CSB BANK LIMITED

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DISCLOSURES UNDER SEBI (Share Based Employee Benefits and Sweat Equity) REGULATIONS, 2021 AND/OR THE COMPANIES ACT, 2013

ESOPs / CSARs DISCLOSURE

[Pursuant to Regulation 14 of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021]

The share-linked compensation of the eligible employees of the Bank is governed by the following Schemes:

1. CSB Employees Stock Option Scheme2019 ("**CSB ESOS 2019**")
2. CSB Cash Settled – Stock Appreciation Rights Scheme 2025("**CSAR 2025**")

The **CSB ESOS 2019** was approved by the members of the Bank through a resolution passed by Postal Ballot on **May 4, 2019**, and was subsequently amended twice by the members at the Annual General Meetings held on **July 20, 2020** and **August 12, 2021**.

The **CSARs Scheme 2025**, approved by the Board on **August 13, 2025** and implemented with effect from **August 17, 2025**, provides for cash-settled appreciation rights. As the Scheme does not involve the issuance, transfer, or allotment of shares of the Bank, it **does not fall under the purview of the SEBI** (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

The relevant disclosure of the CSB ESOS 2019 as specified in Part F of Schedule –I of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and the details of **CSAR 2025** are as under:

(1) Details related to CSB Employees Stock Option Scheme 2019

A. A DESCRIPTION OF EACH ESOS THAT EXISTED AT ANY TIME DURING THE YEAR: -

Particulars		CSB Employee Stock Option Scheme 2019/ ESOS 2019
1	Date of Shareholders' Approval	May 4, 2019
2	Total Number of Options approved under ESOS	Total options reserve stood at **1,66,72,791** options and sourcing of corresponding number of shares shall be from (i) fresh issue of up to **80,00,000** equity shares to the ESOS Trust and (ii) secondary acquisition of up to **86,72,791** shares by the Trust.

Note :

(i). The quantum of secondary acquisition is capped at 86,72,791 shares which constitute 5 % (Five percent) of the paid-up equity share capital of the Bank as on March 31, 2020, which is in tune with the statutory ceiling prescribed under the SEBI (Share Based Employee Benefits) Regulations, 2014 which was subsequently repealed with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("SEBI SBEB & SE Regulations").

(ii). Acquisition of shares by the Trust in any financial year shall not exceed the ceilings, which is currently two per cent of the paid up equity capital as at the end of the previous financial year, prescribed in 'SEBI SBEB &SE Regulations' as amended from time to time. Trust shall not deal in derivatives, and shall undertake only delivery based transactions for the purposes of secondary acquisition and for the purpose of the Plan.

3	Vesting Requirements	Vesting Period for any Options granted under this Scheme shall be subject to statutory minimum period of 1 (One) year from the date of Grant during which no Vesting shall be allowed. Subject to this statutory minimum period, any staggered Vesting prescribed for any Grant shall be over a Vesting schedule of minimum of 3 (Three) years and maximum of 10 (Ten) years from the date of Grant.
4	Exercise Price or Pricing Formula	The Exercise Price per Option shall be determined by the Nomination and Remuneration Committee which shall not be lesser than the face value of Shares as on date of Grant.

5	Maximum Term of Options Granted	The exercise period in respect of a vested option shall be a period commencing from the relevant vesting date of such option and shall end with the expiry of 10 (Ten) years or such other shorter period as approved by the Committee from the date of grant of such option. Thus, expiry of exercise period in respect of options granted in a tranche of grant shall be same for all options in such tranche of grant.
6	Source of Shares (primary, secondary or combination)	Primary and Secondary
7	Variation in terms of options	Being a Pre-IPO Scheme, in terms of Regulation 12(1) of the erstwhile Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 **("SEBI SBEB Regulations")**, any fresh grant of Options can be made under ESOS 2019 if the scheme is in compliance with the SEBI SBEB Regulations and ratified by the members of the Bank post IPO. Accordingly, the ESOS 2019 was placed before the members at the Annual General Meeting held on July 20, 2020, post listing of shares on December 4, 2019,for ratification, and the same was obtained. The ESOS 2019 as well as the Trust as originally introduced were in conformity with the SEBI SBEB Regulations. No options were granted prior to the amendment/ratification of the scheme/listing of shares of the Bank. The first amendment was made in the Scheme at the Annual General meeting of the Bank held on July 20, 2020, inter alia, to increase the Options Reserve by an additional quantum of 1,16,72,791. The source of corresponding number of shares equivalent to 1,16,72,791 options shall be in the form of (i) fresh issue of shares up to 30,00,000 shares and (ii) secondary acquisition by the Trust up to 86,72,791 shares. With this, the total Options Reserve under ESOS 2019 stood at 1,66,72,791 options. A few other modifications were also made in the scheme as per the prevailing regulations and also to effect change of name of the Bank in the Scheme document. The second amendment was made in the Scheme at the Annual General meeting of the Bank held on August 12, 2021, permitting vesting of unvested employee stock options after the date of retirement/ early retirement as per original

