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ANDHRA PRADESH GRAMEENA BANK

Scheduled Bank Owned by Government

1st ANNUAL REPORT

2025-26

Empowering Communities

Financing Aspirations

Enabling Growth

Building a Stronger Tomorrow

ANDHRA PRADESH GRAMEENA BANK

BOARD OF DIRECTORS

Shri K Pramod Kumar Reddy
Chairman

Ms. Manasa Gangotri Kata, I.R.S
Director, Govt. of India,
Ministry of Finance, DFS
Central Govt. Nominee
Under Sec 9(3) of RRB Act, 1976

Shri Ronald Rose, I.A.S
Secretary to Govt. (B&IF)
Finance Department
Government of AP, Amaravati
Under Sec 9(1)(e) of RRB Act, 1976

Shri Noorul Quamer, I.A.S
Dy. Secretary to Govt.
Government of AP,
Amaravati
Under Sec 9(1)(e) of RRB Act, 1976

Shri B Suryakumar Arunkumar
Asst. General Manager, DOS- APRO,
Reserve Bank of India
Vijayawada
Under Sec 9(1)(b) of RRB Act, 1976

Dr. K V S Prasad
General Manager
NABARD- APRO
Vijayawada
Under Sec 9(1)(c)of RRB Act, 1976

Shri A K Vinod
Chief General Manager
Union Bank of India
Central Office, Mumbai
Under Sec 9(1)(d)of RRB Act, 1976

Shri C V N Bhaskara Rao
General Manager
Union Bank of India
Zonal Office, Vijayawada
Under Sec 9(1)(d)of RRB Act, 1976

Vacant I & II

Central Government Nominee Directors- I & II
Under Sec 9(1)(a) of RRB Act, 1976

Shri K PRAMOD KUMAR REDDY

Chairman

ANDHRA PRADESH GRAMEENA BANK

OUR MENTORS

Shri ASHEESH PANDEY
Managing Director &
Chief Executive Officer
Union Bank of India

Shri NITESH RANJAN
Executive Director, UBI

Shri RAMASUBRAMANIAN S.
Executive Director, UBI

Shri SANJAY RUDRA
Executive Director, UBI

Shri AMRESH PRASAD
Executive Director, UBI

CONTENTS

ANDHRA PRADESH GRAMEENA BANK

(Scheduled Bank owned by Government)

HEAD OFFICE

GUNTUR-522002, ANDHRA PRADESH

LETTER OF TRANSMITTAL

The Secretary
Department of Financial Services
Ministry of Finance
Government of India
Parliament Street
NEW DELHI - 110 001

Dear Sir,

In accordance with the provisions of Section 20 of the Regional Rural Banks Act 1976, I forward herewith the following documents:

a) Director's Report on the working of Andhra Pradesh Grameena Bank and its activities during the accounting year ended 31st March, 2026.

b) A copy of Auditors' Report in relation to the Bank's accounts for the year ended 31st March, 2026.

c) A copy of the Bank's Balance Sheet and Profit & Loss Account for the year ended 31st March, 2026.

Place : Guntur
Date: 30.04.2026

Yours Sincerely
Sd/- K.Pramod Kumar Reddy
Chairman

VISION

The Bank aspires to be the leading catalyst for rural growth and prosperity by empowering every household, farmer, and entrepreneur through inclusive, sustainable and technology-driven financial solutions.

Aligned with national and state development goals such as Viksit Bharat 2047 and Swarna Andhra 2047, the Bank envisions fostering an ecosystem of enduring economic and social well-being.

The Bank shall uphold the highest standards of governance, audit, and compliance to ensure transparency, accountability, and institutional resilience, while nurturing a progressive work culture that values integrity, innovation and employee well-being – making it a preferred institution to work for.

MISSION

To expand access to the formal banking system for rural communities through inclusive, customer-centric services and fair, timely credit to agriculture, MSMEs, aquaculture, horticulture, and other priority sectors supporting rural livelihoods.

The Bank is committed to strengthening digital banking adoption, promoting green finance, developing need-based products, and enhancing financial literacy and value-chain linkages.

By nurturing a skilled, ethical, and transparent workforce, the Bank shall ensure robust internal controls, effective audit mechanisms, and strong compliance culture that safeguard stakeholders' interests.

To ensure sustainable business growth diversification and inclusive economic growth.

BOARD OF DIRECTORS

AS ON 31.03.2026

Chairman Under Section 11 of Regional Rural Banks Act, 1976	:	**1. Shri K Pramod Kumar Reddy** General Manager, (On Deputation from Union Bank of Inda)
Nominees of Central Government Under Section 9(1)(a) of Regional Rural Banks Act, 1976	:	2. Vacant
	:	3. Vacant
Nominees of Central Government Under Section 9(3) of Regional Rural Banks Act, 1976	:	**4. Ms. Manasa Gangotri Kata** I.R.S Director, Ministry of Finance, Department of Financial Services(DFS)
Nominees of State Government Under Section 9(1)(e) of Regional Rural Banks Act, 1976	:	**5. Shri Ronald Rose** I.A.S Secretary to State Government AP Secretariat, Amaravati
		6. Shri Noorul Quamer I.A.S. Deputy Secretary to State Govt. AP Secretariat, Amaravati
Nominees of Reserve Bank of India Under Section 9(1)(b) of Regional Rural Banks Act, 1976	:	**7. Shri B Suryakumar Arunkumar** Assistant General Manager Department of Supervision (DoS) Reserve Bank of India, APRO, Vijayawada
Nominees of NABARD Under Section 9(1)(c) of Regional Rural Banks Act, 1976	:	**8. Dr. K V S Prasad** General Manager NABARD-APRO, Vijayawada
Nominees of Union Bank of India Under Section 9(1)(d) of Regional Rural Banks Act, 1976	:	**9. Shri A K Vinod** Chief General Manager Union Bank of India, Central Office, Mumbai
		10. Shri C V N Bhaskara Rao General Manager Union Bank of India, Zonal Office, Vijayawada

PERFORMANCE HIGHLIGHTS 2025-26

1. Bank is operating across the state of Andhra Pradesh through a wide network of 1359 Branches, 55 ATMs and 3196 Business Correspondents covering 28 districts of the State.
2. Bank achieved a Total Business of ₹136337 Crore as on 31.03.2026, registering a growth of ₹16,111 Crore over 01.05.2025, reflecting growth rate of 13.40%. Bank stands as 2nd Largest RRB in the country in terms of Total Business.
3. The Total Deposits of the Bank stood at ₹64,673 Crore and Total Advances at ₹71,664 Crore as on 31.03.2026, registering growth of 14.89% and 12.09% respectively over 01.05.2025.
4. Bank has maintained excellent asset quality with Gross NPA at ₹607 Crore, constituting 0.91% of Total Advances (Net of IBPC), which is significantly lower than the national RRB average of 5.17%. Net NPA of the Bank is maintained as NIL with 100% provisioning.
5. Bank recorded Per Branch Business of ₹100.32 Crore and Per Employee Business of ₹18.45 Crore, reflecting strong operational efficiency and productivity.
6. APGB plays a significant role in the national RRB landscape, contributing
   - 10.04% share in Total Business of all RRBs in India
   - 8.41% share in Total Deposits
   - 12.15% share in Total Advances
7. The Operating profit of the Bank stands at ₹2523 Crore and Net profit after tax of the Bank at ₹1836 Crore, emerging as top performing RRB in the country contributing about 19% of national share, highlighting strong financial performance.
8. The Net worth of the Bank has reached ₹13364 Crore as on March 2026 placing the Bank at the top among RRBs, contributing above 16% of national figure.
9. Bank recorded a Net Interest Margin(NIM) of 3.72%, reflecting efficient interest income management and stable core profitability.
10. Bank's Return on Assets (RoA) and Return on Equity (RoE) stands at 2.05% and 15.01% respectively, as on March 2026.
11. The Capital to Risk Weighted Assets Ratio (CRAR) of the Bank stood at 23.65% as against the statutory requirement of 9%, indicating strong capital strength and prudent risk management.
12. Book Value per Share (BVPS) improved to ₹1089.67 as on 31.03.2026 from ₹939.69 of 01.05.2025.

ANDHRA PRADESH GRAMEENA BANK

Chairman Message

It gives me immense pleasure and a deep sense of privilege to present the first Annual Report of Andhra Pradesh Grameena Bank (APGB) for the year 2025-26. This report is particularly significant as it marks the Bank's first year of operations following its amalgamation and formation on 1st May 2025. This year has been both historic and transformational, laying a strong foundation for the Bank's future growth and service to rural and semi-urban communities.

The year witnessed major structural changes in the banking sector, particularly among Regional Rural Banks. While the amalgamation process brought challenges in integrating systems, processes, policies, and organizational culture, it also created an opportunity to build a larger, stronger, and more efficient institution. I am pleased to share that APGB successfully completed CBS integration and other key post-amalgamation harmonization measures in a timely and phased manner, ensuring smooth and standardized operations across the Bank.

Despite these challenges, the Bank delivered encouraging results in its very first year. As on 31st March 2026, deposits grew by 14.89% and advances by 12.09%, taking aggregate business to ₹1,36,337 crore, reflecting a growth of 13.40% over the position at the time of amalgamation. APGB has emerged as the second largest Regional Rural Bank in India in terms of aggregate business. The Bank also recorded a net profit of ₹1,836 crore, the highest among all RRBs, while maintaining a strong Capital Adequacy Ratio of 23.65% and Net NPA at NIL, reflecting sound credit discipline and strong asset quality.

The Bank remained firmly committed to inclusive development and priority sector lending, with 92% of its advances extended to this segment. During the year, MSME credit recorded a growth of 27%, supporting entrepreneurship, employment, and local economic activity. The Bank also actively implemented major Government of India schemes such as PM Vishwakarma, PM Mudra Yojana, PM LakhpatiDidi, PM SVANidhi, PM Awas Yojana, and PM Surya Ghar. Furthermore, the Bank continued to enhance financial inclusion by broadening access to banking services and strengthening credit delivery mechanisms across rural and semi-urban regions. Focused initiatives were undertaken to empower farmers, women, Self-Help Groups (SHGs), and emerging entrepreneurs through targeted financial support and sustainable credit solutions.

The Bank has achieved significant milestones by being conferred with the "Best Grameen Bank under MSME Banking Excellence" award by the Government of India and receiving recognition under the "Tech Drive & Operational Excellence" and "AI Vanguard" categories at the BFSI Tech Awards for 2025-26. These achievements reflect the collective efforts of our employees and the trust reposed in us by our customers and stakeholders.

I sincerely thank the Board of Directors, regulators, government authorities, stakeholders, and our valued customers for their continued support and confidence. I place on record my heartfelt appreciation to all employees of the Bank for their dedication, hard work, and commitment in making this first year successful. With this strong beginning, I am confident that APGB will continue to grow stronger, serve better, and contribute meaningfully to the socio-economic development of the communities it serves.

Yours Sincerely,

K Pramod Kumar Reddy

STATUTORY AUDITORS FOR 2025-26

Statutory Central Auditors

M/s M N RAO & ASSOCIATES

Chartered Accountant , Vijayawada.

	STATUTORY BRANCH AUDITORS	
Sl.No	Audit Firm Name	Place
1	M/s A M REDDY & D R REDDY	ANANTAPUR
2	M/s ASHISH KUMAR AGRAWAL & CO	VIZIANAGARAM
3	M/s B D P S & CO	VIJAYAWADA
4	M/s B R A N D & ASSOCIATES LLP	ANANTAPUR
5	M/s BODA RAMAM & CO	KAKINADA
6	M/s C P J & ASSOCIATES	VIZIANAGARAM
7	M/s C PARDHA SARADHI & CO	TENALI
8	M/s CHINNI PERUMALLA & ASSOCIATES	NELLORE
9	M/s E PHALGUNA KUMAR & CO	TIRUPATI
10	M/s E SIVA KUMAR & CO	CHITTOOR
11	M/s GRANDHY & CO	VISAKHAPATNAM
12	M/s JAYA & LAKSHMI	VISAKHAPATNAM
13	M/s K S P RAJU & ASSOCIATES	VISAKHAPATNAM
14	M/s KANAKAMAHALAKSHMI ASSOCIATES	VISAKHAPATNAM
15	M/s KOWTHA & CO	VIJAYAWADA
16	M/s KURAPATI SUBBA RAO & CO	ONGOLE
17	M/s M A N & ASSOCIATES LLP	GUNTUR
18	M/s P I RAMANA & ASSOCIATES	VIJAYAWADA
19	M/s PENMETSA & ASSOCIATES	VISAKHAPATNAM
20	M/s R A B S AND CO LLP	KURNOOL
21	M/s R BHARADHWAJ & CO	GUNTUR

	STATUTORY BRANCH AUDITORS	
Sl.No	Audit Firm Name	Place
22	M/s RANJIT & ASSOCIATES	GUNTUR
23	M/s RAVI SARMA & CO	KAKINADA
24	M/s S HARIHARASUDAN & ASSOCIATES	MADANAPALLE
25	M/s S N M R & ASSOCIATES	TADEPALLIGUDEM
26	M/s S R K P & CO	VIJAYAWADA
27	M/s SS V M & CO	TIRUPATI
28	M/s S VARADARAJAN & CO	TIRUPATI
29	M/s SOMAYAJULU & ASSOCIATES	VISAKHAPATNAM
30	M/s SUDI & CO	GUNTUR
31	M/s T SATYANARAYANA & CO	MARKAPUR
32	M/s THOTA SUBBA RAO & CO	KOYYALAGUDEM
33	M/s V RAO & GOPI	GUNTUR
34	M/s AMBIKA & ISHA	VISAKHAPATNAM
35	M/s ASHEESH GARG & ASSOCIATES	GUNTUR
36	M/s B G R & ASSOCIATES	GUNTUR
37	M/s BHARATI & CO	VISAKHAPATNAM
38	M/s CHINTA KRISHNA RAO & CO	GUNTUR
39	M/s CHOWDARY & RAO	VIJAYAWADA
40	M/s ESWARARAO & CO	GUNTUR
41	M/s GUDLA & ASSOCIATES	VISAKHAPATNAM
42	M/s K V S V & CO	VISAKHAPATNAM
43	M/s M A R & ASSOCIATES	KURNOOL
44	M/s M DURGA SUSHMA & CO	GUNTUR
45	M/s N N S & ASSOCIATES	BHIMAVARAM

	STATUTORY BRANCH AUDITORS	
Sl.No	Audit Firm Name	Place
46	M/s NEMMADI & ASSOCIATES	VISAKHAPATNAM
47	M/s P SUBBARAYUDU & CO	VIJAYAWADA
48	M/s PANCHAKSHARI & CO	TADEPALLIGUDEM
49	M/s PARAVADA & ASSOCIATES	ANAKAPALLE
50	M/s POLA & CO	VIJAYAWADA
51	M/s R S N L & ASSOCIATES	TIRUPATI
52	M/s SAGAR SHANKAR & ASSOCIATES	VIJAYAWADA
53	M/s SATYANARAYANA & SUSHIL	VISAKHAPATNAM
54	M/s SRINIVASULU MANTHU & ASSOCIATES	ONGOLE
55	M/s SRIRAMA & ASSOCIATES	VISAKHAPATNAM
56	M/s SUHASINI & ASSOCIATES	VUYYURU
57	M/s SUMAN REDDY & CO	NELLORE
58	M/s SURYA RAO SANKARAIAH & ASSOCIATES	VISAKHAPATNAM
59	M/s A R K V & CO	RAJAMAHENDRAVARAM
60	M/s B V RAO & CO LLP	VISAKHAPATNAM
61	M/s BALAGANGADHAR & CO	ONGOLE
62	M/s GARLAPATI & CO	GUNTUR
63	M/s KETHARAJU SUBBA RAO & CO	GUNTUR
64	M/s MANNEM MIKKINENI & ASSOCIATES	TIRUPATI
65	M/s NARENDRA REDDY & CO	KURNOOL
66	M/s NEELAKANTHESWAR & CO	VISAKHAPATNAM
67	M/s PULIKONDA ASSOCIATES	GUNTUR
68	M/s PUNNAIAH & CO	GUNTUR
69	M/s RAO & KUMAR	VISAKHAPATNAM

	STATUTORY BRANCH AUDITORS	
Sl.No	**Audit Firm Name**	**Place**
70	M/s S E V & ASSOCIATES	VISAKHAPATNAM
71	M/s S R GARIMELLA & CO	VIJAYAWADA
72	M/s SATYANARAYANA & SURYANARAYANA	RAJAMAHENDRAVARAM
73	M/s SRIDEVI AND CO	GUNTUR
74	M/s SRIVALLI & RAO	VISAKHAPATNAM
75	M/s SURESH & BABU	VIJAYAWADA
76	M/s SURYANARAYANAMURTHY & CO	VIJAYAWADA

DIRECTOR'S REPORT

The Board of Directors of **ANDHRA PRADESH GRAMEENA BANK** have pleasure in presenting the Directors' Report of the Bank together with the Audited Balance Sheet as on 31st March 2026, Profit & Loss account and Cash Flow Statement for the financial year ended 31st March 2026, in terms of Section 20 of the Regional Rural Banks Act, 1976.

Introduction

The Government of India, in its endeavour to strengthen Regional Rural Banks (RRBs) and in line with "One State-One RRB" initiative, implemented the fourth phase of amalgamation through Gazette Notification CG-DL-E-07042025-262329 dated 07th April 2025. With this amalgamation, 43 RRBs operating across the country were reduced to 28. This initiative is aimed to enhance operational efficiency, improve financial resilience and foster institutional robustness.

In terms of said notification, four RRBs operating in the state of Andhra Pradesh i.e., Andhra Pradesh Grameena Vikas Bank, Andhra Pragathi Grameena Bank, Chaitanya Godavari Grameena Bank and Saptagiri Grameena Bank, were amalgamated into single entity to form Andhra Pradesh Grameena Bank under the sponsorship of Union Bank of India, with effect from 01st May 2025. Further, Bank was subsequently included in the Second Schedule of the Reserve Bank of India vide Press Release No. 2025-26/1612 dated 02nd December 2025.

Following the amalgamation, Bank's governance framework was restructured in alignment with regulatory requirements. The National-level Standard Operating Procedures (SOPs), a comprehensive framework was issued by NABARD to guide RRBs in carrying out the amalgamation process in an organized manner, covering operational, administrative and governance aspects.

In line with NABARD SOP and to facilitate seamless integration, Bank has constituted various internal committees for harmonization and standardization of policies, procedures and products across the merged entity, ensuring consistency, operational efficiency and regulatory compliance.

An Amalgamation Cell was established at the Head Office to strengthen the transition framework. This Cell worked in coordination with the Sponsor Bank's Amalgamation Monitoring Office (AMO) to oversee and expedite all activities related to amalgamation, ensuring timely completion of tasks in accordance with the prescribed roadmap given by NABARD. Following amalgamation, Bank has completed Statutory audits, CBS integration, Migration Audit and IS audits within the timelines prescribed by NABARD. Since the Bank was formed with effect from 01st May 2025, the Balance sheet of the Bank was prepared for the period from 01.05.2025 to 31.03.2026 and the Directors' Report is presented accordingly for the same period.

Administrative Structure and Organizational Setup

With the approval of the Board, Bank has undertaken a comprehensive restructuring of administrative framework to support the expanded scale of operations. Accordingly, a total of Sixteen departments were established at the Head Office, each headed by Assistant General Managers (AGMs)/Chief Managers (CMs), ensuring focused management of key functional areas.

These departments are supervised by General Managers deputed from the Sponsor Bank i.e., Union Bank of India. A robust vigilance framework has also been instituted, with a Vigilance In-Charge supported by a team of six vigilance officers deputed from the Sponsor Bank.

Operational Area

The operational foot print of the Bank extents across the state of Andhra Pradesh, covering geographical area of 1,63,275 sq. km., encompassing 28 districts and 688 mandals. As per the 2011 Census, the population of Andhra Pradesh stands at 4.94 Crore.

Share Capital

The authorized share capital of RRBs was raised from ₹5 crore to ₹2000 crore in terms of the amendment made to RRB Act in 2015.

The paid-up share capital of the bank as on 31st March 2026 is as under:

Central Government (50%)	₹61,21,28,790
Sponsor Bank i.e. Union Bank of India (35%)	₹42,84,90,130
State Government (15%)	₹18,36,38,480
Total	**₹122,42,57,400**

Reserves & Surplus

The Net Profit after Tax of ₹1835.81 Crore for 31st March 2026 has been appropriated to Reserves & Surplus as under:

An amount of ₹367.16 Crore is transferred to Statutory Reserves thus fulfilling the statutory minimum requirement of 20%. The remaining profit, i.e. ₹1468.65 Crore is transferred to General Reserves.

