vincent Menachery Devassy, Executive Director Other employees/ executives paid with Variable pay – 4572 Total – 4577
		* Number and total amount of sign-on awards made during the financial year.	Nil
		* Details of guaranteed bonus, if any, paid as joining / sign on bonus.	Nil
		* Details of severance pay, in addition to accrued benefits, if any.	Nil
	(i)	* Total amount of outstanding deferred remuneration, split into cash, shares and share-linked instruments and other forms.	a) Shri.S.Krishnan, former MD&CEO – ₹ 20,21,118/- (Cash) b) Shri.S.Narayanan former EVP(Credit) – ₹6,30,000/- (Cash) c) Shri.Salee Sukumaran Nair – ₹9,94,272/- (cash) d) Shri.Vincent Menachery Devassy – ₹7,43,010/- (Cash)
		* Total amount of deferred remuneration paid out in the financial year.	a) Shri.K.V.Ramamoorthy , Former MD & CEO – ₹8,22,500/- (cash) b) Shri.S.Krishnan, former MD & CEO – ₹11,70,581/- (cash) c) Shri.S.Narayanan former EVP(Credit) – ₹2,70,000/- (Cash)



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	(j)	* Breakdown of amount of remuneration awards for the financial year to show fixed and variable, deferred and non-deferred.	Shri. Salee Sukumaran Nair, MD & CEO Fixed Pay – ₹.85,23,756/- Variable Pay – ₹.9,94,272.29 (paid as upfront payment pay for the FY 2024-25) Shri. Vincent Menachery Devassy Fixed Pay – ₹.61,10,439/- Variable Pay – ₹.7,43,010/- (paid as upfront payment for the FY 2024-25)
	(k)	Total amount of outstanding deferred remuneration and retained remuneration exposed to ex post explicit and / or implicit adjustments.*	Nil
		* Total amount of reductions during the financial year due to ex- post explicit adjustments.	Nil
		* Total amount of reductions during the financial year due to ex- post implicit adjustments.	Nil

Table DF – 16

Equities-Disclosure for Banking Book Positions

The bank has an exposure of ₹ 74.11 crore in equities under Banking Book.

Table DF – 17- Leverage Ratio Disclosure

The Leverage ratio act as a credible supplementary measure to the bank based capital requirement. The Bank is required to maintain a minimum leverage ratio of 3.50%. The Bank's leverage ratio, calculated in accordance with the RBI guidelines is as follows: -

COMPARISON OF ACCOUNTING ASSETS AND LEVERAGE RATIO EXPOSURE

(₹ in crore)

S. No.	Particulars	Amount as of Jun'25	Amount as of Sep'25	Amount as of Dec'25	Amount as of Mar'26
1	Total consolidated assets as per published financial statements include SFTs	67477.92	69041.87	70687.88	75299.60
2	Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	0.00	0.00	0.00	0.00

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(₹ in crore)

S. No.	Particulars	Amount as of Jun'25	Amount as of Sep'25	Amount as of Dec'25	Amount as of Mar'26
3	Adjustment for fiduciary assets recognized on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure	0.00	0.00	0.00	0.00
4	Adjustments for derivative financial instruments	106.52	114.55	84.99	153.13
5	Adjustment for securities financing transactions (i.e., repos and similar secured lending)	0.00	0.00	0.00	0.00
6	Adjustment for off-balance sheet items (i.e., conversion to credit equivalent amounts of off-balance sheet exposures)	2088.14	2292.88	2173.49	2130.13
7	Other adjustments	0.00	0.00	0.00	0.00
8	Leverage ratio exposure	69672.58	71449.30	72946.36	77582.86

Table DF – 18

Leverage ratio common disclosure

(₹ in crore)

S. No	Leverage Ratio Framework	Amount as of Jun'25	Amount as of Sep'25	Amount as of Dec'25	Amount as of Mar'26
On-balance sheet exposures					
1	On-balance sheet items (excluding derivatives and SFTs, but including collateral)	67477.92	69041.87	70687.88	75299.60
2	(Asset amounts deducted in determining Basel III Tier 1 capital)	0.00	0.00	0.00	0.00
3	Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 2)	67477.92	69041.87	70687.88	75299.60
Derivative exposures					
4	Replacement cost associated with all derivatives transactions (i.e., net of eligible cash variation margin)	0.00	0.00	0.00	0.00
5	Add-on amounts for PFE associated with all derivatives transactions	106.52	114.55	84.99	153.13
6	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the operative accounting framework	0.00	0.00	0.00	0.00
7	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	0.00	0.00	0.00	0.00
8	(Exempted CCP leg of client-cleared trade exposures)	0.00	0.00	0.00	0.00



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(₹ in crore)

S. No	Leverage Ratio Framework	Amount as of Jun'25	Amount as of Sep'25	Amount as of Dec'25	Amount as of Mar'26
9	Adjusted effective notional amount of written credit derivatives	0.00	0.00	0.00	0.00
10	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	0.00	0.00	0.00	0.00
11	Total derivative exposures (sum of lines 4 to 10)	106.52	114.55	84.99	153.13
Securities financing transaction exposures					
12	Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	0.00	0.00	0.00	0.00
13	(Netted amounts of cash payables and cash receivables of gross SFT assets)	0.00	0.00	0.00	0.00
14	CCR exposure for SFT assets	0.00	0.00	0.00	0.00
15	Agent transaction exposures	0.00	0.00	0.00	0.00
16	Total securities financing transaction exposures (sum of lines 12 to 15)	0.00	0.00	0.00	0.00
Other off-balance sheet exposures					
17	Off-balance sheet exposure at gross notional amount	8630.83	9207.10	8988.13	8786.88
18	(Adjustments for conversion to credit equivalent amounts)	(6542.69)	(6914.22)	(6814.64)	(6656.75)
19	Off-balance sheet items (sum of lines 17 and 18)	2088.14	2292.88	2173.49	2130.13
Capital and total exposures					
20	Tier 1 capital	8630.85	8583.96	8556.28	9704.70
21	Total exposures (sum of lines 3, 11, 16 and 19)	69672.58	71449.30	72946.36	77582.86
Leverage ratio					
22	Basel III leverage ratio	12.39%	12.01%	11.73%	12.51%

NOTES

[illegible]



TMB

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TAMILNAD MERCANTILE BANK LIMITED

Head Office:

**No. 57, Victoria Extension Road,
Thoothukudi - 628 002,
Tamil Nadu, India**

Phone: +91 (461) 232 5136

Email: secretarial@tmbank.in

Web: www.tmb.bank.in