		Vesting schedule as specified in the Grant Letter, subject to the provision of the Applicable Laws and at the discretion of the Nomination and Remuneration Committee. None of the amendments made were detrimental to the interests of any existing option grantees, at the respective times. No amendments were made in the Scheme during the FY 2025-26.
8	Method used to account for ESOS – Intrinsic or fair value	Intrinsic Value Method till March 31, 2021 and thereafter Fair Value Method by using Black-Scholes Model.
9(1)	Where the company opts for expensing of the options using the intrinsic value of the options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options shall be disclosed.	The stock options currently in force have been granted based on the fair value arrived in accordance with the Black-Scholes Model.
9(2)	The impact of this difference on profits and on EPS of the Bank shall also be disclosed.	Not applicable.

B. OPTION MOVEMENT DURING THE FINANCIAL YEAR 2025-26

Sr. No	Particulars	Options details	Weighted Avg. Exercise Price
1	Number of Options Outstanding at the Beginning of the period	29,58,792	246.78
2	Number of Options Granted during the Year	6,53,176	402.57

3	Number of Options Forfeited during the Year	0	NA
4	Number of Options Vested during the Year	6,32,803	254.07
5	Number of Options Exercised during the Year	1,90,903	147.41
6	Number of Options Lapsed during the Year	85,850	360.84
7	Number of Shares arising as a result of Exercise of Options	1,90,903	147.41
8	Money realised by Exercise of Options (INR), if scheme is implemented directly by the Bank	NA	NA
9	Loan repaid by the Trust during the year from exercise price received (in ₹)	Nil	NA
10	Number of Options Outstanding at the End of the Year	33,35,215	280.04
11	Number of Options Exercisable at the End of the Year	8,79,345	263.32

C. WEIGHTED AVERAGE EXERCISE PRICES OF OPTIONS GRANTED DURING FINANCIAL YEAR 2025-26 WHOSE

(Amount in ₹)

(a)	Exercise price equals market price (₹) of the share	402.57
(b)	Exercise price exceeds market price of the share	NA
(c)	Exercise price is less than market price of the share	NA

D. WEIGHTED AVERAGE FAIR VALUES OF OPTIONS GRANTED DURING FINANCIAL YEAR 2025-26 WHOSE

(Amount in ₹)

(a)	Exercise price equals market price (₹) of the share	141.02
(b)	Exercise price exceeds market price of the share	NA
(c)	Exercise price is less than market price of the share	NA

E. EMPLOYEE-WISE DETAILS OF OPTIONS GRANTED DURING THE FINANCIAL YEAR 2025-26 TO:

(i) Senior Managerial Personnel

Sl. No	Name	Designation	Number of options granted during the Financial Year	Exercise Price (Rs)	% of options granted during the financial year
1	Mr. Pralay Mondal	Managing Director & CEO	1,03,958	388.70	15.92
2	Mr. B K Divakara	Executive Director	29,873	388.70	4.57

3	Mr. Manish Modi	Head - Wholesale Banking	77,875	406.15	11.92
4	Mr. Narendra Dixit	Head - Retail Banking	72,951	406.15	11.17
5	Mr. Rajesh Choudhary	Chief Technology Officer	60,981	406.15	9.34
6	Mr. Satyendra Sharma	Chief Risk Officer	54,710	406.15	8.38
7	Mr. Manish Agarwal	Chief Credit Officer	39,637	406.15	6.07
8	Mr. Satish Gundewar	Chief Financial Officer	34,556	406.15	5.29
9	Mr. Syam Mani	Head – Business Lending Group & TBG	33,838	406.15	5.18
10	Mr. Alok Singh	Head - Treasury	27,299	406.15	4.18
11	Mr. Chinmay Adhikari	Chef Human Resources Officer	16,772	406.15	2.57
Total			**5,52,450**		