As a result, Bank's Statutory Reserves increased to ₹2774.20 Crore, while Total Reserves & Surplus stood at ₹13217.62 Crore and the Bank's own funds has reached to ₹13340.04 Crore.

The Investment Fluctuation Reserve (IFR) is maintained at ₹55.80 Crore as on 31st March 2026.

Network of Branches

As on 31.03.2026, Bank is operating through 1,359 branches across the state with 55 ATMs, including 10 off-site ATMs, one mobile ATM and the remaining on-site ATMs.

Bank has opened 08 new branches, including TWO in NTR district and ONE each in Eluru, Gudivada, Guntur, Krishna, Palnadu and Srikakulam districts.

Out of Eight newly opened branches, three branches were set up in Tier-I centers while remaining 5 Branches were opened in Tier-V centers.

The district-wise break up of branches is as under:

S.No.	District/Category	Rural	Semi-Urban	Urban	Metro	Total
1	Alluri Sitharama Raju	7	1	0	0	8
2	Anakapalli	34	13	0	1	48
3	Ananthapuramu	40	11	15	0	66
4	Annamayya	33	12	2	0	47
5	Bapatla	18	15	1	0	34
6	Chittoor	49	7	5	0	61
7	Dr. B.R.Ambedkar Konaseema	11	9	0	0	20
8	East Godavari	13	10	4	0	27
9	Eluru	28	12	2	0	42
10	Guntur	27	12	18	0	57
11	Kakinada	17	11	3	0	31
12	Krishna	24	10	3	0	37
13	Kurnool	32	14	15	0	61
14	Markapuram	21	11	0	0	32
15	Nandyal	35	17	8	0	60
16	NTR	29	18	7	0	54
17	Palnadu	50	24	2	0	76
18	Parvathipuram Manyam	21	6	0	0	27
19	Polavaram	5	0	0	0	5
20	Prakasam	40	11	7	0	58
21	SPSR Nellore	42	19	15	0	76
22	Sri Sathya Sai	38	15	5	0	58
23	Srikakulam	63	11	7	0	81
24	Tirupati	47	22	7	0	76
25	Visakhapatnam	6	1	0	31	38
26	Vizianagaram	49	12	8	0	69
27	West Godavari	13	6	2	0	21
28	Y.S.R	49	24	16	0	89
	Total	**841**	**334**	**152**	**32**	**1359**

Regional Offices

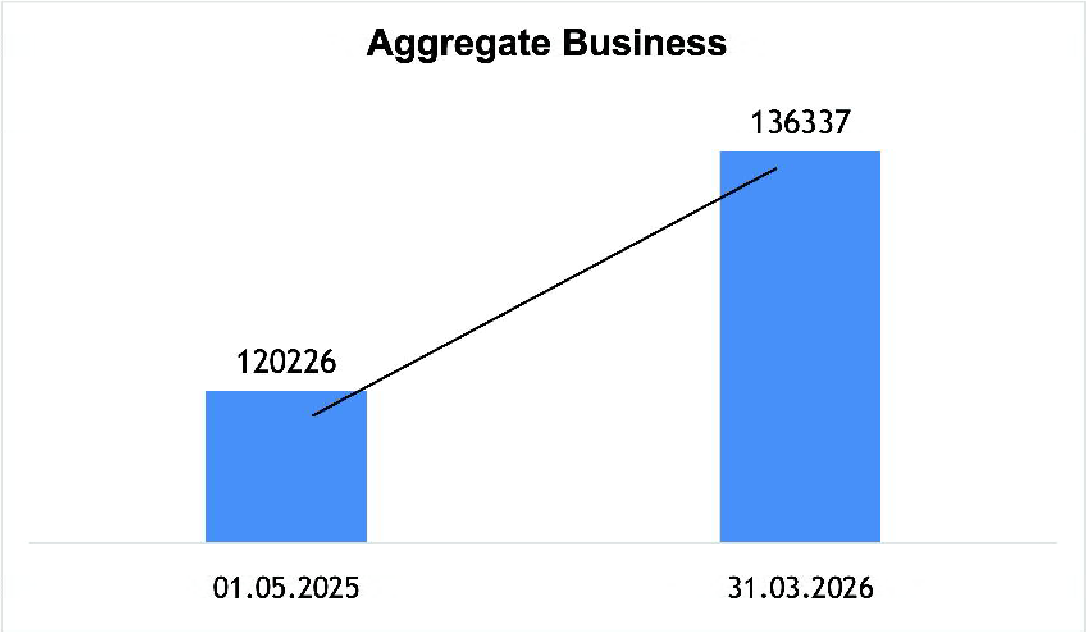
Bank's branch network is administered through 23 Regional Offices across the state. Branch network under the jurisdiction of Regional Offices are as under

Sl. No.	Regional Office	No. of Branches	Sl. No.	Regional Office	No. of Branches
1	Anakapalli	58	13	Narasaraopet	75
2	Ananthapuramu	66	14	Nellore	89
3	Chittoor	50	15	Ongole	56
4	Eluru	59	16	Parvathipuram	57
5	Gudivada	49	17	Rajahmundry	67
6	Guntur	78	18	Rajampeta	51
7	Kadapa	61	19	Srikakulam	58
8	Kadiri	58	20	Tirupati	49
9	Kurnool	61	21	Vijayawada	54
10	Madanapalle	47	22	Visakhapatnam	50
11	Markapur	50	23	Vizianagaram	56
12	Nandyal	60		**Total**	**1359**

Aggregate Business

The Aggregate Business of the Bank increased to ₹136337.34 Crore as on 31st March 2026 from ₹120226.15 Crore as on 01st May 2025 registering an increase of ₹16111.19 Crore [13.40%].

However, as IBPC was issued during the reporting period, the Aggregate Business net of IBPC stood at ₹131337.34 Crore as on 31st March 2026 (IBPC - ₹5000 Crore) as against ₹115043.35 Crore as on 01st May 2025 (IBPC - ₹5182.80 Crore), registering an increase of ₹16293.99 Crore with 14.16% growth.



Region wise business position as on 31st March 2026 is presented hereunder:

(₹ in Crore)

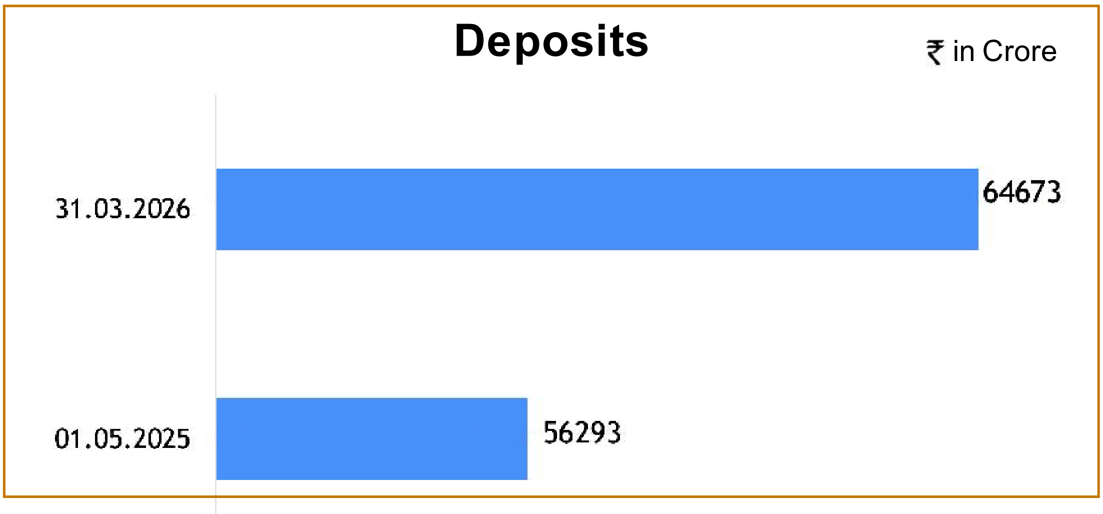
Region	No. of Branches	Deposits	Advances	Aggregate Business	Region Share of Aggr. Business
Anakapalli	58	1830.95	2064.38	3895.32	2.86%
Ananthapuramu	66	3642.27	3948.20	7590.47	5.57%
Chittoor	50	4860.01	3096.81	7956.83	5.84%
Eluru	59	2096.55	2736.03	4832.58	3.54%
Gudivada	49	1366.66	2237.49	3604.14	2.64%
Guntur	78	6373.83	4201.75	10575.58	7.76%
Kadapa	61	3698.73	3203.47	6902.21	5.06%
Kadiri	58	2415.25	3900.62	6315.86	4.63%
Kurnool	61	3175.33	3184.98	6360.32	4.67%
Madanapalle	47	2151.62	3441.43	5593.05	4.10%
Markapur	50	2041.12	2906.80	4947.92	3.63%
Nandyal	60	2843.38	2851.64	5695.03	4.18%
Narasaraopet	75	3047.75	5679.83	8727.58	6.40%

Region	No. of Branches	Deposits	Advances	Aggregate Business	Region Share of Aggr. Business
Nellore	89	3575.72	4109.90	7685.62	5.64%
Ongole	56	2404.68	2948.56	5353.24	3.93%
Parvathipuram	57	1647.23	2082.88	3730.11	2.74%
Rajahmundry	67	2766.22	3149.89	5916.11	4.34%
Rajampeta	51	2032.05	2924.35	4956.40	3.64%
Srikakulam	58	2315.04	2536.45	4851.49	3.56%
Tirupati	49	2385.22	3110.84	5496.06	4.03%
Vijayawada	54	1969.96	2553.00	4522.95	3.32%
Visakhapatnam	50	4099.68	2424.52	6524.20	4.79%
Vizianagaram	56	1933.62	2370.63	4304.26	3.16%
Total	**1359**	**64672.87**	**71664.47**	**136337.34**	**100%**

Deposits

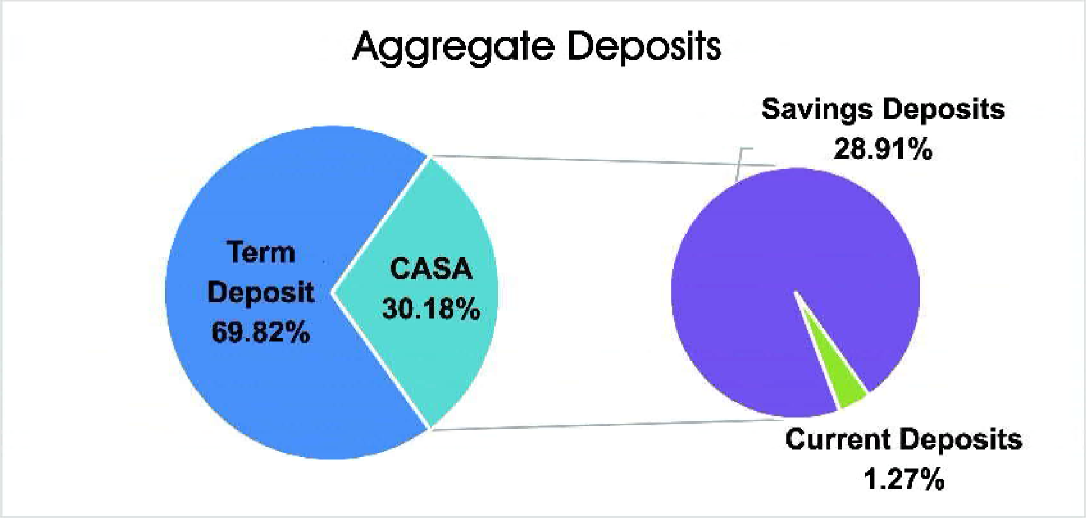
The Total Deposits of the Bank as on 31st March 2026 stood at ₹64672.87 Crore as against ₹ 56292.86 Crore of 01st May, 2025. The net accretion of Deposits is registered as ₹ 8380.00 Crore with a growth rate of 14.89%. As on 31st March 2026, the percentage of low-cost deposits is recorded as 30.18% of the Bank's Total Deposits, while the Cost of Deposits stood at 6.41%.

As on 31.03.2026, Per-Branch deposits increased from ₹41.67 Crore to ₹47.59 Crore and per-Employee deposits increased from ₹7.44 Crore to ₹8.75 Crore.



The category-wise break-up of deposits as on 31st March 2026 is as under:

Type of Deposit	No. of Accounts	Amount (₹ in Crore)	% to Total Deposits
Current Deposits	92544	820.00	1.27
Savings Deposits	13042038	18698.02	28.91
Term Deposits	1599020	45154.85	69.82
Total Deposits	**14733602**	**64672.87**	**100.00**



The Bank has launched new term deposit products namely SIRI-444, Special Term Deposit Scheme for SHGs, and Flexi RD Plus, offering attractive rates of interest and added benefits/features. Additionally, Bank has launched Flexi Savings Plus Account, a hybrid product combining the features of both Savings and Term Deposit Accounts.

The Bank has successfully installed 4,941 units of QR Code Sound Boxes across key locations, enhancing digital transaction capabilities and contributing ₹45 crore to Deposit mobilization.

Customer Base

The Bank witnessed a significant expansion of customer base during the reporting period, reflecting increased outreach and deeper penetration across the area of operation. The Total number of customer accounts as on 31st March 2026 is furnished below, segregated into Deposit and Advance accounts.

	As on Mar'26
Total Deposits Accounts	1,47,33,602
Total Advances Accounts	36,80,070
Total Accounts	**1,84,13,672**

Depositor Education and Awareness Fund (DEAF) claims

In alignment with "Your Money, Your Right campaign" of RBI, Bank launched an internal "Right Money and Rightful Owner" campaign to identify and facilitate the return of unclaimed deposits. Through a simplified claims process and extensive customer outreach, Bank has settled ₹9.78 crore under Depositor Education and Awareness Fund claims during the period under consideration.

Borrowings

Apart from Deposit mobilization, the Bank's total resources include borrowings, with refinance being the primary source. Bank has adopted a judicious approach in availing refinance facilities, duly considering the cost of borrowings.

The Bank has availed refinance facilities from NABARD, MUDRA, SIDBI, NSFDC, NBCFDC and NHB. Refinance from National Bank for Agriculture and Rural Development (NABARD) is the major source of borrowings of the Bank. Further, Bank is prompt in repaying installments and interest on refinance.

The details of refinance availed by the Bank during the period are as here under:

Sector	Amount (₹ in Crore)
NABARD	9915.57
NSFDC	12.00
NBCFDC	27.80
Total	**9955.37**

Details of borrowings outstanding with various institutions as on 31st March 2026 are provided below:

(₹ in Crore)

Financial Institution	Grand Total
MUDRA	320.00
NABARD	13415.25
NBCFDC	76.47
NHB	60.83
NSFDC	22.91
SIDBI	220.00
Grand Total	**14115.46**

The Total Outstanding Borrowings of the Bank as on 31st March 2026 stood at ₹14115.46 Crore with Cost of borrowings as 6.59%.

Cash Management Services & Balances with Banks

Cash Management has been given utmost importance and cash retention limits were fixed to the Branches considering the average cash requirements. Cash balances maintained by the Branches are monitored regularly to ensure that minimum cash balances are maintained subject to constraints. An exclusive Cash Management System (CMS) portal has been introduced for Head Office and Regional Offices to monitor branch level cash balances in real time and ensure branches maintain cash within the prescribed limits.

The Bank has adopted a dual-strategy approach to optimize cash logistics and ensure secure & cost-effective operations across the network. Initially, a Dedicated Cash Van (DCV) facility was established across nine regions of the Bank, ensuring reliable and secure transport of currency. Simultaneously, the Bank partnered with Axis Bank for Cash Management Services (CMS), which was implemented in a phased manner across eight regions, successfully facilitated doorstep cash pick-up services. This shift has streamlined cash handling, reduced transit risks and ensured uninterrupted service.

Adequate balances are maintained with Reserve Bank of India in the current account, as per the requirment of CRR throughout the reporting period.

Bank is maintaining current accounts with Sponsor Bank, i.e. Union Bank of India to have effective cash remittances from the branches. Apart from Sponsor Bank, bank is also maintaining current accounts with State Bank of India, Axis Bank Ltd., Canara Bank to facilitate cash & other transactions.

The Bank is a sub-member (type - II) of Axis Bank Ltd. for CTS clearing with "520 702 102" as its common MICR code for all the branches.

The details of cash on hand (including those held with ATMs) and balances held by the bank in current account with Reserve Bank of India and current accounts and other accounts with other banks are as under:

(₹ in Crore)

Average Deposits	60467.29
Average Cash Holdings	285.38
Average Cash Holding to Average Total deposits (%)	0.47
Average Balances held with Reserve Bank of India	2641.69
Average Balances with Sponsor Bank/Other Banks	685.90
Average Balances with Sponsor Bank/Other Banks in Other Accounts	10383.12
Income received on the balances in other accounts	778.18
Income received on the balances maintained in Variable Reverse Repo/ Standing Deposit Facility (SDF) of RBI	54.78

The Bank has maintained surplus funds arrived on day-wise basis under Variable Reverse Repo and/or Standing Deposit Facility (SDF) account with RBI and derived maximum benefit out of these facilities. Income earned on balances held under Variable Reverse Repo account stood at ₹34.65 lakh and income earned on balances held under SDF account stood at ₹54.43 Crore as on 31st March 2026.

Currency Chest & Coin Distribution

The Bank maintains highest standards in managing Currency Chest at Kadapa, ensuring seamless circulation of clean & fresh currency notes and coins across the operational area. The Currency Chest successfully underwent inspection by Reserve Bank of India with zero observations, reaffirming strict adherence to prescribed security, standards and accounting protocols.

Further, Bank has received performance based incentive from RBI for successful achievement of targets under Coin distribution through coin melas and branch-level drives.

Investments

The Bank has invested its surplus funds in approved securities as per the Investment Policy of the bank approved by the Board, after careful consideration of various options available, to earn maximum possible return. Investments in Government Securities are made through the Sponsor Bank via CSGL and RBI SGL accounts and further, necessary guidance is taken from the Sponsor Bank wherever needed.

The premium paid for the purchase of Government Securities is being amortized over the remaining period of currency of the Investment as per policy of the bank.

The details of investments and income there on are furnished hereunder:

(₹ in Crore)

Particulars	Investments		
	SLR	Non-SLR	Total
Total Gross Investments	10805.17	151.24	10956.41
Less : Amortization	8.98	0.15	9.13
Net Investments	10796.19	151.09	10947.28
Break-up of Investments:			
HTM Category	8898.19	0.00	8898.19
AFS Category	1898.00	151.09	2049.09
HFT Category	0.00	0.00	0.00
Total	**10796.19**	**151.09**	**10947.28**
Interest Earned#	653.29	6.47	659.76

Gross interest amount, i.e. before netting with amortization amount of ₹ 9.13 Crore.

The Investments under the HTM category stood at ₹8,898.19 Crore as on 31st March 2026, exceeding 25% of the total investments by ₹6161.36 Crore. However, as per RBI Circular dated 28.11.2025 and other applicable guidelines, in such cases HTM investments should remain within 19.5% of applicable NDTL. The Bank's HTM investments are within the permissible limit of ₹11098.73 Crore (19.50% of NDTL) and are therefore compliant with RBI guidelines.

Yield on investments of the Bank stood at 7.12% and Investments to Deposits Ratio at 16.93% only. Bank has not shifted any SLR securities between HTM and AFS Category during the period.

Further, Bank has incurred MTM loss of ₹1.19 Crore under Non-SLR category in Mutual Funds and reported no MTM loss under SLR category. As on 31st March 2026, Non-SLR investments stood at ₹151.09 Crore, comprising bonds, shares and mutual funds only.

Investments in Mutual funds & Shares were made as per the extant guidelines and were within the stipulated 5% (of incremental deposits during the preceding financial year) limit, throughout the period under report.

However, there were no investments under convertible debentures category of non-SLR investments as on 31st March 2026.