(ii) Any other employees who receive a grant in any one year of option amounting to 5% or more of option granted during that year;

Sl. No	Name	Designation	Number of options granted during the Financial Year	Exercise Price (Rs)	% of total options granted during the financial year
1	Mr. Anupam Kumar	Head- Liability, NR & TPP	38,363	406.15	5.87

(iii) Identified employees who were granted option, during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Bank at the time of grant.

Name	Designation	No. of options granted during the financial year	Exercise Price (Rs)	% to total options granted during the financial year
NIL				

F. A DESCRIPTION OF THE METHOD AND SIGNIFICANT ASSUMPTIONS USED DURING THE YEAR TO ESTIMATE THE FAIR VALUE OF OPTIONS:

The fair value has been calculated by using Black-Scholes Model. The fair value of options granted under the ESOS 2019 during the financial year 2025-26 has been estimated on the date of grant using the Black-Scholes Model with the following assumptions:

Date of Grant	August 13, 2025	December 12, 2025
No. of Options	5,19,345	1,33,831
Average Dividend Yield	0%	0%

Expected Volatility	30.46% to 37.04%	29.92% to 34.52%
Risk free interest rate	5.79% to 6.20%	5.83% to 6.31%
Expected life of options	2.5 to 5.5 years	2.5 to 5.5 years
Expected forfeiture	-	-
Fair Value Range (₹)	142.86	133.90
Stock Price (₹)	406.15	388.70

G. ASSUMPTIONS

Weighted average value of share price/ Stock Price	Latest available closing price on a recognised stock exchange on which the shares of the Bank are listed on the date immediately prior to the relevant date. If such shares are listed on more than one recognised stock exchange, then the closing price on the recognised stock exchange having higher trading volume shall be considered as the market price
Expected Volatility/ Determination of expected volatility, including an explanation of the extent to which expected volatility was based on historical volatility	Expected volatility is a measure of the amount by which the equity share price is expected to fluctuate during a period. The measure of volatility used in Black-Scholes option pricing model is the annualized standard deviation of the continuously compounded rates of returns on the shares over a period of time. Expected volatility has been computed by considering the historical data on daily volatility in Bank's share price.
Risk-free Interest Rate	The risk-free interest rate being considered for the calculation is the interest rate applicable for a maturity equal to the expected life of the options based on the zero coupon yield curve for Government Securities.
Exercise Price	Exercise Price of each specific grant has been considered.
Time to Maturity/Expected life of options	Time to Maturity / Expected Life of options is the period for which the Bank expects the options to be live. The minimum life of a stock option is the minimum period before which the options cannot be exercised and the maximum life is the period after which the options cannot be exercised.
Expected Dividends	0 %
Any other features of the option granted, if incorporated into the measurement of fair value, such as a market condition/how such	Not applicable

features were incorporated	
Method used and assumptions made to incorporate effects of expected early exercise	Bank doesn't anticipate an early exercise of options granted. Bank expects the options granted to be exercised by the grantee within the Exercise Period as per the terms of grant and as per para 8.2 (b) of ESOS 2019.

H. DISCLOSURES IN COMPLIANCE WITH THE GUIDANCE NOTE ON ACCOUNTING FOR EMPLOYEE SHARE BASED PAYMENTS AS ON 31ST MARCH 2026:

Bank uses Intrinsic Value Method for accounting the value of Options granted under the Scheme up to and including March 31, 2021 and thereafter Fair Value Method by using Black-Scholes model, for accounting the value of Options granted as per the requirements in terms of Reserve Bank of India (Commercial Banks – Governance), Directions, 2025 dated November 28, 2025. Further details, refer to the para 3.2.4 of the Notes forming part of the financial statement for the year ended March 31, 2026, of the Annual Report. (Disclosures are provided in accordance with para 42 of the guidance note (GN (A) 18 (Issued 2005), Guidance Note on Accounting for Employee Share-based Payments) read with the Indian Accounting Standard (Ind AS) 102 on Share based payment.

I. DETAILS RELATED TO TRUST

(i) General information on all schemes

The CSB ESOS Scheme 2019 shall be administered through an employee stock option trust ("ESOS Trust") in the nature of an irrevocable employee welfare trust, set up in May 2019 in due compliance with the applicable laws. Under the Scheme, the Bank can allot a maximum of 50 lakh shares to the Trust, over a period of time. Accordingly, the Bank, on July 12, 2019, allotted 50,00,000 equity shares to CSB ESOS Trust, at an issue price of ₹ 10 /- per share.

The Scheme was amended at the Annual General meeting of the Bank held on July 20, 2020, inter alia, to increase the Options Reserve from 50,00,000 equity shares by an additional quantum of 1,16,72,791. The sourcing of corresponding number of additional shares shall be from (i) fresh issue of shares up to 30,00,000 shares and (ii) secondary acquisition by the Trust up to 86,72,791 shares. With this, the total Options Reserve under ESOS 2019 stood at 1,66,72,791 options. A few other modifications were also made in the scheme as per the prevailing regulations and also to effect change of name of the Bank in the Scheme document.

Under the trust route, the Bank allots shares to the trust and the trust will transfer the shares to the eligible employees at the time of exercise of option by eligible employees on meeting terms of grant fixed by the Nomination & Remuneration Committee of the Board. The details of the CSB ESOS Trust as required under Regulation 14 of SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 is furnished below:

Sl No.	Particulars	Details
1.	Name of the Trust	CSB ESOS Trust
2.	Details of the Trustee(s)	1. Mr. Ragesh M, CSB Bank Limited, CSB Bhavan, St. Mary's College Road, Thrissur – 680020, Kerala, India. 2. Ms. M Sreelatha CSB Bank Limited, CSB Bhavan, St. Mary's College Road, Thrissur – 680020, Kerala, India. 3. Ms. Aarti Srivastav CSB Bank Limited, Corporate Office, Siroya Centre, 3rd floor, Sahar Airport Road, Sahar, Andheri East, Mumbai – 400099, India.
3.	Amount of loan disbursed by Bank / any company in the group, during the year	Nil^
4.	Amount of loan outstanding (repayable to Bank / any company in the group) as at the end of the year	Nil^
5.	Amount of loan, if any, taken from any other source for which Bank / any company in the group has provided any security or guarantee	Nil^
6.	Any other contribution made to the Trust during the year	NIL Initial contribution made by the Bank in the form of Corpus funding of ₹ 1,00,000/- in the financial year 2019-20

^ *In terms of Reserve Bank of India (Commercial Banks – Credit Risk Management) Directions, 2025, dated November 28, 2025, banks are not allowed to extend advances to employees trusts set up by them for the purpose of purchasing their own shares under ESOS/ESOP / from the secondary market.*

(ii) Brief details of transactions in shares by the Trust

Sl No.	Particulars	Details

<table>
<tr><td>1.</td><td>Number of shares held at the beginning of the year (April 1, 2025);</td><td>41,67,933</td></tr>
<tr><td>2.</td><td>Number of shares acquired during the year</td><td>
<table>
<tr><th></th><th>Primary Issuance</th><th>Secondary Acquisition</th></tr>
<tr><td>Number of shares acquired during the year</td><td>NIL</td><td>NIL</td></tr>
<tr><td>Number of shares acquired during the year as a percentage of paid up equity capital as at the end of the previous financial year</td><td>NA</td><td>NA</td></tr>
<tr><td>Weighted average cost of acquisition per share</td><td>NA</td><td>NA</td></tr>
</table>
</td></tr>
<tr><td>3.</td><td>Number of shares transferred to the employees / sold along with the purpose thereof;</td><td>1,59,693 shares were transferred to eligible employees of the Bank, pursuant to exercise of employee stock options.</td></tr>
<tr><td>4.</td><td>Number of shares held at the end of the year (March 31, 2026)</td><td>40,08,240</td></tr>
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(iii) In case of secondary acquisition of shares by the Trust:

The quantum of secondary acquisition is capped at 86,72,791 shares which constitute 5 % (Five percent) of the paid-up equity share capital of the Bank as on March 31, 2020, which is in tune with the statutory ceiling prescribed under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 which was subsequently repealed with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 *("SEBI SBEB & SE Regulations")*.