Loans & Advances

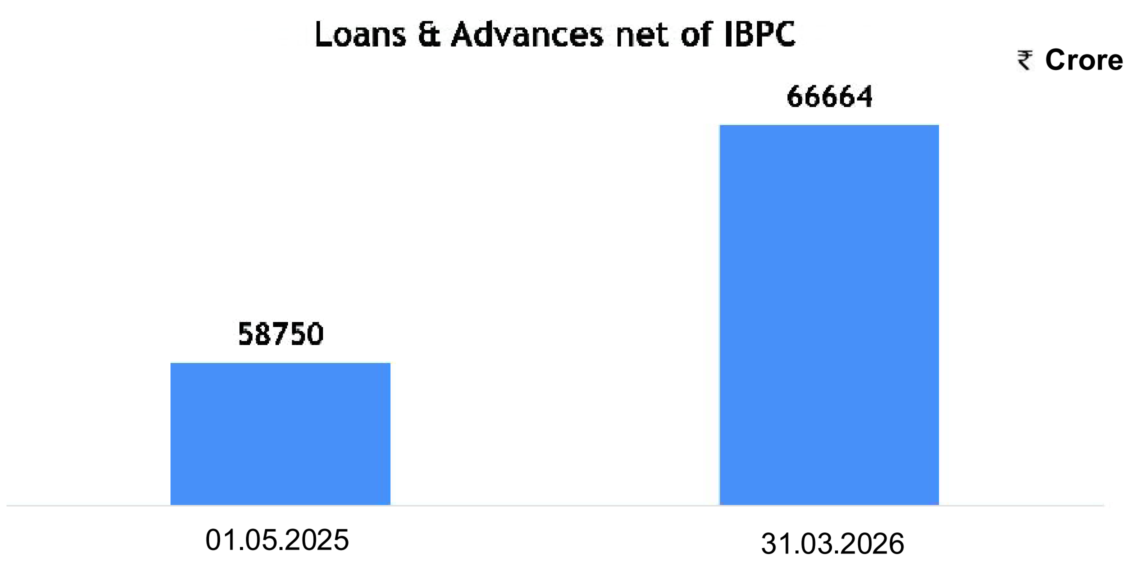
Bank has made significant progress in meeting the integrated credit needs of customers, particularly in rural areas, through the expansion and diversification of its credit portfolio.

The Aggregate Loans and Advances of the bank stood at ₹71664.47 Crore as on 31.03.2026, compared to ₹ 63933.29 Crore of 01.05.2025. Bank recorded a net increase of ₹7731.18 Crore under Advances, representing a growth of 12.09% over the position as on date of amalgamation. The Yield on advances for the reviewing period is at 10.20%.

The advances reported under balance sheet represents Net Advances as on 31st March 2026 and are detailed hereunder:

(₹ in Crore)

Total Loans & Advances	71664.47
Less: IBPC sold	5000.00
Loans & Advances net of IBPC	66664.47
Less: Provision for NPAs	607.00
Net Loans & Advances reported in the balance sheet	66057.47



The Scheme-wise break-up of Outstanding's as on 31st March 2026 are as under:

Particulars	No. of accounts	Amount (₹ in Crore)
Short Term Agricultural Loans	25,11,967	37476.11
Agricultural Term Loans	5,13,695	19488.44
CCMTL	116	0.08
MSME	3,66,665	6610.30
Other Priority Sector Loans	1,37,317	3296.06
Total Priority Sector Loans	**35,29,760**	**66870.99**
Non-Priority Sector loans	1,50,310	4793.48
Total Loans & Advances	**36,80,070**	**71664.47**

Disbursements

The Total loan and advance disbursements during the period stood at ₹68196.54 Crore, reflecting robust credit growth and expansion.

The details of sector wise disbursement during the reporting period are furnished here under:

(₹ in Crore)

Particulars	Amount
Short Term Agricultural Loans	41959.44
Medium Term Agricultural Loans	6010.17
MSME	368.02
Self Help Groups	13560.36
Other Priority Sector Loans	1634.88
Total Priority Sector Loans	**63532.87**
Non-Priority Sector Loans	4663.67
Total Disbursements	**68196.54**

An overview of advances portfolio is given hereunder:

(₹ in Crore)

Particulars	Amount
Total Advances	**71664.47**
Advances to Priority Sector	66870.99
% to Total Advances	93.31
% of Priority Sector Advances to Total Advances (net of IBPC)	92.81
Priority Sector Advances (%) (net of PSLC)	92.72
Advances to Non-Priority sector	4793.48
% of non-Priority sector Advances to Total Advances (net of IBPC)	7.19
Credit to Deposit Ratio	103.08
Average Yield on Advances (%)	10.20
Per- Branch Advances	49.05
Per- Employee Advances	9.01

SHG-Bank Linkage

The Bank's exposure to SHGs (Outstanding Credit Linkage) as on 31st March 2026 reached a level of ₹20113.69 Crore spread over 3,07,163 Self Help Groups (SHGs) accounts, as against ₹18861.79 Crore to 3,03,140 SHG accounts as on 01st May 2025, thus registering an accretion of ₹1251.90 Crore with 6.64% growth since amalgamation. Further, Bank has extended credit linkage to 1,46,523 SHGs to the tune of ₹13560.36 Crore during the reporting period.

The size-wise break-up of credit linkage to SHGs during the reporting period is as under:

Size of Credit Linkage	No. of A/cs	Amount (₹ in Crore)
Up to ₹ 5.00 lakh	38,152	507.58
Above ₹ 5.00 lakh to ₹ 7.50 lakh	37,370	1043.25
Above ₹ 7.50 lakh to ₹ 10.00 lakh	75,800	3419.03
Above ₹ 10.00 lakh	1,55,841	15143.84
Total	**3,07,163**	**20113.69**

Finance to Lakhpati Didi beneficiaries and Joint Liability Groups (Farm and Non-Farm Sectors)

The Bank has effectively implemented the Lakhpati Didi scheme, a flagship program by Ministry of Rural Development under DAY NRLM to empower women in SHGs. It aims to enable SHG members to earn a sustainable annual household income of over ₹1.00 Lakh.

Bank has disbursed ₹19.33 Crore under the scheme to 1,816 borrowers under Agriculture sector and ₹126.90 Crore for 12,854 borrowers under MSME sector.

During the reporting period, Bank has promoted 28 new JLGs with a disbursement of ₹0.98 Crore. In total, 744 JLGs (both farm and non-farm) were financed with ₹31.56 Crore. Further, Bank has also extended credit facility of ₹141.50 Crore to 10290 tenant farmers through RMGs, JLGs and CCRCs.

New Initiatives in Credit Outreach

Key Business Initiatives:

- Established 23 Credit Processing Cells (CPCs) across all Regions under a Hub-and-Spoke model, to achieve Credit Diversification, improve RAM portfolio & proposal quality, reduce turnaround time (TAT) and strengthen credit risk management.
- The Bank has implemented a committee based sanctioning system to strengthen credit appraisal, ensuring transparency and improved quality under lending decisions.
- Strategic tie-ups were initiated with OEMs such as Ashok Leyland, Eicher Motors, Tata Commercial Vehicles and JCB, for financing commercial vehicles directly to strengthen MSME portfolio.
- Introduced security pouches for gold loans to enhance security and safety.
- Implemented daily per gram lending rates to ensure better control, transparency and effective monitoring of gold loans.
- Introduced Housing loans with floating rate of interest.

Product Initiatives:

- Introduced APGB Artisan Loan; a separate product to cater the needs of small artisans engaged in Idol Making by providing timely and adequate working capital loans.
- The Bank has launched the APGB Poultry Plus Scheme to provide comprehensive financial support for poultry farming, covering both term loans for capital investment and working capital for operations, thereby promoting sustainable farm development, self-employment and rural income generation.
- Introduced APGB Shrimp Finance in collaboration with NABARD and M/s Aqua exchange Agritech Private Limited. Further, NABARD has selected APGB as the implementing bank for piloting technology-driven shrimp farming finance, considering the Bank's strong coastal outreach.
- Implemented APGB NSFDC Scheme to support SC Category beneficiaries through microfinance.

Diversification of Business/Processes

To enhance Bank's presence in MSME, Retail lending and other sub sectors, Bank has placed special emphasis on expanding lending services across MSME, Property loans, Term loans for investment purposes, Vehicle loans and other diversified government schemes.

The following is a summary of Bank's disbursements under the aforementioned schemes during the reporting period:

S.No.	Loan Product	No. of Accounts	Amount (₹ in Crore)
1	Vehicle Loans to Agriculture farmers	246	4.04
2	Agriculture Infrastructure Fund	161	28.74
3	Kisan Drones	67	4.41
4	Vehicle loans to general public	1026	48.61
5	Mortgage loans	352	51.61
6	PMSGY	7503	144.33
7	Home Loan Plus	294	46.02
8	Commercial Real Estate - Residential Housing	4	2.31
9	Lakhpati Didi MSME	12854	126.29
10	NSFDC MSME	1046	9.82
11	PMEGP	1304	59.44
12	PMFME	269	9.06
13	PM Viswakarma	1052	7.64
14	Small Road Transport Operators	1747	78.65
15	Core MSME	34062	490.32
16	Lakhpati Didi Agriculture	1816	19.33
17	NSFDC Agriculture	304	2.92
	Total	**64107**	**1133.54**

As on 31st March 2026, Retail Credit and Investment Credit accounted to 5.37% and 4.39% of the Total Credit, reflecting a diversified credit composition.

Government Sponsored Schemes

Disbursements under schemes sponsored by State Government : The Bank has introduced following specialized schemes in line with Government of Andhra Pradesh initiatives:

- **APGB She Leads:** Supports the "She Leads Andhra" program by providing financial and institutional assistance to women SHG members, enabling their participation in the digital and e-commerce ecosystem.
- **APGB E-Cycle:** A specialized MSME-category scheme facilitating the purchase of E-motorad electric bicycles in collaboration with the Kuppam Area Development Authority (KADA) to promote green mobility and entrepreneurship.
- **APGB Kisan Drones :** Introduced in line with the state's Sub-Mission on Agricultural Mechanisation (SMAM), this scheme funds the establishment of village-level Farm Machinery Banks to improve agricultural productivity through drone technology.

Details of disbursements under above schemes are provided in the table below

S. No.	Loan Scheme	No. of accounts	Amount Disbursed (₹ in Crore)
1	APGB She Leads	162	0.24
2	APGB e-CYCLE - Retail	108	0.21
3	APGB e-CYCLE - MSME	1041	1.98
4	APGB Kisan Drones	67	4.41
	TOTAL	**1378**	**6.84**

Drone financed by Pedamanapuram branch, Regional Office, Vizianagaram under Kisan Drone scheme

Disbursements under schemes sponsored by Central Government:

The Bank facilitates implementation of Central Government sponsored schemes with coordinated branch approach, ensuring effective outreach and timely delivery of financial assistance to eligible beneficiaries.

- The disbursements made under various Central Government sponsor schemes are tabulated below:

S. No.	Loan Scheme	No. of accounts	Amount Disbursed (₹ in Crore)
1	NSFDC Agri	304	2.92
2	NSFDC MSME	1046	9.82
3	PM SVA Nidhi	11988	23.75
4	PM Viswakarma	425	2.91
5	Lakhpati Didi	14670	145.62
6	PM Surya Ghar Yojana	7503	144.33
7	PMEGP Term Loan	1304	59.44
8	PMFME	269	9.06
	TOTAL	**37509**	**397.85**

In addition to the above schemes, KCC to Animal Husbandry & Fisheries were launched by State and Central Governments during FY 2022. Disbursements made by the Bank under these schemes are as under:

S. No.	Loan Scheme	No. of accounts	Amount Disbursed (₹ in Crore)
1	KCC to Animal Husbandry	71951	683.17
2	KCC to Fisheries	2311	123.12
	Total	**74262**	**806.29**

Non-Fund Business

The Bank has 273 outstanding Bank Guarantees with a business of ₹38.79 Crore as on 31st March 2026.

New Schemes/Campaigns:

- Campaigns such as Each One Reach One, Customer Connect and Meet & Greet were launched and gained significant momentum in enhancing customer outreach and resource mobilization.
- One Retail One MSME Campaign: Sanction of One Retail & One MSME loan per branch per week to ensure inclusive growth in RAM sector.
- The Bank has launched SHG campaign from 18.09.2025 to 30.09.2025 & 09.12.2025 to 31.12.2025 to deepen SHG financing.
- The Bank has launched KCC Mahotsav campaign from 18.08.2025 to 30.09.2025, to improve agricultural credit outreach.
- Introduced Festive Vibes campaign from 22.09.2025 to 30.11.2025 aimed at improving the Retail portfolio.
- In continuation of success of Festive Vibes campaign, the Bank has launched Festive Vibes 2.0 campaign from 15.12.2025 to 31.03.2026 to improve the Retail, MSME & AGRI portfolio.
- The Bank has launched Ujwal Didi campaign from 13.10.2025 to 31.12.2025 to focus on PM Suryaghar & Lakhpati Didi schemes
- To enhance digital adoption, Bank has launched Go-Digital Campaign (June 2025), UPI Revive Campaign (December 2025) and Trio Login Days (January 2026), which significantly contributed to increase customer engagement, higher digital transaction volumes and greater adoption of digital banking channels.

Inter Bank Participation Certificate [IBPC]

During the reporting period, in multiple tranches Bank has sold Inter Bank Participation Certificate (IBPC) of ₹10,000.00 Crore, on risk sharing basis, with the participation of HDFC Bank Ltd. & Axis Bank Ltd., covering Priority Sector Advances - Direct Agri. at a competitive interest rate.

However, as on 31st March 2026, out of ₹10,000.00 Crore participation, an amount of ₹5,000.00 Crore remains outstanding with HDFC Bank Ltd. Accordingly, Advances are reported in the balance sheet as net of IBPC of ₹5,000.00 Crore.

Priority Sector Lending Certificates [PSLC]

The Bank has undertaken sale of PSLC-SF&MF of ₹20,985.00 Crore during the period and earned fee income of ₹617.74 Crore. Further, the Bank has undertaken purchase of PSLC-General of ₹10,150.00 Crore and PSLC-Micro Enterprises of ₹10,000.00 Crore, aggregating to a total of ₹20,150.00 Crore, incurring a fee expenditure of ₹2.20Crore (Inc GST). Thus, the PSLC trading on RBI's E-Kuber platform resulted in a net income of ₹615.54 Crore.

Asset Quality & Classification

In line with the guidelines of the Reserve Bank of India/NABARD, the Bank's assets as on 31st March 2026 have been classified into Standard, Sub-standard, Doubtful and Loss assets, and provisions have been made as per the extant norms. The break-up of non-performing assets (NPAs) as on 31st March 2026 is as under.

(₹ in Crore)

Asset Category	Outstanding as on 31.03.2026
Sub-standard Assets	246.10
Doubtful Assets	326.11
Loss Assets	34.79
TOTAL NPAs	**607.00**

Provisions

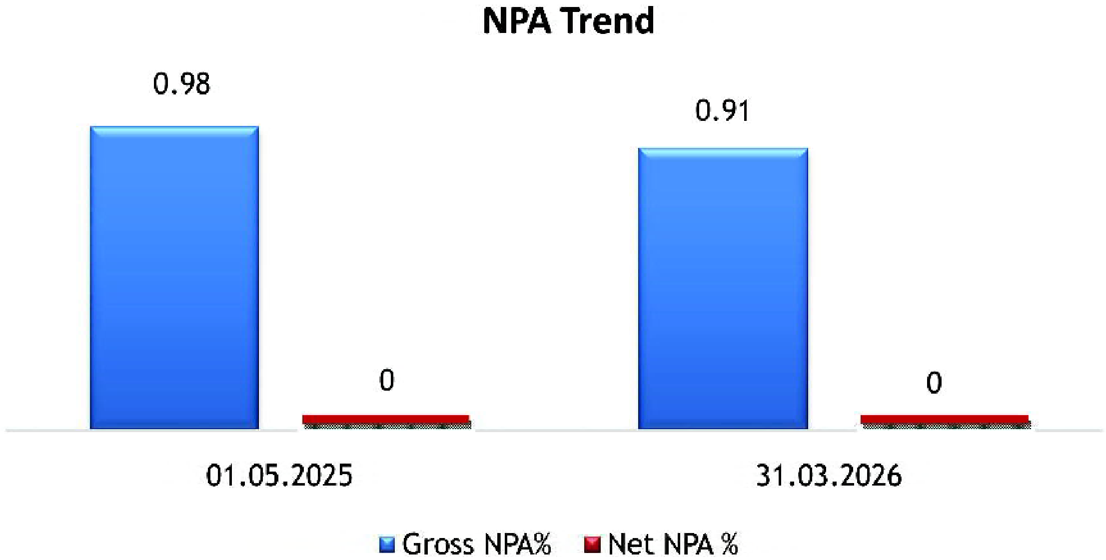
Bank made provision for NPAs over and above the required provision as per IRAC norms. The Provision Coverage Ratio (PCR) stood at 100% as on 31st March 2026.

The details are mentioned hereunder:

	As on 31.03.2026
Total NPAs	₹607 Crore
Cumulative Provision against NPAs	₹607 Crore
% of Provision to NPAs	100

The classification of Assets and provisions made are detailed hereunder: (₹ in Crore)

Particulars	Amount Outstanding	Provision to be made	Provision Made
Standard assets	71057.47	189.70	
Sub-standard assets	246.10	24.61	
Doubtful assets	326.11	150.21	
Loss assets	34.79	34.79	
Non-Performing assets	607.00	209.61	607
Total Advances	71664.47		
Total Advances less IBPC	66664.47		
Cumulative provision against NPAs	607.00		
% of Gross NPA to Advances (Net of IBPC)	0.91		
% of Net NPA to Net Advances	0.00		



Movement of NPA

Consistent and strategic efforts are made throughout the financial year to recover NPAs. The details of movement of NPAs are given hereunder:

(₹ in Crore)

Particulars	Amount
Gross NPA as on 1st April 2025 (Opening Balance)	580.16
Additions (Fresh NPAs) during the year	234.92
Sub-total **(A)**	815.08
Less :	
(i) Upgradations	39.00
(ii) Recoveries (excluding recoveries made from upgraded a/cs)	87.23
(iii) Technical/Prudential Write-offs	11.71
(iv) Write-offs other than those under (iii) above	70.14
Sub-total **(B)**	208.08
Gross NPA as on 31st March 2026 (Closing Balance) [(A-B)]	607.00

Recovery of Loans

The Bank continued its thrust on recovery of loans through various modes, with focus on reduction of both NPAs and overdue accounts. Due emphasis was laid on recovery of 'Written-off Accounts' to improve profitability.

Intensive recovery efforts were made by the Bank with the following channels:

1. Comprehensive Compromise Settlement
2. Simplified One-Time Settlement (SOTS) Scheme for Real Account Balances Totalling up to ₹5.00 lakh per borrower
3. Special Recovery Drives
4. Enforcement of SARFAESI Act
5. Suit Filing of Accounts
6. OTS Recovery Campaign

The recovery to Total Demand as on 30th June 2025 stood at 92.50% for the period under report and the break-up for farm and non-farm sectors is given hereunder:

(₹ in Crore)

Parameter	Farm Sector	Non-Farm Sector	Total
Demand	24758.15	34699.44	59457.59
Recovery	22157.49	32841.21	54998.71
Overdue	2600.66	1858.23	4458.89
% of recovery	89.50	94.65	92.50

Write-Off Loans

The details of written-off loans and recoveries made during the reporting period is mentioned hereunder:

Particulars	
Amount written-off (technical write-off)	₹11.71 Crore
Number of accounts written-off	528
Total Recovery made in written-off accounts(Amount)	₹ 5.44 Crore

Achievements Made under MoU with Sponsor Bank

Bank has achieved major parameters against the MoU entered with Sponsor Bank, for March, 2026.

The details of performance vis-à-vis the MoU targets are furnished hereunder: (₹ in Crore)

Particulars	MoU Targets for 31st March 2026	Achievement as on 31st March 2026	Status
Total Business	126282.00	131337.34	✓
Deposits	62442.00	64672.87	✓
CASA	19410.00	19518.02	✓
Retail Term Deposits	33365.00	35272.08	✓
Advances	63840.00	66664.47	✓
Retail Advances	5510.00	3849.46	
Agri Advances	49515.00	56964.62	✓
MSME Advances	5330.00	6614.66	✓
NPA	701.46	607.00	✓
Per-Branch Business	93.47	100.32	✓
Per-Employee Business	16.84	18.45	✓
CD Ratio (%)	102.24	103.08	

Cross Selling of Insurance Products

1. Life Insurance Business:

Bank is functioning as a corporate agent for selling life insurance products of India First Life Insurance Company Ltd. (IFLIC), Star Union Dai-ichi Life Insurance Co. Ltd. (SUD), SBI Life Insurance Co. Ltd. (SBI), Canara HSBC Life Insurance Co. Ltd. (Canara HSBC), Bajaj Life Insurance Co. Ltd. (Bajaj) & HDFC Life Insurance Co. Ltd. (HDFC). Accordingly, Bank has sourced a total of ₹99.47 Crore under life insurance business and earned Non-Interest Income of ₹13.04 Crore towards commission received.

Business sourced by the Bank and income generated through various tie-ups are detailed below

(₹ in Crore)

S. No.	Insurance tie-ups	Business sourced	Income generated
1	IFLIC	31.25	3.95
2	SUD LIFE	17.90	3.35
3	SBI LIFE	9.47	1.98
4	CANARA HSBC	39.47	3.40
5	Bajaj Life Insurance	0.18	0.04
6	HDFC Life	1.20	0.32
	Total	**99.47**	**13.04**

2. Non-Life Insurance Business

Under General Insurance category, Bank has tied up with Cholamandalam General Insurance Co. Ltd., Universal Sompo Insurance Co. Ltd, Bajaj General Insurance Co. Ltd., Shriram General Insurance Co. Ltd. and SBI General Insurance Co. Ltd. Business sourced by the bank and income generated under general insurance are as below

S. No.	Insurance tie-ups	Business sourced	Income generated
1	Cholamandalam	2.91	0.41
2	Universal Sompo	3.51	0.54
3	Bajaj General	6.12	0.49
4	Shriram General	0.88	0.17
5	SBI General	7.12	2.82
	Total	**20.53**	**4.43**

During the reporting period, Bank has sourced non-life business of ₹20.53 Crore and earned a commission of ₹4.43 Crore.

3. Health Insurance

Under Health Insurance Category, Bank has inked pact with Star Health and Allied Insurance Co. Ltd., Manipal Cigna Health Insurance Co. Ltd. & Care Health Insurance Co. Ltd.

The Bank could secure Business of worth ₹0.28 Crore, ₹10.85 Crore & ₹0.70 Crore respectively with corresponding income of ₹ 0.10 Crore, ₹ 1.35 Crore & ₹ 0.04 Crore from Star Health and Allied Insurance Co. Ltd., Manipal Cigna Health Insurance Co. Ltd. & Care Health Insurance Co. Ltd.

4. Mutual Funds:

Under the Mutual Funds category, Bank partnered with Union Asset Management Co. Pvt. Ltd., generating lumpsum Business of ₹0.91 Crore along with 17 SIPs during the reporting period and earned an income of ₹0.07 lakh.

Income Earned

The details of the income earned are furnished below:

(₹ in Crore)

Particulars	01.05.2025 to 31.03.2026
Interest received on loans and advances	6271.20
Income on investments	659.76
Interest on RBI balances and other inter-bank funds	824.35
Other Interest Income	4.06
Non-interest income	1140.18
Total	**8899.54**

The share of Non-Interest Income to the total income stood at 12.81%.

Expenditure Incurred

The details of the expenditure incurred are furnished below:

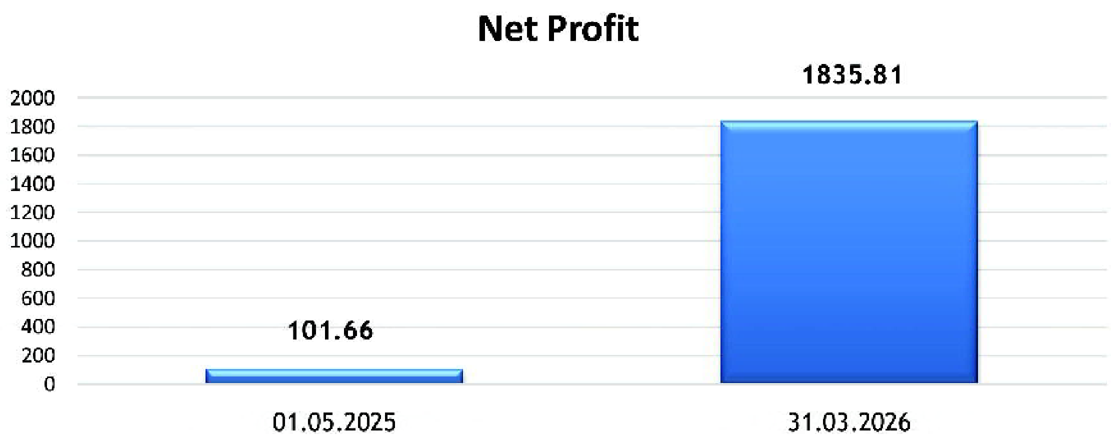
(₹ in Crore)

Particulars	01.05.2025 to 31.03.2026
Interest paid on deposits	3538.18
Interest paid on borrowings	753.15
Interest paid on Inter Bank Participation Certificates issued	140.56
Other expenditure	1638.75
Total	**6070.63**

Operating Profit and Net Profit

Even with the operational challenges encountered with the process of amalgamation, Bank has recorded an Operating Profit of ₹2,523.26 Crore and Net Profit after tax as ₹1,835.81Crore, standing as one of the top pioneer RRBs in the Country.

(₹ in Crore)



Financial Ratios

Key financial ratios as of 31st March 2026 are presented here below:

Parameter	As on 31.03.2026
Average Working Funds (₹ in Crore)	97557.35
Financial Return (% of interest income to average working funds)	8.68
Financial Cost (% of interest expended to average working funds)	4.96
Financial Margin (Financial Return - Financial Cost)	3.72
Operating Cost (% of operating expenses to average working funds)	1.83
Miscellaneous Income (% of non-interest income to average working funds)	1.27
Operating Profit (Financial Margin + Miscellaneous Income -Operating Cost)	3.16
Risk Cost (% of loss provisions made to average working funds)	0.01
Net Margin (Return on Assets) [% of net profit after tax to average working funds]	2.05

As on 31st March 2026, the Cost-to-Income Ratio is recorded as 36.68%, while the Staff Cost-to-Income Ratio is at 25.26%.

Capital Adequacy Ratio

As on 31st March 2026, Bank's Capital Adequacy Ratio (CRAR) stood at 23.62%, which is well above the mandatory requirement of 9.00%, comprising 23.19% under Tier I Capital and 0.43% under Tier II Capital.

Income Tax

The Bank has paid Advance tax of ₹779.69 Crore to Income Tax Department. An income tax provision of ₹688.00 Crore was made for 31st March 2026, where the total estimate of provision for Income tax stood at ₹688.00 Crore.

Human Resources

The Bank has committed staff strength of 7,389 comprising 5,164 Officers, 1,934 Office Assistants and 291 Office Attendants.

The cadre-wise and grade-wise break-up of manpower of the Bank, as on 31st March 2026, is given hereunder:

Cadre	Grade	No. of Staff
Officer	Senior Management Grade-Scale V	22
	Senior Management Grade-Scale IV	159
	Middle Management Grade- Scale III	595
	Middle Management Grade- Scale II	1404
	Junior Management Grade- Scale I	2984
	Total	**5164**
OAS (Office Assistant)		1934
OAT (Office Attendant)		291
	Grand Total	**7389**

Promotions: The Bank has affected promotions to 949 staff members in different cadres and the details are tabulated below.

Cadre	No. of Staff Promoted
SMGS-IV to SMGS-V	7
MMGS-III to SMGS-IV	56
MMGS-II to MMGS-III	251
JMGS-I to MMGS-II	338
OAS to OJM-I	271
OAT to OAS	26
Total	**949**

Further, it is also to be mentioned that a total of 97 Officers got retired during the reporting period.

Transfers

Following the amalgamation of RRBs, Bank successfully completed the transfers of over 1,950 staff members through the general transfer process with minimal grievances.

Repatriation

As per the Working Group committee's recommendations, a one time option has been provided to the staff of erstwhile Andhra Pradesh Grameena Vikas Bank (e-APGVB) to choose between bifurcated APGVB and Telangana Grameena Bank (TGB).

Accordingly, based on options exercised, Bank has successfully absorbed 550 staff members of e-APGVB, who have opted to serve in the state of Andhra Pradesh.

Learning & Development

The Bank has been actively implementing need-based training programmes to enhance the knowledge and skills for all staff members. This initiative reflects Bank's commitment towards continuous improvement and professional development.

i) During the reporting period, Bank has successfully trained 7,953 staff through Internal training programmes, which includes Induction Training programs for newly recruited, Finacle 10x upgradation training program, Pre-Examination Training for SC, ST& OBC candidates for Internal promotions across various cadres etc

ii) In addition to above, 274 staff were trained through renowned External Training institutes like BIRD Lucknow, NIBSCOM Noida, BIRD Mangalore, CAB Pune etc., for capacity building and to gain exposure in various banking areas.

iii) Further, Bank also facilitated virtual training programmes for 72 employees through in-house team.

These initiatives highlight the Bank's commitment in developing employee skills and preparing the work force to meet emerging challenges with competitiveness.

Staff Welfare

The Bank has established new trusts for three welfare funds namely Pension Fund, Provident Fund and Gratuity Fund. Consecutively, necessary approvals have been obtained from the Income Tax Department and suitable provisions of ₹244.50 crore have been made for the period ended 31.03.2026.

i) National Pension System (NPS)

The Bank contributed a total of ₹**73.24 crore** to the **NSDL** in respect of employees covered under the **National Pension System (NPS).**

ii) Group Term Life Insurance:

The Bank has adopted Group Term Plan with Star Union Dai-Ichi Life Insurance Co. Ltd. (SUD Life) as a key staff welfare measure in lieu of EDLI.

- **Mandatory Coverage:** Bank pays full annual premium to provide a mandatory death benefit of ₹25.00 lakh for all staff members.
- **Voluntary Top-Up:** Staff are given the option to avail additional insurance coverage by paying an extra premium at their own cost. Top-up limits are capped at ₹**45.00 lakhs** for Office Attendants (OATs), ₹**50.00 lakhs** for Office Assistants (OAS) and ₹**75.00 lakhs** for Officers.

iii) Group Personal Accident Insurance

To safeguard employees against accidental risks, the Bank has a Group Personal Accident Insurance plan with National Insurance Company Ltd. In case of any accidental death, the policy provides a sum assured equal to 72 times the employee's gross salary.

iv) Group Medical Insurance Scheme

The Bank is providing Medical Insurance Scheme for all serving staff and their dependents through National Insurance Company Ltd., in line with Ministry of Finance guidelines (October 2016) and the 10th Bipartite Settlement. The coverage includes ₹4.00 lakh for Officers and ₹3.00 lakh for Office Assistants and Attendants.

Industrial Relations

The industrial relations environment in the Bank is healthy and cordial during the reporting period.

Welfare - SC / ST / OBC / Women / Ex-Servicemen / PwBD staff

A separate cell has been established at the Head Office for SC/ST/OBC/Women/Ex-Servicemen/PwBD as per stipulated guidelines, with an AGM-level officer designated as the Liaison Officer. Additionally, a Contact Officer at Head Office has also been appointed for SC/ST staff members of the Bank.

IBPS - RRB - CRP XIV - Interviews

The Bank has successfully conducted interviews under Common Recruitment Process (CRP)-XIV, on behalf of Institute of Banking Personnel Selection (IBPS), as Nodal Bank, for Officer - Scale II and III posts.

Risk Management

Post amalgamation, Bank has established a separate Integrated Risk Management Department (IRMD) to strengthen the risk governance framework of the bank.

Risk oversight is exercised through Board-level Risk Management Committee and specialized HO level committees covering Credit, Operational and Enterprise Risk. Key deliberations were monitored through structured Action Taken Reports (ATRs), ensuring accountability and timely closure.

Credit Risk and Analytics

The Credit Risk Rating framework strengthened the linkage between risk and pricing, with approximately 91% of proposals and 86% of portfolio value in the top three risk categories. The adoption of the LEAPS framework and Key Risk Indicators (KRIs) enabled forward-looking risk assessment. External Benchmark Linked Lending Rate (EBLR) was implemented for floating rate loans.

Infrastructure and Maintenance

The Bank has undertaken several initiatives to strengthen infrastructure and procurement structures in the bank. Rate contracts for capital assets such as UPS, batteries and inverters were streamlined across all four e-RRBs. New tenders were issued for furniture and security equipment and vendors were empanelled through open tender.

Branding

In terms of branding and stationery, sign boards with the new logo were supplied to all branches and offices in accordance with NABARD-approved designs and within the prescribed timelines. Internal Mandatory Boards like Service Charges Board, RTI Board and Other boards are installed at all Branches and Offices replacing the existing boards. Essential stationery items such as cheque books, demand drafts, transaction slips, KCC applications, registers and passbooks with updated branding were also been supplied to all branches within stipulated timelines.

Construction of New Head Office Building

For the proposed Head Office building at capital city Amaravati, Bank was allotted with 2.00 acres of land at Uddandarayanipalem by the Government of Andhra Pradesh. The property has been registered and Bhoomipooja was performed on 28.11.2025 by the Hon'ble Union Finance Minister Smt Nirmala Sitharaman.

Premises and Security

During the reporting period, approvals were accorded for premises of 10 new branches and relocation of 28 branches to new premises. Renovation works, including new carpentry, were carried out at 189 branches and offices to improve ambiance and customer service, with an expenditure of over ₹4.50 Crore.

The Bank initiated electrical audits in a phased manner, covering 126 branches and 22 Regional Offices in Phase I, followed by 269 branches in Phase II.Security infrastructure in the branches were strengthened through supply of 81 lockers, 202 jewel safes and 31 strong room doors.

Technology Adoption

IT Integration Overview

Post amalgamation, Bank has undergone significant transformation in IT systems and processes, driven by the integration of the erstwhile Regional Rural Banks (RRBs). This integration involved in addressing multiple technological and operational challenges. IT integration of the Bank has been completed in a phased manner within the timelines prescribed by NABARD. In addition, various IT applications, digital delivery channels and support systems have been aligned and brought under a unified technology framework.

Further, during and after the completion of IT integration, Bank has undertaken various initiatives to strengthen digital service delivery.

Customer Service Centric Initiatives:

Call Center and IVRS Enhancements: To enhance 24×7 service availability, the Bank implemented an IVRS facility for balance enquiry and mini statements through a toll-free number. The Call centre was strengthened with 50-channel SIP trunk and expanded team to minimize call waiting. In line with TRAI guidelines, all outbound calls were migrated to the 1600-series number (1600001361) effective March 17, 2026.

Metric	Count
Total Inbound Calls	242223
Total Outbound Calls	286594
Financial Complaints resolved	2099
Non-Financial Complaints resolved	881

LOS: Bank has introduced an in-house Loan Origination System (LOS) for Crop, Gold and SHG loans, enabling end-to-end digital processing in line with credit policies. The system reduces processing time to under 3 minutes, improving efficiency and customer service. Since its launch in January 2026, it has supported 13.47 lakh customers, generating business of ₹25,303 crore.

Statement and mini-statement in APGB WhatsApp: To support "anywhere banking", Bank enhanced its WhatsApp Banking channel by adding statement and mini-statement facilities. Customers can access account details instantly using their registered mobile numbers via Bank's WhatsApp number (90902 90912), improving self-service and reducing branch footfall.

Account Number Pre-validation in ITR Portal: Bank has enabled real-time account number pre-validation on the Income Tax Return (ITR) portal through API integration, allowing customers to validate their bank accounts instantly before filing returns.

APGB Face Pay: In line with RBI's Payments Vision 2025, Bank has successfully piloted APGB Face Pay, a facial authentication system for cash withdrawals at branch counters, especially benefiting rural and non-tech-savvy customers. The system replaces signature verification with real-time facial authentication, enabling faster and contactless transactions. This initiative improves efficiency, reduces manual intervention and enhances security while promoting digital inclusion.

UPI Services and Infrastructure Enhancements: The Bank has introduced customer-friendly UPI features such as Autopay for recurring payments, UPI Lite for quick small-value transactions without PIN and UPI-ICCW, cardless cash withdrawal through UPI. Further, the UPI per transaction limit has been enhanced from ₹25000 to ₹50,000.

Implementation of UPI QR Sound Box: UPI QR Sound Box has been introduced to provide instant audio confirmation of transactions for merchants. This facilitates real-time verification of payments, enhances transparency and reduces the risk of fraudulent claims.

Internet Banking & Mobile Banking (APGB Money app): The Bank has enabled real-time deposit closure and debit access for OD/CC accounts across Mobile and Internet banking facilities. Additionally, account aggregator and branch token features have been introduced in the mobile banking app to enhance customer convenience.

Immediate Payment Service (IMPS):

- **Net Debit Cap (NDC) Limit Enhancement:** The limit under IMPS has been enhanced from ₹ 5 Crores to ₹10 Crores.
- Hardware infrastructure were also been upgraded, to support higher transaction volumes.

Initiatives complying Regulatory guidelines

Re-KYC Due notices: The Bank has implemented a system for periodic updation of customer records and Customer Due Diligence (CDD), which identifies due accounts and issues digital/physical notices along with SMS alerts. Since its launch on 16th March 2026, it has generated 15,500 intimations, strengthening compliance and ensuring smooth customer service.

JanSuraksha Integration: The Bank has integrated the JanSuraksha portal for simplifying management of PMJJBY and PMSBY schemes, enabling automated enrolment, premium deduction and issuance of insurance certificates. It also uses CBS to reduce manual work and improve accuracy in nominee and claim processing. Since implementation, 1,58,000 PMSBY and 1,52,000 PMJJBY applications have been processed through the portal.

GST Portal: The Bank has developed an in-house GST portal to centralize and automate indirect tax processes. It enables invoice verification and consolidated GST reporting with improved data accuracy across branches. This digital facility has reduced manual work, minimized errors and improved the speed & accuracy of statutory filings.

I4C-CFCFRMS (Indian Cyber Crime Coordination Centre- Citizen Financial Cyber Fraud Reporting and Management System):

- **Legacy Resolution:** The Bank has cleared 2,200 pending complaints migrated from erstwhile entities, ensuring closure of backlog cases.
- **Operational Enhancements:** The Bank has been onboarded onto the Digital Intelligence Platform of the Department of Telecommunications (DoT) to strengthen fraud monitoring and enhance the security of digital banking services.
- **Performance:** Achieved zero pendency in respect of complaints received through the NCRP portal and cyber-related email communications.

Category	Count
Total NCRP Complaints resolved	24353
Total Cyber Mails Attended & Resolved	11542
Court Orders Attended	101

Cyber Security & Information Security Awareness: The Bank has undertaken initiatives to enhance cyber security awareness and promote safe digital banking practices across the organization.

- Cyber Security Handbook has been prepared and circulated.
- Cyber Security awareness training has been conducted for staff, covering areas such as phishing, safe practices and secure usage of systems.
- Anti-phishing campaigns have been carried out through simulated phishing emails to strengthen organizational cyber hygiene.
- Circulation of Weekly cyber security awareness posters.
- In addition, Cyber Security workshops have been conducted for IT help desk officers at Regional Offices.

In house developments and initiatives:

The Bank has undertaken several in-house digital initiatives to improve operational efficiency and service delivery. The overview of In-House Digital Portals Developed for Operational Excellence is as below.

Staff Transfer Portal	Enables employees to submit transfer requests online.
Staff Salary Change Portal	For submission of Salary slip modification requests.
Quiz Portal	Developed for internal quiz on eve of Vigilance awareness week.
ID Card Portal	For submission of ID card requests.
TMS Portal (Ticket Management System)	For reporting and tracking issues related to CBS, network, digital payments and hardware.
Jewel Appraiser Empanelment Portal	To standardize and streamline the valuation process for empanelment of jewel appraisers.
IT Asset Management Portal	To maintain real-time inventory of hardware in the branches.
Document Generation Portal	For instant generation of Crop and Gold Loan documents using real-time CBS integration.
CMIS Portal	For real-time monitoring of branch cash balances.
CGTMSE Portal	To centralize and streamline the lifecycle of CGTMSE (Credit Guarantee Fund Trust for Micro and Small Enterprises) applications.
MIS and Reporting Portal	For providing report for the user departments.

New portal modules were also introduced for business monitoring and performance tracking at regional and branch levels.

Migration to ".bank.in" Domain:

Bank has completed migration to the secure ".bank.in" domain, in compliance with guidelines of Reserve Bank of India and Institute for Development and Research in Banking Technology, to enhance trust and strengthen cyber security.

Financial Inclusion Initiative

Bank continues to play a pivotal role in advancing financial inclusion across its area of operation, with a strong focus on last-mile connectivity, digital enablement and inclusive growth. The key achievements and initiatives underwent during reporting period are outlined below.

Expansion of Business Correspondent Network

As part of Financial Inclusion (FI) strategy, Bank expanded its outreach through the Business Correspondent (BC) model by deploying 3,196 BCs, covering 3,196 villages across rural, semi-urban, urban and metro areas. Bank continues to have a strong presence in rural and semi-urban areas, supporting grassroot financial inclusion.

To strengthen service delivery, Bank has partnered with five Corporate Business Correspondents (CBCs) namely,

- M/s Magnot Consultancy Services Pvt. Ltd.
- M/s Gram Tarang Inclusive Development Services
- M/s IRIX Technologies Pvt. Ltd.
- M/s Integra Micro Systems Pvt. Ltd.
- M/s Atyati Technologies Pvt. Ltd.

Digital Financial Services

The Bank has been implementing digital banking services through Technology Service Providers (TSPs), enabling seamless financial transactions in remote areas.

Performance Highlights of Business Correspondents are tabulated below:

Total transactions	1.71 crore
Business volume	₹12,510.90 crore
Average transactions per BC/month	493
Average BC remuneration	₹9,365
Average transaction cost	₹16.39

All BC outlets remained active during the reporting period, reflecting operational efficiency and sustained customer engagement.