Secondary Acquisition of shares by the Trust in any financial year shall not exceed 2% of the paid up equity capital as at the end of the previous financial year as per SEBI SBEB &SE Regulations as amended from time to time.

Number of shares	As a percentage of paid-up equity capital as at the end of the year immediately preceding the year in which shareholders' approval was obtained
Held at the beginning of the year	Nil
Acquired during the year	Nil
Sold during the year	Nil
Transferred to the employees during the year	Nil
Held at the end of the year	Nil

(2) Details related to CSB Cash Settled – Stock Appreciation Rights Scheme 2025:

i) Description of each CSAR scheme that existed at any time during the year	
Date of shareholders' approval	Not applicable
Total number of shares approved under the CSAR scheme	Not applicable
Vesting requirements	Vesting of CSARs granted under this Scheme shall not be earlier than minimum Vesting Period of 1 (One) year and not later than maximum Vesting Period of 2 (Two) years from the Grant Date. Subject to this overall band of Vesting Period, the Committee shall have the discretion to prescribe any Vesting Period for a particular Grant or different Vesting Periods for different Grants made at same time.
CSAR price or pricing formula	CSAR Price (base price) shall be determined by the Committee which shall not be lesser than the face value of Shares as on Grant Date. The payout, called "Appreciation," is calculated as the excess of the market price of the Bank's shares on the exercise date over the CSAR Price and will be settled in cash. CSAR Price is treated as a base price for the purpose of determination of Appreciation and is not required to be paid by a Grantee.
Maximum term of CSAR granted	The maximum vesting period for CSARs is two years from the date of grant, and vested CSARs must be exercised within three months from the respective vesting date. Accordingly, the overall tenure of CSARs, from the date of grant up to the end of the exercise period, shall not exceed 27 months.

Method of settlement (whether in cash or equity)	Cash only
Choice of settlement (with the company or the employee or combination)	The Scheme does not provide any option for the employee or the Bank to choose equity settlement. The only permitted mode is cash settlement as specified in the Scheme.
Source of shares (primary, secondary or combination)	Not applicable
Variation in terms of scheme	The Committee may, if required, vary or modify the terms of the CSAR Scheme, including the terms of outstanding CSARs whether vested or unvested provided such variations are not detrimental to the interests of the grantees. Any changes may be carried out to comply with regulatory requirements or to address corporate actions, and the Committee is empowered to take such decisions in accordance with applicable laws and the Scheme provisions. No amendments were made in the Scheme during the FY 2025-26.
(ii) Method used to account for CSAR – Intrinsic or fair value	
Method used to account for CSAR	Fair Value Method by using Black-Scholes Model.
(iii) Where the company opts for expensing of CSAR using the intrinsic value of CSAR	
Where the company opts for expensing of CSAR using the intrinsic value of CSAR, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of CSAR, shall be disclosed. The impact of this difference on profits and on EPS of	Not applicable

the company shall also be disclosed.	
iv) CSAR movement during the year	
Number of CSARs outstanding at the beginning of the year	NA
Number of CSARs granted during the year	5,24,741
Number of CSARs forfeited / lapsed during the year	NIL
Number of CSARs vested during the year	NA
Number of CSARs exercised / settled during the year	NA
Number of CSARs outstanding at the end of the year	5,24,741
Number of CSARs exercisable at the end of the year	NA

(v) Employee wise details of CSARs granted during the year to:

(a) Senior Management Personnel

Sl. No	Name of the SMP	Designation	No. of CSARs granted	% of CSARs granted during the financial year
1	Mr. K Chandrasekhar	Head-Operations	24,610	4.69

(b) Any other employee who receives a grant in any one year of amounting to 5% or more of CSAR granted during that year

Sl. No	Name of the Employee	Designation	No. of CSARs granted	% of CSARs granted during the financial year
1	Mr. Vatsal Sinha	Head - Large Corporates	61,298	11.68
2	Mr. Avinash Sharma	Head – Commercial Banking	54,487	10.38
	TOTAL		**1,15,785**	**22.07**

(c) Identified employees who were granted CSAR, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant.	NIL