Progress under Government Social Security Schemes

The Bank has made significant strides in implementing flagship Government schemes of PMJDY, PMJJBY, PMSBY & APY. Key Achievements under the schemes are as follows;

Sl.No.	Scheme	Achievement as on 31.03.2026
1.	PMJDY Accounts	42.56 Lakh
	Active accounts	38.35 Lakh
	Zero-balance accounts	9.89%
	Total balance	**₹ 1961.46 Crores**
2.	PMJJBY Enrolments	40.43 Lakh
3.	PMSBY Enrolments	69.30 Lakh
4.	APY Enrolments	10.65 Lakh
5.	Active RuPay Cards	40.25%
6.	Aadhaar seeding	86.88%

Pradhan Mantri Jan Suraksha Schemes (PMJSS)

The Hon'ble Prime Minister announced the Saturation Drive for Pradhan Mantri Jan Suraksha Schemes (PMJSS) in his Independence Day 2021 address and launched the scheme on 02.10.2021. The objective is to ensure full coverage of eligible persons under PMJJBY, PMSBY, and APY schemes.

The Bank has risen to the occasion and achieved **99.53%, 93.94% and 103.25%** coverage under **PMSBY, PMJJBY** and **APY** schemes respectively, in line with targets of DFS & UBI, as of 31st March 2026.

Financial Literacy Centres (FLCs)

The Bank currently operates Fifteen (15) Financial Literacy Centers across the state, located in Tirupati, SPSR Nellore, Y.S.R, Anantapur, Kurnool, Srikakulam, Vishakapatnam, Vizianagaram, East Godavari, West Godavari, Guntur, Annamayya, Krishna, NTR and Ongole. These Centres are imparting training to SHGs, Micro Enterprises, Students, Farmers and Senior Citizens etc.

Details of Total Financial Literacy Awareness Camps (FLACs) conducted during the reporting period is as furnished below:

Sl.No.	Type of camps	No. of camps conducted
1	Going Digital	125
2	Target Specific Camps	712
	Total	**837**

These FLAC programmes were conducted in 837 villages, through which **51,101 citizens** were covered and educated on financial literacy.

Financial Literacy Camps by Branches

As per RBI circular vide ref: FIDD.FLC.BC. No.22/12.01.018/2016-17 dated March 02, 2017 all rural branches of banks are required to conduct one camp per month (on the Third Friday of each month after branch hours)". In line with the above direction, Bank's rural branches conducted **8,669 Financial Literacy Camps** in the reporting period.

The camps comprehensively cover outlines of financial topics in the FAME booklet which include banking fundamentals, digital payment modes (UPI, IMPS, Mobile Banking, Internet Banking, NEFT, RTGS), consumer protection measures and cyber fraud prevention.

NABARD Programmes under FIF Support

The Bank has utilized ₹75.13 lakh from NABARD's Financial Inclusion Fund to conduct 1,897 Financial and Digital Literacy Camps across rural and semi-urban branches. Further, organized 25 Nukkad Nataks under the Swachhata Hi Seva campaign with an expenditure of ₹2.83 lakh. These initiatives promoted the awareness of banking services and government schemes such as PMJJBY, PMSBY, PMJDY & APY, Re-KYC,nomination, Ombudsman Scheme, DEAF scheme and access to micro-credit.

Aadhaar Enrolment Centres (AECs)

Bank has set up **27 Aadhaar Enrolment Centres (AECs)** at branches for Aadhaar enrolment and updation services. For this purpose, Bank has engaged M/s Virinchi limited as enrolment agency empanelled by the UIDAI as per the guidance from the Union Bank of India as Registrar under UIDAI eco-system.

The Total Aadhaar Enrolments & Updations in the reporting period are 84,104 and Avg. Monthly enrolments & updations per centre stood at 260.

Key Strategic Initiatives

- **Jan Suraksha Portal:** Successfully onboarded for PMJJBY & PMSBY enrolments
- **Jan Dhan Plus Programme:** Implemented in collaboration with NABARD and Women's World Banking to enhance value-added services for PMJDY customers

Bank's Financial Inclusion initiatives demonstrate a strong commitment towards inclusive growth, digital empowerment and social security coverage. The extensive BC network, robust digital transaction ecosystem and proactive participation in Government schemes have significantly contributed to expand formal financial access across underserved segments.

Auditing and Inspection

The Bank has successfully completed regular internal inspection of all 1,147 eligible branches during the reporting period. Out of 1,147 branches, 1,111 branches were rated as Low Risk, 34 branches were classified as Medium Risk and 02 branches as High Risk.

Necessary follow-up action is taken up on continuous basis for rectification of lapses and deviations that were reported in the inspection reports.

Concurrent Audit

Concurrent audit of 523 units-including branches, Regional Offices, CPCs, Currency Chests and Head Office-was conducted during the period under review, by independent Chartered Accountant firms and select retired officers of the Bank.

Statutory Inspection by NABARD

SNAP Audit has been conducted for APGB (Amalgamated Entity) from 11th August 2025 to 18th August 2025 and compliance for the same was submitted on 29th October 2025.

NABARD has conducted the XV statutory inspection under Section 35(6) of the Banking Regulation Act 1949, for the erstwhile Regional Rural Banks (RRBs) on the following dates with reference to the financial position of the bank as on 31st March 2025

1. e-SGB - Conducted from 31st July 2025 to 22nd August 2025.
2. e-CGGB - Conducted from 31st July 2025 to 22nd August 2025.
3. e-APGB - Conducted from 04th August 2025 to 30th August 2025.
4. e-APGVB - Conducted from 18th August 2025 to 09th September 2025.

Compliance for the inspection reports have also been submitted with the approval of the Board.

Management Audit by Sponsor Bank

Sponsor Bank, i.e. Union Bank of India has conducted the Management Audit (MAD) of the Bank for FY 2024-25, from 09th September 2025 to 17th September 2025.

Other External Audits

i. The IS Audit of the amalgamated entity was conducted by an external audit firm and was completed by 29-12-2025, which is within the timelines stipulated by NABARD.
ii. UIDAI IS Audit was conducted by External Audit Firm and report was released on 31.03.2026.
iii. Cyber security Audit has been conducted on 23.02.2026.
iv. System Audit was conducted on 23.02.2026.
v. Compliance audit of the Bank was conducted from 17.11.2025 to 31.12.2025.
vi. NABARD has conducted an audit at Data Center of the Bank, Hyderabad from 23.03.2026 to 25.03.2026.

MoU Review by Sponsor Bank

The performance of the bank is reviewed by Executives of Union Bank of India, with reference to Memorandum of Understanding (MoU) with Sponsor bank for FY 2026, once in a quarter, which provided valuable insights for the growth of the Bank.

A detailed quarterly performance report under various parameters is submitted to the Agri Business Department, Central Office, Union Bank of India, Mumbai, for review by the sponsor bank.

Fraud Cases

During the reporting period, three fraud incidents were identified in the Bank and the entire amount involved was fully recovered in all these cases; accordingly, no fraud provisions were made in the aforesaid cases. However, 100% provision has been made for all earlier outstanding fraud cases as on 31st March 2026. Further, a quarterly status note on outstanding fraud cases is being placed before the Board for information.

Compliance Structure

Bank has established an independent Compliance Department at Head office to reinforce a strong compliance culture across the operational levels. To ensure effective implementation at all the levels, one Compliance Officer has been nominated from each department at Head Office and Regional Offices as Departmental Compliance Officer (DCO) and Regional Compliance Officer (RCO).

Instances of non-compliance, breaches and penalties are being reported to the Management and the Sponsor bank on quarterly basis through the Quarterly Compliance Certificate (QCC), obtained from all Branches, Regional Offices and Head Office Departments.

A robust and structured Compliance Test Checking (CTC) framework has been developed in line with the Sponsored Bank Model to assess the level of adherence to regulatory and internal guidelines across the Bank. During Q4 of FY 2025-26, CTC has been successfully completed in 219 branches, reflecting improved compliance culture and monitoring.

Customer Service

The Bank has implemented a Board-approved Grievance Redressal Policy with a defined escalation mechanism through Branches, Regional Offices, and Head Office to safeguard customer interests.

The Bank has received a Letter of Appreciation from the Office of the Reserve Bank of India (RBI) Ombudsman, Hyderabad, for the performance showcased by the bank under the targeted campaign of RBI conducted during January-February 2026.

Summary of complaints received by the Bank during the period

Sl.No.	Particulars	During the reporting period
General Complaints		
1.	Number of complaints pending at beginning of the year	17
2.	Number of complaints received during the year	421
3.	Number of complaints disposed during the year	436
4.	Number of complaints pending at the end of the year	2
Ombudsman Complaints		
5.	Number of maintainable complaints received by the bank from Office of Ombudsman	126
6.	Complaints resolved	126

Preventive Vigilance

This year, the Bank has transitioned from awareness to institutional resilience. Beyond making 'Preventive Vigilance' a core module in all internal training, bank has implemented interactive workshops designed to identify emerging operational risks. By embedding these ethical safeguards into the daily workflows of every cadre, bank continues to foster a culture where integrity is a shared responsibility.

Preventive Vigilance Committees

The Bank has institutionalized a tiered Preventive Vigilance Committee (PVC) framework across all branches to proactively mitigate operational and fraud risks. This grassroot mechanism mandates regular meetings i.e., monthly at branches, bi-monthly at Regional offices and quarterly at Head Office, to identify systemic gaps, procedural deviations and early warning signals. By integrating Nodal Vigilance Officers for expert oversight and ensuring high staff participation, the initiative shifts the Bank's focus from reactive punishment to proactive prevention, strengthening the overall compliance culture and safeguarding the institution's reputation.

Vigilance Awareness Week

Bank has observed the Vigilance Awareness Week-2025 (VAW-2025) along with precursor activities from 18th August 2025 to 17th November 2025 with the theme **"Vigilance: Our Shared Resposibility",** as per the guidelines outlined by the Central Vigilance Commission. Vigilance Awareness Week was celebrated in every nook and corner of our bank service area. Through diverse activities such as walkathon, cyclothon, Plantation drives, Blood donation camps, Rangoli, Drawing & Essay writing competitions, Online Quiz, SHG Meetings, Flash Mob and Balloon Display, and Grama sabhas, Bank has created awareness among staff, account holders, villagers and other stakeholders on the theme "Vigilance: Our Shared Responsibility".

Additionally, Bank has promoted awareness about PIDPI complaints, encouraging customers to report corruption or misuse of office and promoting honesty to support a corruption-free nation.

Social Responsibility

As an integral part of corporate ethos, social responsibility has always been at the forefront of bank's operations. Bank firmly believes that our success as a financial institution is intertwined with the well-being and progress of the communities Bank serve. Therefore, Bank has consistently endeavored to fulfill our social obligations by engaging in various initiatives aimed at uplifting Society and fostering sustainable development.

Bank extended support to social initiatives, including ₹19.23 lakh for donation of an ambulance to Kanipakam temple and ₹25.50 lakh for SARAS exhibitions of Self Help Women Groups. Bank also supported community development activities such as distribution of essential food items to the needy during festivals.

Awards and Accolades

During the reporting period, a good number of awards and accolades were received by the Bank for the performance under various parameters set by the shareholders and notable among them are mentioned hereunder:

- Received **"Best Grameen Bank"** in MSME Banking Excellence Awards - 2025 from Minister of Commerce and Industry - GOI held at New Delhi on 22nd December, 2025.
- Received **"National Award for Outstanding performance in SHG Bank linkage for 2024-25"** from Deendayal Antyodaya Yojana National Livelihoods Mission Ministry of Rural Development - Government of India, at National Rural Development event held on 21st February, 2026 at Hyderabad.
- Bank has received Gold and Bronze awards under categories of **Tech-Driven & Operational Excellence and AI Vanguard,** from IBEX India BFSI Technology Awards held at Mumbai.
- In recognition to contribution towards Affordable Housing Development in the Country, Bank has received **"PMAY Affordable Housing Award"** under Gramin Bank Category at an event held on 05th June, 2025 at New Delhi.
- Received **"Best Data Quality Award"** in RRB Consumer Segment for 2024-25 from Trans Union CIBIL.

APY awards

The Bank has received 'APY Annual Award of Excellence Achiever' for surpassing the APY target given by PFRDA during FY 2025-26. Bank has achieved 1,39,487 APY enrollments, averaging 103 per branch against the PFRDA target of 100 per branch.

Apart from the above awards, Bank has also received Awards from PFRDA for qualifying in campaigns during the reporting period

- APY Trendsetter campaign (June - August 2025):

1. The "Ultimate Trendsetter" Award for e-Andhra Pradesh Grameena Vikas Bank for achieving 130.02% of target.
2. The "Visionary Trendsetter" Awards for e-Andhra Pragathi Grameena Bank, for achieving 107.70% of target & e-Chaitanya Godavari Grameena Bank for achieving 107.26% of target

❖ Winning Wednesday Campaign

1. Wondrous Warrior of Winning Wednesday Award

✓ e-Andhra Pradesh Grameena Vikas Bank for June 2025

✓ e-Andhra Pragathi Grameena Bank for June & July 2025

✓ e-Chaitanya Godavari Grameena Bank for June, July & August 2025.

2. Warrior of Winning Wednesday Award

✓ e-Andhra Pradesh Grameena Vikas Bank & e- Andhra Pragathi Grameena Bank for May 2025.

✓ Andhra Pradesh Grameena Bank for December 2025 & March 2026.

❖ Ultimate champions cup Campaign - (01st Dec, 2025 - 12th Jan, 2026)

1. APY Exemplary Champions Cup-Award for Team (Union Bank of India & Andhra Pradesh Grameena Bank).

2. Silver Cup-Individual Award for Andhra Pradesh Grameena Bank.

❖ APY Big Believers Campaign - (17th February - 31st March, 2026)

1. Award of Excellence for 100% achievement as on March 31st 2026.

Board Meetings

After dissolution of Boards of e-RRBs and formation of new entity, it became obligatory to constitute new Board of the Bank. Accordingly, new Board for amalgamated entity was constituted on 03.05.2025 i.e., date of 1st Board meeting of the Bank. Constitution of the Board was carried out in accordance with the prescribed provisions, complying with all mandatory and regulatory procedures.

As on 31st March 2026, two positions of Non-Official Directors to be appointed by the Government of India under Section 9(1)(a) of the RRB Act were vacant. However, one Director has been nominated by the Central Government under Section 9(3) of the Act.

Eight Board Meetings were convened by the Bank during the calendar year 2025, with at least one meeting held in each quarter, thereby complying with the stipulated requirement of conducting a minimum of Six Board Meetings and a total of Ten Board Meetings were conducted between 01.05.2025 to 31.03.2026.

Three Board level sub-committees, viz. Audit Committee, Risk Management Committee and Special Committee of the Board to monitor Fraud Cases (SCBF) of ₹20.00 lakh and above have met one time each in Four quarters of the year. While another sub-committee i.e., IT Strategy Committee of the Board have met twice from the date of amalgamation.

Changes in the Board of Directors

The following were inducted as Board of Directors of the Bank during the corresponding year in place of outgoing Directors.

Sl.No.	Name of the Incoming Director	Name of the Outgoing Director	Nominee of
1.	**Dr. KVS Prasad,** General Manager, National Bank for Agriculture & Rural Development, Andhra Pradesh Regional Office, VIJAYAWADA - 500 002.	**Sri M S R Murthy** Deputy General Manager Institutional Development Department National Bank for Agricultural & Rural Development (NABARD) Andhra Pradesh Regional Office VIJAYAWADA - 500 002	NABARD
2.	**Sri A K Vinod** Chief General Manager Union Bank of India Central Office Vidhan Bhavan Marg, Nariman Point, Mumbai - 400 021	**Smt Renu K Nair** General Manager Agri. Business Department Union Bank of India Central Office Vidhan Bhavan Marg, Nariman Point Mumbai - 400 021	Sponsor Bank

Board wishes to place on record its appreciation and gratitude for the valuable services and advice rendered by the Directors who have demitted office during the reporting period.

Grateful Acknowledgements

The Board wishes to place on record its appreciation for the continued patronage extended by its valued customers, which has enabled the Bank to achieve strong business performance during the year. The Board express its gratitude to its clientele for the confidence reposed on the Bank at all times. The Bank renews its obligation for rendering a better customer service way forward.

The Board ardently wishes to thank the shareholders of the Bank, viz. Government of India, Union Bank of India and Government of Andhra Pradesh for their significant support at all levels for the growth and development of the Bank.

The Board also expresses its sincere gratitude to Reserve Bank of India (RBI), National Bank for Agriculture and Rural Development (NABARD), Union Bank of India (UBI) for their valuable guidance and encouragement extended to the Management from time to time.

The Board places on record the cooperation and guidance extended by Statutory Central Auditors, M/s M N Rao & Associates, Vijayawada for timely completion of statutory audit of the bank for the current year and expresses its acknowledgement to their valued inputs for scaling up the efficiency in operations of the bank at various functional levels and also complying with the disclosures in the balance sheet in accordance with RBI's Master Direction. The Board also thanks 76 Statutory Branch Auditors for their cooperation and completion of the statutory audit within the given timeline.

The Board places on record its appreciation for all the staff members for their enthusiastic involvement in the growth and development of the Bank. It is due to their unstinted efforts that the Bank could post good performance during the period and could surpass the targets under the MoU. The Board looks forward for their impressive drive and lasting efforts for the overall development of the Bank in upcoming years also.

FOR AND ON BEHALF OF BOARD OF DIRECTORS

BOARD OF DIRECTORS

K Pramod Kumar Reddy
Chairman

B Suryakumar Arunkumar
Nominee Director
RBI

Dr. K V S Prasad
Nominee Director
NABARD

A K Vinod
Nominee Director
Union Bank of India

C V N Bhaskara Rao
Nominee Director
Union Bank of India

Place : Guntur
Date : 30-Apr-2026

KEY PERFORMANCE INDICATORS

(₹ in Crore)

Sl. No.	Key Performance Indicators	01.05.2025	31.03.2026
1	No. of Districts covered	26	28
2	No. of Branches	1351	1359
	a) Rural	836	841
	b) Semi-Urban	334	334
	c) Urban	149	152
	d) Metro	32	32
3	Total Staff	7567	7389
	a) Officers	5010	5164
	b) Office Assistants	2233	1934
	c) Office Attendants	324	291
4	Deposits	56292.86	64672.87
	Growth %		14.89
5	Loans & Advances	63933.29	71664.47
	Growth %		12.09
	Loans & Advances net of IBPC of ₹ 5180 Crore and ₹ 5000 Crore	58750.49	66664.47
	Growth %		13.47
6	Borrowings Outstanding	16446.06	14115.46
	Growth %		-14.17
7	CD Ratio	103.31	102.14
8	Investments Outstanding	9564.10	10947.28
	Growth %		14.46
9	Average Deposits	56312.97	60198.13
	Growth %		6.89
10	Average Loans & Advances	63959.45	67048.64
	Growth %		4.83%

Sl. No.	Key Performance Indicators	01.05.2025	31.03.2026
11	Average Borrowings	13922.77	12475.56
	Growth %		-10.39
12	Average Investments	9848.30	10101.61
	Growth %		2.57
13	Average working Funds	96050.89	97557.35
14	Loans Issued during the year		
	a) Loans to Priority sector	**	63532.87
	b) Loans to Non-Priority Sector	**	4663.67
	c) Total Loans issued	**	68196.54
15	per-Branch Business	84.71	100.32
16	per-Employee Business	14.34	18.45
17	Recovery Performance (% of Collection to Demand)	**	92.50
18	Classification of Advances		
	a) Standard Assets	63336.69	71057.47
	b) Sub-standard assets	215.77	246.10
	c) Doubtful Assets	302.51	326.11
	d) Loss Assets	78.33	34.79
	Total NPAs	596.60	607.00
	Total Advances	63933.29	71664.47
19	% of Standard Assets to Gross Advances Outstanding	99.07	99.15
20	Interest Paid on		
	a) Deposits	**	3538.18
	b) Borrowings	**	753.15
	c) Others	**	140.56
21	Salary & Allowances	**	1034.68
22	Other Operating expenses	**	604.07

Sl. No.	Key Performance Indicators	01.05.2025	31.03.2026
23	Provisions made against Loans and Advances		
	a) Against NPA	**	6.19
	b) Other Provisions	**	299.46
	Total	**	305.65
24	Interest Received on		
	a) Loans & Advances	**	6271.20
	b) Investments	**	659.76
	c) Balances with RBI and Other Banks	**	824.35
	d) Others	**	4.06
25	Other Income	**	1140.18
26	Profit Before Tax	**	2523.26
27	Profit After Tax	**	1835.81
28	Cost to Income Ratio	**	36.68%

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AWARDS AND ACCOLADES

Bank received Gold and Bronze Awards at the IBEX India BFSI Technology Awards under the categories of Tech-Driven & Operational Excellence and AI Vanguard, respectively.

Bank was honoured with the Best Grameena Bank Award at MSME Banking Excellence Awards – 2025 from the Hon'ble Minister of Commerce and Industry, GoI

Received Annual Award of Excellence Achiever for 2025-26 at APY Annual Awards, New Delhi.

GALLERY OF VIGILANCE AWARENESS WEEK ACTIVITIES

18th August 2025 to 17th November 2025

CREDIT OUTREACH INITIATIVES

OEM Central Level Tie-up between APGB and Ashok Leyland commercial Vehicles Pvt Ltd. for financing Commercial Vehicles.

Launch of State Government's e-Cycle Scheme at Chittoor

CREDIT OUTREACH INITIATIVES

Installed a promotional stall by CPC Vijayawada at Eenadu property Show, Vijayawada.

Credit Outreach programme by Rajampeta and Rajahmundry Regional Offices

Meet & Greet with Hon'ble Chief Minister Sri Nara Chandra Babu Naidu Garu
by our Chairman, General Manager and Regional Managers

Inauguration of Bhavanipuram branch (new branch)
by our Chairman Sri Pramod Kumar Reddy Garu

Donation of vehicle to Srisailam Devasthanam
under Bank's Corporate Social Responsibility

INDEPENDENT AUDITOR'S REPORT

To
The Members of
The Andhra Pradesh Grameena Bank, Guntur

Report on Audit of Financial Statements:

Opinion

We have audited the accompanying Financial Statements of **The Andhra Pradesh Grameena Bank** (hereinafter referred to as **"the Bank" or "APGB" or "New Entity"**) which comprise the Balance Sheet as at 31st March, 2026, the Profit and Loss Account for the 11 months period from 01-May-2025 to 31-Mar-2026, the Statement of Cash Flows for the 11 months period from 01-May-2025 to 31-Mar-2026 and Notes to Financial Statements, including a Summary of Significant Accounting Policies, other explanatory information (hereinafter referred to as **"Financial Statements"**) in which are included the returns for the 11 months period (01-May-2025 to 31-Mar-2026) of:

a) The Head Office and the 76 Branches audited by us; and

b) 872 branches audited by the Statutory Branch Auditors.

The Branches audited by us and those audited by other auditors have been selected by the Bank in accordance with the guidelines issued to the bank by the National Bank of Agricultural and Rural Development (**"NABARD"**).

Also incorporated in the Balance Sheet, the Profit and Loss and Cash Flow Statement are the returns from **411** Branches which are not subject to Audit. These unaudited branches account for **25.0%** of Advances, **22.9%** of Deposits, **18.1%** of Interest Income and **17.7%** of Interest Expenses.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Banking Regulation Act, 1949, the Regional Rural Bank Act, 1976 ("RRB") and the circulars / guidelines/ directions / notifications of Reserve Bank of India (RBI) and NABARD (to the extent applicable), in the manner so required for the bank and are in conformity with the accounting principles generally accepted in India and:

a) the Balance Sheet, read with the Significant Accounting Policies and notes thereon is a full and fair Balance Sheet containing all the necessary particulars, is properly drawn up so as to exhibit a true and fair view of the state of affairs of the Bank as at 31st March, 2026;

b) the Profit and Loss Account, read with the Significant Accounting Policies and notes thereon exhibit a true balance of **Profit** for the 11 months period (01-May-2025 to 31-Mar-2026); and

c) the Statement of Cash Flows gives a true and fair view of cash Flows for the 11 months period (01-May-2025 to 31-Mar-2026).

Basis of Opinion

We conducted our audit in accordance with Standards on Auditing (SAs) issued by ICAI. 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 ICAI together with the ethical requirements that are relevant to our audit of the Financial Statements prepared in accordance with the accounting principles generally accepted in India, as amended from time to time, subject to the Directions / Guidelines issued by RBI, provisions of Section 29 of the Banking Regulation Act, 1949, the Regional Rural Bank Act,1976, circulars / guidelines / directions /notifications issued by RBI and NABARD from time to time; and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics.

We believe that the audit evidence we have obtained and the information and reports we relied are sufficient and appropriate to provide a basis of our Opinion on Financial Statements.

Emphasis of Matter

Without qualifying our opinion, we draw attention to the following matters in the Financial Statements:

1. Refer Schedule 18, relating to Amalgamation of Chaitanya Godavari Grameena Bank, Andhra Pragathi Grameena Bank, Saptagiri Grameena Bank and Andhra Pradesh Grameena Vikas Bank (transferor Regional Rural banks) vide Govt. of India Gazette Notification No. CG-DL-E-07042025-262329 dated 07-Apr-2025; to form a new entity **"ANDHRA PRADESH GRAMEENA BANK"** under the sponsorship of Union Bank of India w.e.f. **01-May-2025**. As such, all the 4 transferor Regional Rural banks cease to exist from 01-May-2025.

   Chaitanya Godavari Grameena Bank, Andhra Pragathi Grameena Bank, Saptagiri Grameena Bank and Andhra Pradesh Grameena Vikas Bank (transferor Regional Rural banks) for the 1 month period (01-Apr-2025 to 30-Apr-2025) were audited by another Auditor(s), whose reports dated 28-May-2025, 17-May-2025, 17-May-2025 and 09-May-2025 respectively, were considered for the purpose of the opening balances as on 01-May-2025 of **ANDHRA PRADESH GRAMEENA BANK** (New Entity).

The figures for the 11 months period (01-May-2025 to 31-Mar-2026) of APGB include the operations of erstwhile Chaitanya Godavari Grameena Bank, Andhra Pragathi Grameena Bank, Saptagiri Grameena Bank and Andhra Pradesh Grameena Vikas Bank. Hence the results for the current period are not comparable with the previous period.

2. We draw attention to Note 14(VII) of the accompanying financial statements, wherein the entire unamortized additional pension liability of Rs.66.76 crore, carried over from erstwhile Andhra Pradesh Grameena Vikas Bank at the time of amalgamation, has been charged to the Profit and Loss Account for the period under audit. The remaining 3 transferor RRB's had fully charged this liability to their respective Profit and Loss Accounts prior to amalgamation.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Reporting of Key audit matters as per SA 701, are not applicable to the Bank as it is an Unlisted entity.

Information Other than the Financial Statements and Auditor's Report Thereon

The Bank's Board of Directors is responsible for the preparation of other information. The other information comprises the information included in Director's Report but does not include the financial statements and our auditor's report thereon. The Directors report including annexures in Annual Report, if any, thereon is expected to be made available to us after the date of this report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance/conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. When we read the Directors Report including annexures in annual report, if based on work we have performed, that we obtained prior to this date of this Auditors Report, we conclude that there is material misstatement therein, we are required to communicate the matter to those charged with governance. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Bank's management and those charged with governance are responsible for 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 accounting principles generally accepted in India, the Regional Rural Bank Act,1976, Section 29 of Banking Regulation Act,1949, guidelines/circulars/notifications/directions issued by the NABARD and RBI from time to time.

The responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Bank and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, banks management and those charged with governance are 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.

Those charged with governance are also responsible for overseeing the Bank's Financial reporting process.

Auditor's Responsibility for the Audit of Financial Statements:

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material, if individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Standards on Auditing, we exercise professional judgement 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management of the Bank's use of the Going Concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a Going Concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in 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 the scope of our audit work and in evaluating the results of our work; and

(ii) to evaluate the effect of any identified misstatements in the financial statements.

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.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

1) We did not audit the financial statements/ information of 872 branches included in the financial statements of the Bank whose financial statements / financial information reflect total advances of Rs. 49,588 Cr. as of March 31, 2026, and total revenue of Rs.2,072.27 Cr. for the 11 months period (01-May-2025 to 31-Mar-2026), as considered in the Financial Statements. These branches cover 69.2% of advances, 65.7% of deposits and 63.7% of non-performing assets as of March 31, 2026, and 23.3% of total revenue for the 11 months period (01-May-2025 to 31-Mar-2026). The financial statements/ information of these branches has been audited by the statutory branch auditors whose reports have been furnished to us, and in our opinion in so far as it relates to the amounts and disclosures included in respect of branches, is based solely on the report of such statutory branch auditors.

Further, we did not audit the financial statements/ information of 411 branches included in the financial statements of the Bank whose financial statements / financial information reflect total advances of Rs.17,905 Cr. as at March 31, 2026 and total revenue of Rs.735.38 Cr. for the 11 months period (01-May-2025 to 31-Mar-2026), as considered in the financial statements. These branches cover 25.0% of advances, 22.9% of deposits and 30.5% of non-performing assets as of March 31, 2026, and 8.3% of total revenue for the11 months period (01-May-2025 to 31-Mar-2026).The financial statements/ information of these branches which has been certified by respective branch managers, in our opinion in so far as it relates to the amounts and disclosures included in respect of branches, is based solely on such certified information.

2) The Board of Directors of APGB (the transferee RRB / New Entity) has approved unified accounting policies, as recommended by the Steering Committee constituted for the purpose of unification and harmonisation of accounting policies in accordance with the guidelines issued by NABARD.

The accounting policies adopted by the transferor RRB's have been harmonised and unified policies have been approved with respect to the recognition, measurement and valuation of Fixed Assets, Depreciation (Useful Life, Residual Values & Dep. Rates and Methods), Income other than Interest on Advances, Investments, and Employee Benefits etc... The transitional effects arising from the adoption of the aforesaid unified accounting policies have neither been given effect to nor disclosed in the financial statements for the period under audit. In the absence of complete information and requisite records of the transferor RRB's, we are unable to ascertain or quantify the financial impact of the said transitional effects on the financial statements (if any).

3) Fixed Asset Registers / workings are not in agreement with amounts reported in "Schedule10 - Fixed Assets" of the transferor RRB's Audited Financial Statements for the 1 Month FY 2025-26 (Apr-2025) in case of 2 transferor RRB's. Further, the Fixed Assets received from the transferor RRB's have been reclassified (change in life, Historical Costs depreciation rates & method, etc.,) in the New Entity (APGB) and the basis and rationale for such changes were not on record. In the absence of complete information and requisite records of the transferor RRB's, we are unable to ascertain or quantify the financial impact on the financial statements (if any).

4) We draw attention to the fact that the Board of Directors, vide its resolution dated 13-Mar-2026, approved changes in accounting policies in respect of Depreciation (from Written Down Value method to Straight Line Method), Related Party Disclosures, Investments and Employee Benefits, in alignment with RBI Master Directions on Regional Rural Banks dt.28-Nov-2025, Sponsor Bank accounting policies and Income Tax guidelines. While the changes in accounting policies relating to Related Party Disclosures, Investments and Employee Benefits have been given effect to in the current financial statements, the change in depreciation method from Written Down Value to Straight Line Method has been deferred by management to FY 2026-27. This change in the depreciation method was approved by the Board prior to the close of the current financial period. The consequential impact on his deferment and the resultant impact on the depreciation for the period and the carrying value of fixed assets has not been determined or disclosed.

5) The CBS of all the 4 transferor RRB's have been migrated into the CBS of APGB (New entity) during the period under audit giving effect to the Scheme of Amalgamation (Refer Note 18). An independent data migration audit was conducted by an external service provider (KPMG) covering 12 modules of the CBS. The observations pertaining to data migration have been resolved, however a few technical issues emanated after go live are still being addressed.

6) Refer Schedule No 18 (4)(a) to the accompanying Financial Statements in respect of Provisions made for advances, where the bank has created 100% Provision on NPA's of Rs 607 Cr. instead of the required provision of ~Rs 210 Cr. required under IRAC norms, resulting in additional Provision of **~Rs.397 Cr.** Corresponding, deferred tax on the above was also not made in the accompanying financial statements.

Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1) The Balance Sheet, the Statement of Profit and Loss and the Statement of Cash Flows have been drawn up in accordance with the Section 29 to the Banking Regulation Act,1949, Regional Rural Bank Act 1976, RBI & NABARD Directions / Guidelines for RRB's and applicable accounting standards issued by ICAI and in accordance with the formats prescribed for Regional Rural Banks.

2) Subject to the limitations of the audit indicated in the above paragraphs and as required by the Regional Rural Bank Act, 1976, and subject also to the limitations of disclosure required therein and as required by Section 30(3) of the Banking Regulation Act, 1949 and Section19(4) of the Regional Rural Bank Act, 1976, based on our audit and on the consideration of report of the branch auditors and subject also to the limitations of disclosure required therein, we report that:

a. The Balance Sheet is a full and fair Balance Sheet containing all necessary particulars and is properly drawn up so as to exhibit a true and fair view of the affairs of the Bank as at 31st March, 2026.

b. The Profit and Loss Account shows the true balance of profit for the 11 months period (01st May 2025 to 31st March 2026).

c. The Cash Flow Statement gives a true and fair view of the cash flows for the 11 months period (01st May 2025 to 31st March 2026).

d. We have sought and 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;

e. The transactions of the Bank which have come to our notice have been with in the powers of the Bank: and

f. The returns received from the offices and branches of the Bank have been found adequate for the purpose of the audit.

3) We further report that:

a. In our opinion, proper books of account as required by law have been kept by the Bank, so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from branches not visited by us.

b. The Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account and the returns received from branches not visited by us.

c. In our opinion, the aforesaid financial statements comply with the applicable accounting standards issued by ICAI, to the extent they are not inconsistent with the accounting policies prescribed by RBI / NABARD for RRB's and the formats prescribed under the Banking Regulation Act, 1949 to the extent applicable for RRB's.

d. There are no observations or comments on the financial transactions or matters which have an adverse effect on the functioning of the Bank.

e. There are no qualifications, reservations or adverse remarks relating to the maintenance of accounts and other matters connected therewith

f. As the bank is not registered under the Companies Act, 2013 the disqualifications from being a director of the bank under sub-section (2) of Section 164 of the Companies Act, 2013 do not apply to the bank.

g. In our opinion and according to the information and explanations given to us,the Bank has complied with the provisions relating to the Capital to Risk-weighted Assets Ratio (CRAR), Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR) prescribed for Regional Rural Banks by NABARD / RBI, and the disclosures in this regard are adequate.

h. The Long Form Audit Report (LFAR) issued by us in the format prescribed by NABARD for Regional Rural Banks has been submitted separately and addressed to the Audit Committee of the Board of the Bank, and contains our detailed observations on advances, deposits, treasury operations, internal controls, frauds, reconciliation, customer service, information technology and compliance with circulars.

i. With respect to the matter to be included in the Auditor's Report under the Frauds Monitoring framework, we report that we have considered the frauds reported by the Bank during the period, including those at three branches subjected to direct audit, and have verified that provisioning / amortisation made is adequate.

j. The reports on the accounts of the 872 branch Offices audited by the Statutory Branch Auditors of the Bank under the Regional Rural Bank Act 1976, Section 29 of Banking Regulation Act 1949, guidelines/circulars/notifications/directions issued by NABARD and RBI From time to time.

Place: Guntur
Date:30 April 2026

For M N Rao & Associates LLP
Chartered Accountants
FRN: 005386S/S000195

(T S Rama Mohana Rao)
Designated Partner
Membership No. 200613
UDIN: 26200613NQZHTV7559

ANDHRA PRADESH GRAMEENA BANK

(Scheduled Bank owned by Govt.)

HEAD OFFICE: GUNTUR

FORM-A

BALANCE SHEET AS ON 31.03.2026

ASSETS & LIABILITIES	SCHEDULE	Rs. In Crores As on 31-Mar-2026
LIABILITIES		
Capital	1	122.42
Reserves & surplus	2	13,217.62
Deposits	3	64,672.87
Borrowings	4	14,115.46
Other Liabilities and Provisions	5	3,456.07
TOTAL		**95,584.44**
ASSETS		
Cash and Balances with RBI	6	2,466.87
Balances with Banks and Money at Call & Short Notice	7	11,945.13
Investments	8	10,947.28
Advances	9	66,043.27
Fixed Assets	10	282.02
Other Assets	11	3,899.87
TOTAL		**95,584.44**
Contingent Liabities	**12**	**664.24**
Significant Accounting Policies	**17**	
Notes to Accounts	**18**	
Advances shown above are net of IBPC outstanding of Rs.5000 crore as on 31.03.2026.		
Advances shown above as on 31.03.2026 are net of Technical Write-Off of Rs. 14.19 Crore and NPA of Rs. 607 Crore.		

As per our report on even date
For M N Rao & Associates LLP
Chartered Accountants
FRN: 005386S/S000195

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BOARD OF DIRECTORS

K Pramod Kumar Reddy
Chairman

B Suryakumar Arunkumar
Nominee Director
RBI

Dr. K V S Prasad
Nominee Director
NABARD

A K Vinod
Nominee Director
Union Bank of India

C V N Bhaskara Rao
Nominee Director
Union Bank of India

Place : Guntur
Date : 30-Apr-2026

ANDHRA PRADESH GRAMEENA BANK

(Scheduled Bank owned by Govt.)

HEAD OFFICE: GUNTUR

FORM-B

PROFIT AND LOSS ACCOUNT FOR THE 11 MONTH PERIOD (01-MAY-2025 TO 31-MAR-2026)

Particulars	SCHEDULE	Rs. In Crores 01-May-25 to 31-Mar-26
I. INCOME		
Interest Earned	13	7,759.37
Other Income	14	1,140.17
Provisions Written Back		
TOTAL		**8,899.54**
II. EXPENDITURE		
Interest Expended	15	4,431.89
Operating Expenses	16	1,638.74
Provisions and Contingencies	16A	305.65
Provision for Investments and Others		
TOTAL		**6,376.28**
III. PROFIT & LOSS		
Profit before Tax		2,523.26
Less: Provision for Income Tax		688.00
DTA / DTL		0.55
Profit after Tax		1,835.81
IV. APPROPRIATIONS		
Transfer to Statutory Reserves		367.16
Balance carried over to Profit and Loss Acc		1,468.65
TOTAL		**1,835.81**

As per our report on even date
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Nominee Director
Union Bank of India

C V N Bhaskara Rao
Nominee Director
Union Bank of India

Place : Guntur
Date : 30-Apr-2026

ANDHRA PRADESH GRAMEENA BANK

(Scheduled Bank owned by Govt.)

SCHEDULE - 1
CAPITAL

(Rs. in Crores)

Particulars	As on 31-Mar-2026
CAPITAL	
(A) Authorised Capital (200,00,00,000 shares of Rs.10 each)	2,000.00
(B) Issued Capital (122425740 shares of Rs.10 each)	122.42
(C) Subscribed Capital (122425740 shares of Rs.10 each)	122.42
(D) Called up Capital (122425740 shares of Rs.10 each)	122.42
(E) Paid up Capital (122425740 shares of Rs.10 each)	122.42
	122.42

SCHEDULE - 2
RESERVES AND SURPLUS

(Rs. in Crores)

Particulars	As on 31-Mar-2026
I. STATUTORY RESERVES	**2,774.19**
Opening Balance at the start of reporting period (01-May-2025)	2,407.03
Additions during the year	367.16
Deductions during the year	-
II. CAPITAL RESERVES	**6.77**
Opening Balance at the start of reporting period (01-May-2025)	6.77
Additions during the year	-
Deductions during the year	-
III. SHARE PREMIUM	**-**

Particulars	As on 31-Mar-2026
IV. REVENUE AND OTHER RESERVES	**176.60**
A. Revenue Reserve	4.58
Opening Balance at the start of reporting period (01-May-2025)	4.58
Additions during the year	-
Deductions during the year	-
B. Investment Fluctuation Reserve	**55.80**
Opening Balance at the start of reporting period (01-May-2025)	55.80
Additions during the year	-
Deductions during the year	-
C. Special Reserve 36(1)(VIII)	**116.22**
Opening Balance at the start of reporting period (01-May-2025)	116.22
Additions during the year	-
Deductions during the year	-
V. BALANCE IN PROFIT & LOSS ACCOUNT	**10,260.06**
Opening Balance at the start of reporting period (01-May-2025)	8,791.41
Additions during the year	1,468.65
Deductions during the year	-
TOTAL (I to V)	**13,217.62**

SCHEDULE - 3
DEPOSITS

(Rs. in Crores)

Particulars	As on 31-Mar-2026
A. I. DEMAND DEPOSITS	**820.00**
i. From Banks	-
ii. From Others	820.00
II. SAVINGS BANK DEPOSITS	**18,698.02**
III.TERM DEPOSITS	**45,154.85**
i. From Banks	7,038.89
ii. From Others	38,115.96
TOTAL - A(I+II+III)	**64,672.87**
B. I.Deposits of branches in India	64,672.87
II. Deposits of branches outside India	-
TOTAL - B (I+II)	**64,672.87**

SCHEDULE - 4
BORROWINGS

(Rs. in Crores)

Particulars	As on 31-Mar-2026
I. Borrowings in India	14,115.46
i. Reserve Bank of India	-
ii. Other Banks	-
iii. Other institutions	14,115.46
II. Borrowings outside India	-
TOTAL - I +II	**14,115.46**
Secured borrowings	-

SCHEDULE - 5
OTHER LIABILITIES & PROVISIONS

(Rs. in Crores)

Particulars	As on 31-Mar-2026
I. Bills Payable	41.90
II. Inter Office adjustments (net)	-
III. Interest Accrued	253.99
IV. Others (including Provisions)	3,160.18
TOTAL (I to IV)	**3,456.07**

SCHEDULE - 6
CASH AND BANK BALANCES WITH RBI

(Rs. in Crores)

Particulars	As on 31-Mar-2026
I. Cash In Hand	204.86
II. Balance with R B I	**2,262.01**
i. In Current Account	1,782.01
ii. In Other Accounts	480.00
TOTAL (I + II)	**2,466.87**

SCHEDULE - 7

BALANCES WITH BANKS & MONEY AT CALL AND SHORT NOTICE

(Rs. in Crores)

Particulars	As on 31-Mar-2026
I. IN INDIA	
i. Balances with Banks	**11,945.13**
a. Current Accounts	1,330.47
b. Other Deposit Accounts	10,614.66
ii. Money at Call and Short Notice	**-**
a. With Banks	-
b. With other Institutions	-
TOTAL - I	**11,945.13**
II. OUTSIDE INDIA	**-**
i. In Current Accounts	-
ii. In Other Deposit Accounts	-
iii. Money at call and shorter notice	-
TOTAL - II	**-**
GRAND TOTAL (I + II)	**11,945.13**

SCHEDULE - 8

INVESTMENTS

(Rs. in Crores)

Particulars	As on 31-Mar-2026
I. IN INDIA	
i. Government Securities	10,796.19
ii. Other Approved Securities	-
iii. Shares	0.75
iv. Debentures and Bonds	103.33
v. Subsidiaries and / or Joint Ventures	-
vi. Others - Mutual Funds	47.01
TOTAL - I	**10,947.28**
II. OUTSIDE INDIA	**-**
TOTAL - II	**-**
GRAND TOTAL (I + II)	**10,947.28**

SCHEDULE - 9
ADVANCES

(Rs. in Crores)

Particulars	As on 31-Mar-2026
A. i. Bills Purchased & Discounted	-
ii. Cash Credits, Over Drafts & Loans repayable on Demand	55,095.06
iii. Term Loans	10,948.21
TOTAL - A	**66,043.27**
B. i. Secured by Tangible Assets	44,374.95
ii. Covered by Bank/Govt.Guarantees	8,449.75
iii. Unsecured	13,218.57
TOTAL - B	**66,043.27**
C. I. Advances in India	
i. Priority Sector	61,284.26
ii. Public Sector	-
iii. Banks	-
iv. Others	4,759.01
TOTAL - C (I)	**66,043.27**
II. Advances outside India	-
TOTAL - C (II)	**-**
GRAND TOTAL (C I + C II)	**66,043.27**

SCHEDULE - 10
FIXED ASSETS

(Rs. in Crores)

Particulars	As on 31-Mar-2026
I. Premises	**22.06**
A. Land	0.47
B. Premises	
i. At cost - Opening Balance at the start of reporting period (01-May-2025)	24.61
ii. Additions during the year	0.87
iii. Deductions during the year	-
iv. Depreciation to date	3.89
II. Other Fixed Assets (including furniture and fixtures)	**250.36**
i. At cost - Opening Balance at the start of reporting period (01-May-2025)	439.17
ii. Additions during the year	143.33
iii. Deductions during the year	1.22
iv. Depreciation to date	330.92
III. Leased Assets	**9.60**
i. At cost - Opening Balance at the start of reporting period (01-May-2025)	-
ii. Additions during the year	9.69
iii. Deductions during the year	-
iv. Amortization to date	0.09
TOTAL (I to III)	**282.02**

SCHEDULE - 11
OTHER ASSETS

(Rs. in Crores)

Particulars	As on 31-Mar-2026
I. Inter Office Adjustments	-
I. Interest Accrued	1,139.86
II. Tax paid in Advance / Tax Deducted at Source	810.79
III. Stationery & Stamps	3.62
IV. Non-banking assets acquired in satisfaction of claims	-
V. Others	1,945.60
TOTAL (I to V)	**3,899.87**

SCHEDULE - 12
CONTINGENT LIABILITIES

(Rs. in Crores)

Particulars	As on 31-Mar-2026
I. Claims against the Bank not acknowledged as Debts	389.57
II. Liability for partly paid Investments	-
III. Liability on account of Outstanding forward exchange contracts	-
IV. Guarantees given on behalf of constituents	
a. In India	38.77
b. Outside India	-
V. Acceptances, Endorsements and other Obligations	-
VI. Other Items for which the Bank is contingently liable (DEAF)	235.59
VII. TDS demand of the Branches as per TRACES	0.31
TOTAL (I to VII)	**664.24**

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Union Bank of India

C V N Bhaskara Rao
Nominee Director
Union Bank of India

Place : Guntur
Date : 30-Apr-2026

SCHEDULE - 13
INTEREST EARNED

(Rs. in Crores)

Particulars	01-May-25 to 31-Mar-26
I. Interest/Discount on Advances/Bills	6,271.20
II. Income on Investments	659.76
III. Interest on balances with RBI and other Inter-bank funds	824.35
IV. Others	4.06
TOTAL (I to IV)	**7,759.37**

SCHEDULE - 14
OTHER INCOME

(Rs. in Crores)

Particulars	01-May-25 to 31-Mar-26
I. Commission, Exchange and Brokerage	25.84
II. Profit on sale of Investments	0.11
Less:Loss on sale of Investments	-
III. Profit on revaluation of Investment	-
Less:Loss on revaluation of Investment.	-
IV. Profit on sale of land, buildings and other assets	0.29
Less:Loss on sale of land, buildings and other assets	(0.07)
V. Profit on exchange transactions	-
Less:Loss on exchange transactions	-
VI. Income earned by way of Dividends from subsidiaries/ companies and/or joint ventures abroad/in India	-
VII. Miscellaneous Income	1,114
TOTAL (I to VII)	**1,140.17**

SCHEDULE - 15
INTEREST EXPENDED

(Rs. in Crores)

Particulars	01-May-25 to 31-Mar-26
I. Interest on Deposits	3,538.18
II. Interest on Reserve Bank of India/Inter-bank borrowings	753.15
III. Others	140.56
TOTAL (I to III)	**4,431.89**

SCHEDULE - 16
OPERATING EXPENSES

(Rs. in Crores)

Particulars	01-May-25 to 31-Mar-26
I. Payments to and Provisions for Employees	1,034.67
II. Rent, Taxes and Lighting	29.54
III. Printing and Stationery	12.17
IV. Advertisement and Publicity	4.89
V. Depreciation on Bank's Property	49.34
VI. Directors' fees, Allowances and Expenses	-
VII. Auditor's fee and Expenses	2.31
VIII.Law Charges	0.52
IX. Postages, Telegrams, Telephones etc	2.75
X. Repairs and Maintenance	36.46
XI. Insurance	87.94
XII. Other Expenditure	378.15
TOTAL (I to XII)	**1,638.74**

SCHEDULE - 16A
Break-up of Provisions & Contingencies

(Rs. in Crores)

Particulars	01-May-25 to 31-Mar-26
I. Provisions for Standard Advances	14.05
II. Provisions for NPA	6.19
III. Provision for Depreciation on Investments	1.19
IV. Provision for Pension Fund	226.77
V. Provision for Leave encashment of Staff	17.73
VI. Provision for PLI	33.00
VII. Provision for Fraud Accounts	6.72
TOTAL (I to VII)	**305.65**

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Union Bank of India

Place : Guntur
Date : 30-Apr-2026

SCHEDULE - 17
SIGNIFICANT ACCOUNTING POLICIES

Section I

The following Accounting Standards are adopted as provided in the Master Direction by the Bank:

I. Accounting Standard 5 - Net Profit or Loss for the period, Prior period items and Changes in Accounting Policies.

II. Accounting Standard 9 - Revenue Recognition

III. Accounting Standard 17-Segment Reporting

IV. Accounting Standard 18 - Related Party Disclosures

V. Accounting Standard 24 - Discontinuing Operations

VI. Accounting Standard 25 - Interim Financial Reporting

VII. Accounting Standard 26 - Intangible Asset

VIII. Accounting Standard 28 - Impairment of Assets

The guidance notes as provided by RBI on the above Accounting Standards are given hereunder:

1. Accounting Standard 5 - Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies

The objective of this standard is to prescribe the classification and disclosure of certain items in the statement of profit and loss so that all enterprises prepare and present such a statement on a uniform basis. Accordingly, this Standard requires the classification and disclosure of extra ordinary and prior period items, and the disclosure of certain items within profit or loss from ordinary activities. It also specifies the accounting treatment for changes in accounting estimates and the disclosures to be made in the financial statements regarding changes in accounting policies. Paragraph 4.3 of Preface to the Statements on Accounting Standards issued by the ICAI states that Accounting Standards are intended to apply only to items which are material. Since materiality is not objectively defined, it has been decided that all banks should ensure compliance with the provisions of the Accounting Standard in respect of any item of prior period income or prior period expenditure which exceeds one percent of the total income / total expenditure of the bank if the income/expenditure is reckoned on a gross basis or one per cent of the net profit before taxes or net losses as the case may be if the income is reckoned net of costs. Since the format of the profit and loss accounts of banks prescribed in Form B under Third Schedule to the Banking Regulation Act, 1949 does not specifically provide for disclosure of the impact of prior period items on the current year's profit and loss, such disclosures, wherever warranted, may be made in the 'Notes on Accounts' to the balance sheet of banks.

2. Accounting Standard 9 - Revenue Recognition

Non-recognition of income by the banks in case of non-performing advances and non-performing investments, in compliance with the regulatory prescriptions of the Reserve Bank of India, shall not attract a qualification by the statutory auditors as this would be in conformity with provisions of the standard, as it recognizes postponement of recognition of revenue where collectability of the revenue is significantly uncertain.

3. Accounting Standard 17 - Segment Reporting

The indicative formats for disclosure under 'AS 17- Segment Reporting' are provided in the Master Direction under reference

[The format given is adopted and disclosure is made in "Schedule 18 - Disclosure to financial statements - Notes to Accounts"]

Note:

a) The business segment shall ordinarily be considered as the primary reporting format and geographical segment would be the secondary reporting format.

b) The business segments will be 'Treasury', 'Corporate/Wholesale Banking', 'Retail Banking' and 'other banking operations'.

c) 'Domestic' and 'International' segments will be the geographic segments for disclosure.

d) Banks shall adopt their own methods, on a reasonable and consistent basis, for allocation of expenditure among the segments.

e) 'Treasury' shall include the entire investment portfolio.

f) Retail Banking shall include exposures which fulfill the four criteria of orientation, product, granularity, and low value of individual exposures for retail exposures laid down in Master Directions on Base III: Capital Regulations (modified from time to time). Individual housing loans will also form part of Retail Banking segment for the purpose of reporting under AS-17.

g) Corporate / Wholesale Banking include all advances to trusts, partnership firms, companies, and statutory bodies, which are not included under 'Retail Banking'.

h) Other Banking Business includes all other banking operations not covered under 'Treasury,' Wholesale Banking' and 'Retail Banking' segments. It shall also include all other residual operations such as para banking transactions/activities.

i) Besides the above-mentioned segments, banks shall report additional segments within "Other Banking Business' which meet the quantitative criterion prescribed in the AS 17 for identifying reportable segments.

4. Accounting Standard 18 - Related Party Disclosures

An indicative format for disclosure under AS18 - Related Party Disclosures is provided in the Master Direction under reference.

The guidance note provided therein is as under:

i) Related parties for a bank are its parent, subsidiary(ies), associates/joint ventures, Key Management Personnel (KMP) and relatives of KMP. KMP are the whole-time directors for an Indian bank and the Chief Executive Officer (CEO) for a foreign bank having branches in India. Relatives of KMP would be on the lines indicated in section 45S of the RBI Act,1934

ii) The name and nature of related party relationship shall be disclosed, irrespective of whether there have been transactions, where control exists within the meaning of the Standard. Control would normally exist in case of parent-subsidiary relationship. The disclosures may be limited to aggregate for each of the above related party categories and would pertain to the year-end position as also the maximum position during the year.

iii) Secrecy provisions: If in any of the above category of related parties there is only one related party entity, any disclosure would tantamount to infringement of customer confidentiality. In terms of AS18, the disclosure requirements do not apply in circumstances when providing such disclosures would conflict with the reporting enterprise's duties of confidentiality as specifically required in terms of statute, by regulator or similar competent authority. Further, in case a statute or regulator governing an enterprise prohibits the enterprise from disclosing certain information, which is required to be disclosed, non-disclosure of such information would not be deemed as non-compliance with the Accounting Standards. On account of the judicially recognized common law duty of the banks to maintain the confidentiality of the customer details, they need not make such disclosures. In view of the above, where the disclosures under the Accounting Standards are not aggregated disclosures in respect of any category of related party i.e., where there is only one entity in any category of related party, banks need not disclose any details pertaining to that related party other than the relationship with that related party.

5. Accounting Standard 24 - Discontinuing operations

This Standard establishes principles for reporting information about discontinuing operations. Merger / closure of branches of banks by transferring the assets/liabilities to the other branches of the same bank may not be deemed as a discontinuing operation and hence this Accounting Standard will not be applicable to merger / closure of branches of banks by transferring the assets/liabilities to the other branches of the same bank. Disclosures shall be required under the Standard only when: (i) discontinuing of the operation has resulted in shedding of liability and realization of the assets by the bank or decision to discontinue an operation which will have the above effect has been finalized by the bank and (ii) the discontinued operation is substantial in its entirety.

6. Accounting Standard 25 - Interim Financial Reporting

This Standard prescribes the minimum content of an interim financial report and the principles for recognition and measurement in complete or condensed financial statements for an interim period. The disclosures required to be made by listed banks in terms of the listing agreements would not tantamount to interium reporting as envisaged under AS25 and as such AS25 is not mandatory for the quarterly reporting prescribed for listed banks. The recognition and measurement principles laid down under AS25 shall however, be complied within respect of such quarterly reports. Half yearly review of accounts shall be applicable for all commercial banks irrespective of whether such banks are listed or not. Banks shall follow the format prescribed by the Department of Supervision, Reserve Bank of India (or National Bank for Agriculture and Rural Development for RRBs) for the purpose.

7. Accounting Standard 26 - Intangible asset

This Standard prescribes the accounting treatment for intangible assets that are not deal to with specifically in another accounting standard. With respect to computer software which has been customized for the bank's use and is expected to be in use for some time, the detailed recognition and amortization principle in respect of computer software prescribed in the Standard adequately addresses these issues and may be followed by banks. It may be noted that intangible assets recognized and carried in the balance sheet of banks in compliance with AS 26 shall attract provisions of section 15(1) of the Banking Regulation Act 1949, in terms of which banks are prohibited from declaring any dividend until any expenditure not represented by tangible assets is carried in the balance sheet. Banks desirous of paying dividend while carrying any intangible assets in its books must seek exemption from section 15(1) of the Banking Regulation Act, 1949 from the Central Government.

8. Accounting Standard 28 - Impairment of assets

This standard prescribes the procedures that an enterprise applies to ensure that its assets are carried at no more than their recoverable amount. It is clarified that the standard shall not apply to inventories, investments and other financial assets such as loans and advances and shall generally be applicable to banks in so far as it relates to fixed assets. The Standard shall generally apply to financial lease assets and non-banking assets acquired in settlement of claims only when the indications of impairment of the entity are evident.

Section II

The significant accounting policies as approved by our Board and followed by our bank are given hereunder.

The application of these accounting policies is in adherence with the guidance notes detailed in Section I above, from FY 2021-22.

1. General

1.1 Basis of preparation

The Bank's financial statements are prepared on historical cost convention and on accrual basis of accounting, unless otherwise stated, by following going concern assumption and confirm in all material aspects to Generally Accepted Accounting Principles (GAAP) in India which comprise applicable statutory provisions, regulatory norms/ guidelines prescribed by the Reserve Bank of India (RBI)/ National Bank for Agriculture and Rural Development (NABARD), Banking Regulation Act, 1949, Regional Rural Banks Act, 1976 as amended up to date, Accounting Standards, Guidance Notes issued by the Institute of Chartered Accountants of India (ICAI) and practices prevailing in the banking industry in India.

1.2 Use of estimates

The preparation of financial statements requires the management to make estimates and assumptions considered in the reported amount of assets and liabilities (including contingent liabilities) as of date of the financial statements and the reported income and expenses for the reporting period. Management believes that the estimates used in the financial statements are prudent and reasonable and are based upon management's evaluation of the relevant facts and circumstances as of the date of financial statements. Future results could differ from these estimates. Any revision in the accounting estimates is recognized in the period in which the results are known / materialized.

2. Revenue Recognition:

2.1 Income and Expenditure are generally recognized on accrual basis, except the following:

i. Interest on non-performing advances and non-performing investments is recognized based on realization as per prudential norms laid down by Reserve Bank of India, in view of uncertainties of collection of income in such cases.

ii. Income by way of commission, exchange, brokerage, fee and interest on overdue bills are accounted for on realization.

iii. Locker rent and commission on bank guarantees are recognized on realization basis.

iv. In case of suit filed accounts, related legal and other expenses incurred are charged to Profit and Loss account and on recovery the same are accounted as income.

2.2 Partial recoveries in non-performing advances are appropriated in the following order of priority:

i. Expenditure/out of pocket expenses incurred for recovery

ii. Interest irregularities/accrued interest

iii. Principal irregularities i.e., Principal outstanding in the account

In case of non-performing advances involving compromise settlements, the recoveries are first adjusted towards principal.

3. Investments:

The guidelines issued by RBI for Investment Portfolio of RRBs are adopted by our Bank.

3.1 Categorization

The entire investment portfolio of the RRBs comprising SLR securities and non-SLR securities are classified under three categories viz. 'Held to Maturity', 'Available for Sale' and 'Held for Trading'.

However, in the Balance Sheet, the investments will continue to be disclosed as per the existing five classifications viz. (i) Government Securities (ii) Other Approved Securities (iii) Shares (iv) Debentures & Bonds (v) Subsidiaries and / or Joint Ventures(vi) Others like Mutual Fund Units, etc.

RRBs should decide the category of the investment at the time of acquisition and the decision should be recorded on the investment proposals.

3.2 Definitions

(i) The securities acquired by the RRBs with the intention to hold them up to maturity will be classified under Held to Maturity (HTM).

(ii) The securities acquired by the RRBs with the intention to trade by taking advantage of the short-term price/interest rate movements will be classified under Held for Trading (HFT).

(iii) The securities which do not fall within the above two categories will be classified under Available for Sale (AFS).

3.3 Valuation

A. In determining the acquisition cost of an investment,

(i) Brokerage, commission, securities transaction tax and stamp duty paid in connection with acquisition of investments is treated as revenue expenditure.

(ii) Broken period interest paid/received on debt instruments is treated as interest expense/income and is excluded from cost/sale consideration.

(iii) Cost is determined on the weighted average cost method for all the categories of investments.

B. The investments are valued in accordance with the guidelines issued by Reserve Bank of India on the following basis:

i. Investments classified under Held to Maturity category need not be marked to market and will be carried at acquisition cost unless it is more than the face value, in which case the premium should be amortized over the period remaining to maturity. The banks should reflect the amortized amount in schedule 13-Interest earned: Item II - Income on investments as a deduction.However, the deduction need not be disclosed separately. The book value of the security should continue to be reduced to the extent of the amount amortized during the relevant accounting period.

ii. The individual scrips in the Available for Sale category will be marked to market at quarterly or at more frequent intervals. The book value of the individual securities would not undergo any change after the revaluation.

iii. The individual scrips in the Held for Trading category will be marked to market at monthly or at more frequent intervals. The book value of individual securities in this category would not undergo any change after marking to market.

3.4.1 Held To Maturity (HTM):

Investment entries are to be passed at cost price of a Security. Where the cost price of a Security is more than the face value (purchased at premium), the premium has to be amortized over the remaining maturity period of the Security.

The banks should reflect the amortized amount in schedule 13-Interest earned: Item II - Income on investments as a deduction. However, the deduction need not be disclosed separately. The book value of the security should continue to be reduced to the extent of the amount amortized during the relevant accounting period.

On the other hand, where the cost price is less than the face value, the difference should be ignored and should not be taken to income since the amount represents un-realized gain. At the time of maturity, the difference between the maturity value and cost price will be taken as Income.

Profit on sale of investments from HTM category shall be first taken to the Profit & Loss Account and thereafter shall be appropriated to the 'Capital Reserve Account'. The amount so appropriated shall be net of taxes and the amount required to be transferred to Statutory Reserves. Loss on sale shall be recognized in the Profit & Loss Account.

3.4.2 Held For Trading and Available For Sale (AFS):

Profit / Loss on sale of Investments in HFT and AFS, should be taken into Profit & Loss A/c.

3.5 Prudential Norms:

Investments are classified as performing and Non-Performing, based on the guidelines issued by the Reserve Bank of India.

4. Fixed Assets:

(a) Fixed assets are stated at historical cost net of depreciation.

(b) Depreciation on fixed assets has been provided as per written down value method as under:

(i) Rates of depreciation:

- 10% on Wooden & Steel furniture items and electrical installations etc.
- 15% on Plant & Machinery, Motor Vehicles (Car & Jeep) and Cycles
- 40% on Computers, Computer equipment and Software
- 10% on Library
- 4.87% on RCC Frame Structures

(ii) Assets having original cost less than or equal to Rs. 5,000/- will be depreciated 100% leaving a residual value of Rs. 1/- only.

(iii) In respect of assets purchased during the year, depreciation is provided proportionately as per the number of days the asset is put to use by the bank during the year.

(iv) Depreciation is calculated in furniture module of the system and the same is provided manually in respect of Library.

(v) In respect of leasehold land, the lease premium, if any, is amortized over the period of lease on pro-rata basis.

5. Impairment of Assets:

The Bank assesses at each balance sheet date whether there is any indication that an asset may be impaired. Impairment loss, if any, is provided in the Statement of Profit and Loss to the extent the carrying amount of assets exceeds their estimated recoverable amount.

6. Deposits:

The Bank provides interest at the rate applicable to SB accounts towards interest on overdue deposits in terms of the RBI guidelines.

7. Advances:

a. All advances of the Bank have been classified into Performing (Standard) and Non-Performing Assets (Sub-standard, Doubtful and Loss Assets).

b. Provision in respect of Non-Performing Assets is made as per the Prudential norms issued by RBI/ NABARD and the provisions are as under:

(i) Sub-standard Assets: 15% on secured portion and 25% on unsecured portion

(ii) Doubtful Assets under D1 category: 25% on secured portion and 100% on unsecured portion

(iii) Doubtful Assets under D2 category: 40% on secured portion and 100% on unsecured portion

(iv) Doubtful Assets under D3 category and loss assets: 100 %

c. Provision in respect of Non-performing Assets has been deducted from the advances.

d. A general provision on Standard Advances (Performing Assets) and floating provision on advances have not been deducted from advances, but are shown under the head "Other Liabilities & Provisions" in the liabilities side of the Balance Sheet.

e. Unrealized Interest on Non-Performing assets is not recognized as income.

f. Partial recoveries in non-performing assets are apportioned first to the charges & interest and thereafter to the principal.

8. Employee Benefits:

8.1 Short Term Employee Benefits

The undiscounted amounts of employee benefits payable wholly within twelve months of rendering the service by employees are classified as short term and are recognized during the period in which the employee renders the related service.

8.2 Long Term Employee Benefits

(i) Defined Contribution Plans

Government of India accorded approval for grant of pension to the employees of RRBs vide its letter F.No. 8/20/2010-RRB dated 23.10.2018. Board vide its resolution no. 2714 dated 30.10.2018 approved adoption of Chaitanya Godavari Grameena Bank (Employees') Pension Regulations, 2018. Contributions to the recognized provident fund and/or National Pension Scheme (NPS) shall be made in terms of the said pension regulations.

The accounting shall be made as per the extant guidelines applicable there for, as communicated by GoI/ NABARD/Sponsor Bank from time to time.

(ii) Defined Benefit Plans

Employees' gratuity, pension and leave encashment are defined benefit plans

a. Gratuity:

Bank has formulated a trust and the trustees have obtained a Group Gratuity policy with Life Insurance Companies regulated by IRDAI, to cover the gratuity liability of the employees.

The present value of the Bank's obligations under Gratuity is recognized on the basis of an actuarial valuation as at the year end and the fair value of the Plan Assets is reduced from the gross obligations to recognize the obligation on a net basis.

As per the actuarial valuation given by the Life Insurance Companies, the Bank shall make payment to the Life Insurance Companies. The trust shall also make investments with other companies towards gratuity.

b. Pension:

The accounting shall be made as per the extant guidelines applicable there for, as communicated by GoI/ NABARD/Sponsor Bank from time to time.

c. Leave Encashment:

i. Encashment of Earned Leaves during the tenure of service on account of LFC/LTC is charged to Profit & Loss Account as and when it arises.

ii. Towards encashment of earned leave at the time of retirement etc., Bank is maintaining a fund with Life Insurance Companies regulated by IRDAI which makes actuarial valuation and accordingly amounts are invested in the fund every year. Funds are invested under Group Leave Encashment Scheme (GLES) with other companies also.

9. Accounting Standard 17: Segment Reporting

In terms of the compliance to the accounting standard, bank has adopted the following:

I. The business segment is considered as the only reporting format.

II. The business segments will be Retail Banking and Treasury only.

III. The allocation of expenditure among the segments will be made on a reasonable and consistent basis.

10. Accounting Standard 22: Accounting For Taxes on Income

The standard is applied in accounting for taxes on income. This includes the determination of the amount of the expenses or saving related to taxes on income in determination of the amount period and the disclosure of such an amount in the financial statement. This accounting standard provides for creation of either a 'Deferred Tax Asset (DTA)' or a 'Deferred Tax Liability (DTL)' in the books of accounts of the bank.

11. Taxes on Income:

1. Income tax expenses is the aggregate amount of
   I. current tax provision and
   II. deferred tax charge
2. Current tax provision is the amount of tax for the period which is determined in accordance with the provisions of Income Tax Act, 1961 and the rules made there under.
3. Deferred tax charge is determined in accordance with the provisions of Income Tax Act, 1961 and as per Accounting Standard 22 'Accounting for Taxes on Income' issued by the Institute of Chartered Accountants of India and is the net change in the deferred tax asset or liability during the year. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income and reversal of timing differences of earlier years.
4. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date.
5. Deferred tax assets are not recognized unless there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets will be realized.
6. Deferred tax assets are recognized and reassessed at each reporting date, based upon the management's judgement as to whether realization is considered as reasonably/virtually certain.

12. Accounting Standard 25: Interim Financial Reporting

There shall be a quarterly review by Statutory Central Auditors (SCA) for the period ended 30th June, 30th September and 31st December. Such exercise of quarterly review shall be made with major thrust on the verification of income and expenditure items and not on balance sheet items except to the extent that such items have an impact on the income and expenditure of the bank.

13. Provisions & Contingent Liabilities:

1) In conformity with AS 29 "Provisions, Contingent Liabilities and Contingent Assets" issued by the Institute of Chartered Accountants of India, the Bank shall recognize provisions only when:

a. It has a present obligation as a result of a past event.

b. it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and

c. When a reliable estimate of the amount of the obligation can be made.

2) No provision is recognized for:

a. any possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Bank; or

b. any present obligation that arises from past events but is not recognized because

   i. it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or

   ii. A reliable estimate of the amount of obligation cannot be made. Such obligations are recorded as Contingent Liabilities. These are assessed at regular intervals and only that part of the obligation for which an outflow of resources embodying economic benefits is probable, is provided for, except in the extremely rare circumstances where no reliable estimate can be made.

3) All unclaimed liabilities, where amount due has been transferred to Depositor Education and Awareness Fund Scheme [DEAF] of RBI, are reflected as "Contingent Liability - Others, items for which the bank is contingently liable" under Schedule 12 of the annual financial statements.

4) Contingent Assets are not recognized in the financial statements.

14. Net Profit:

The Net Profit disclosed in the Profit and Loss Account is after__

a. Provision on standard assets

b. Provision on loan losses

c. Provision for non-performing investments

d. Provision for depreciation on investments

e. Provision for taxation

f. Other usual and necessary provisions

15. Cash Flow Statement:

Cash Flow statement of the Bank is prepared as per AS-3. Cash Flow statement is mainly classified as:

15.1 Cash Flow from operating activities: This activity includes cash flow generated from operational activities.

15.2 Cash Flow from investing activities: This activity includes cash flow generated by investments.

15.3 Cash Flow from financial activities: This activity includes cash flow generated from financial instruments.

As per our report on even date
For M N Rao & Associates LLP
Chartered Accountants
FRN: 005386S/S000195

(T S Rama Mohana Rao)
Designated Partner
Membership No. 200613
UDIN: 26200613NQZHTV7559

BOARD OF DIRECTORS

K Pramod Kumar Reddy
Chairman

B Suryakumar Arunkumar
Nominee Director
RBI

Dr. K V S Prasad
Nominee Director
NABARD

A K Vinod
Nominee Director
Union Bank of India

C V N Bhaskara Rao
Nominee Director
Union Bank of India

Place : Guntur
Date : 30-Apr-2026

SCHEDULE - 18
Disclosure in financial statements - 'Notes to Accounts'

The Government of India (GOI), Ministry of Finance, Department of Financial Services vide Gazette Notification CG-DL-E-07042025-262329 dated 07th April 2025, approved the scheme of amalgamation of Chaitanya Godavari Grameena Bank, Andhra Pragathi Grameena Bank, Saptagiri Grameena Bank and Andhra Pradesh Grameena Vikas Bank operating in the state of Andhra Pradesh to form a new entity known as **"ANDHRA PRADESH GRAMEENA BANK"** under the sponsorship of Union Bank of India with effect from 01-05-2025.

The working results for the year ended 31st March, 2026 include operations of erstwhile Chaitanya Godavari Grameena Bank, Andhra Pragathi Grameena Bank, Saptagiri Grameena Bank and Andhra Pradesh Grameena Vikas Bank. Hence the results for the current year are not comparable with the previous year. Hence, the previous year results were not provided.

1. Regulatory Capital

a) Composition of Regulatory Capital

(Rs. in Crores)

Sr. No.	Particulars	Current Year
i)	Tier 1 capital	13,284.25
ii)	Tier 2 capital	244.71
iii)	Total capital (Tier 1+Tier 2) (i + ii)	13,528.96
iv)	Total Risk Weighted Assets(RWAs)	57,266.91
v)	Tier 1 Ratio (Tier 1 capital as a percentage of RWAs)	23.19
vi)	Tier 2 Ratio (Tier 2 capital as a percentage of RWAs)	0.43
vii)	Capital to Risk Weighted Assets Ratio (CRAR) (Total Capital as a percentage of RWAs)	23.62
viii)	Percentage of the share holding of	
	a) Government of India	50%
	b) State Government (Andhra Pradesh)	15%
	c) Sponsor Bank (Union Bank of India)	35%
ix)	Amount of paid-up equity capital raised during the year	0.00
x)	Amount of perpetual debt instruments raised during the year	0.00

b) Draw down from Reserves -NIL

2. Asset liability Management

a) Maturity pattern of certain items of assets and liabilities

(Rs. in Crores)

As on 31.03.2026												
Particulars	Day1	2 to 7days	8 to 14 days	15 to 30 Days	31 days to 2 months	Over 2 Months and up to 3 months	Over3 months and upto 6 Months	Over 6 months and upto 1year	Over1 year and upto 3 years	Over 3 years andup to 5 years	Over 5 years	Total
Deposits	165.18	1,858.93	1,475.46	1,505.05	3,090.17	4,194.17	8,041.87	17,716.95	26,062.31	312.15	250.63	64,672.87
Advances	3,249.69	374.69	357.96	1,446.91	3,398.96	4,035.03	7,451.97	20,713.25	17654.00	3,162.71	4,805.13	66,650.30
Investments	47.76	0.00	0.00	20.00	20.00	15.00	164.32	734.92	1,199.25	2,015.09	6,730.94	10,947.28
Borrowings	0.00	0.00	0.00	604.07	0.00	0.00	1,567.57	6065.68	4,548.94	1,317.23	11.97	14,115.46
Foreign Currency assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Foreign Currency liabilities	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. Investments

As at 31.03.2026

(Rs. in Crores)

	Investments in India							Investments outside India				
	Government Securities	Other Approved Securities	Shares	Debentures and Bonds	Subsidiaries and/or joint ventures	Others	Total investments in India	Government securities (including local authorities)	Subsidiaries and /or joint ventures	Others	Total Investments outside India	Total Investments
Held to Maturity	8,898.18	0.00	0.00	0.00	0.00	0.00	8,898.18	0.00	0.00	0.00	0.00	0.00
Gross	8,898.18	0.00	0.00	0.00	0.00	0.00	8,898.18	0.00	0.00	0.00	0.00	0.00
Less: Provision for non-Performing investments(NPI)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net	8,898.18	0.00	0.00	0.00	0.00	0.00	8,898.18	0.00	0.00	0.00	0.00	0.00
Available for Sale	1,898.01	0.00	0.75	103.33	0.00	47.01	2,049.10	0.00	0.00	0.00	0.00	0.00
Gross	1,898.01	0.00	0.75	103.33	0.00	47.01	2,049.10	0.00	0.00	0.00	0.00	0.00
Less: Provision for depreciation And NPI	0.00	0.00	0.00	0.00	0.00	1.19	1.19	0.00	0.00	0.00	0.00	0.00
Net	1,898.01	0.00	0.75	103.33	0.00	45.82	2,047.91	0.00	0.00	0.00	0.00	0.00
Held for Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Gross	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Less: Provision for depreciation And NPI	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Investments	10,796.19	0.00	0.75	103.33	0.00	47.01	10,947.28	0.00	0.00	0.00	0.00	0.00
Less: Provision for non-Performing investments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Less: Provision for depreciation and NPI	0.00	0.00	0.00	0.00	0.00	1.19	1.19	0.00	0.00	0.00	0.00	0.00
Net	**10,796.19**	**0.00**	**0.75**	**103.33**	**0.00**	**45.82**	**10,946.09**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**

a. Movement of provisions for depreciation on investments, Non Performing investments (NPIs) and Investment Fluctuation Reserve (IFR)

(Rs. in Crores)

Particulars	Current Year
i) Movement of provisions held towards depreciation of investments and NPIs	
a. Opening balance	0.00
b. Add: Provisions made during the year	1.19
c. Less: Write off / write back of excess provisions during the year	0.00
d. Closing balance	1.19
ii) Movement of Investment Fluctuation Reserve	
a. Opening balance	55.80
b. Add: Amount transferred during the year	0.00
c. Less: Drawdown	0.00
d. Closing balance	0.00
iii) Closing balance in IFR as a percentage of closing balance of investments in AFS and HFT/Current category	55.80

b. Sale and transfers to/from HTM category - NIL

c. Non-SLR investment portfolio

i) Non-performing non-SLR investments

(Rs. in Crores)

Sr. No.	Particulars	Current Year
a)	Opening balance	0.00
b)	Additions during the year since 1st April	0.00
c)	Reductions during the above period	0.00
d)	Closing balance	0.00
e)	Total provisions held	0.00

ii) Issuer composition of non-SLR investments

(Rs. in Crores)

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
		Current Year	Current Year	Current Year	Current Year	Current Year
a)	PSUs	104.08	0.00	0.00	0.00	0.00
b)	FIs	0.00	0.00	0.00	0.00	0.00
c)	Banks	0.00	0.00	0.00	0.00	0.00
d)	Private Corporates	0.00	0.00	0.00	0.00	0.00
e)	Subsidiaries/Joint Ventures	0.00	0.00	0.00	0.00	0.00
f)	Others	47.01	0.00	0.00	0.00	0.00
g)	Provision held towards depreciation	1.19	0.00	0.00	0.00	0.00
	Total*	**149.90**	**0.00**	**0.00**	**0.00**	**0.00**

d. Repo transactions (in face value and Market value terms)

(Rs. in Crores)

	Minimum out-standing during the year		Maximum out-standing during the year		Daily average outstanding during the year		Outstanding as on March 31	
	FV	MV	FV	MV	FV	MV	FV	MV
i) Securities sold under repo a) Government securities b) Corporate debt securities c) Any other securities	208.06	210.22	208.06	210.22	27.46	28.56	0.00	0.00
ii) Securities purchased under reverse repo a) Government securities b) Corporate debt securities c) Any other securities	463.67	456.00	469.46	500.00	2.78	2.85	0.00	0.00

e. Government Security Lending (GSL) transactions (in market value terms)

As at 31.03.2026

(Rs. in Crores)

	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
Securities lent through GSL Transactions	0.00	0.00	0.00	0.00	0.00
Securities borrowed through GSL transactions	0.00	0.00	0.00	0.00	0.00
Securities placed as collateral under GSL transactions	0.00	0.00	0.00	0.00	0.00
Securities received as collateral under GSL Transactions	0.00	0.00	0.00	0.00	0.00

4. Asset quality

a) Classification of advances and provisions held

(Rs. in Crores)

	Standard	Non-Performing				Total
	Total Standard Advances	Sub-standard	Doubtful	Loss	Total Non-Performing Advances	
Gross Standard Advances and NPAs						
Opening Balance	61,013.98	205.38	295.94	78.84	580.16	61,594.14
Add: Additions during the year					234.92	234.92
Less: Reductions during the year					208.08	208.08
Closing balance	66,057.49	246.10	326.11	34.79	607.00	66664.49

(Rs. in Crores)

	Standard	Non-Performing				Total
	Total Standard Advances	Sub-standard	Doubtful	Loss	Total Non-Performing Advances	
Reductions in Gross NPAs due to:					208.08	208.08
i) Up gradation					39.00	39.00
ii) Recoveries (excluding recoveries from upgraded accounts)					88.74	88.74
iii) Technical/Prudential Write-offs					11.67	11.67
iv) Write-offs other than those under (iii) above					68.67	68.67
Provisions (excluding Floating Provisions)						
Opening balance of provisions held	174.86	205.38	295.94	78.84	580.16	755.02
Add: Fresh provisions made during the year					107.17	107.17
Less: Excess provision reversed/ Write-off loans					80.33	80.33
Closing balance of provisions held	189.70	246.10	326.11	34.79	607.00	796.70
Net NPAs						
Opening Balance		0.00	0.00	0.00	0.00	
Add: Fresh additions during the year					0.00	
Less: Reductions during the year					0.00	
Closing Balance		0.00	0.00	0.00	0.00	
Floating Provisions						0.00
Opening Balance						0.00
Add: Additional provisions made during the year						0.00
Less: Amount drawn down during the year						0.00
Closing balance of floating provisions						0.00

(Rs. in Crores)

	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						77.71
Add:Technical/ Prudential write-offs during the year						11.71
Less: Recoveries made from previously technical/ prudential written-off accounts during the year						5.44
Closing balance						83.98

Ratios (in percent)	Current Year
Gross NPA to Gross Advances	0.91%
Net NPA to Net Advances	0.00%
Provision coverage ratio	100%

b) Sector-wise Advances and Gross NPAs

(Rs. in Crores)

Sr. No.	Sector	Current Year		
		Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in That sector
i)	**Priority Sector**			
a)	Agriculture and allied activities	51,964.62	368.03	0.71
b)	Advances to industries sector eligible as priority sector lending	157.50	0.44	0.28
c)	Services	6,457.15	96.60	1.50
d)	Personal loans	3,291.71	107.46	3.26
	Subtotal (i)	61,870.98	572.53	0.93
ii)	**Non-priority Sector**			
a)	Agriculture and allied activities	0.00	0.00	0
b)	Industry	0.00	0.00	0
c)	Services	0.00	0.00	0
d)	Personal loans	4,793.51	34.47	0.72
	Sub-total(ii)	4,793.51	34.47	0.72
	Total (i + ii)	66,664.49	607.00	0.91

C) Details of accounts subjected to restructuring

		Agriculture and allied activities	Corporates (excluding MSME)	Micro, Small and Medium Enterprises (MSME)	Retail (excluding agriculture and MSME)	Total
		Current Year	Current Year	Current Year	Current Year	Current Year
Standard	Number of borrowers	1334	0	191	1082	2607
	Gross Amount (₹ crore)	53.37	0.00	5.81	66.84	126.02
	Provision held (₹ crore)	0.13	0.00	0.01	0.26	0.41
Sub-standard	Number of borrowers	68	0	62	28	158
	Gross Amount (₹ crore)	1.64	0.00	0.55	1.94	4.13
	Provision held (₹ crore)	1.58	0.00	0.53	1.80	3.91
Doubtful	Number of borrowers	494	0	347	135	976
	Gross Amount (₹ crore)	10.11	0.00	4.76	6.41	21.28
	Provision held (₹ crore)	8.09	0.00	4.29	5.72	18.10
Total	Number of borrowers	1896	0	600	1245	3741
	Gross Amount (₹ crore)	65.12	0.00	11.12	75.19	151.43
	Provision held (₹ crore)	9.80	0.00	4.83	7.78	8.99

d) Disclosure of transfer of loan exposures

(i) In respect of loans not in default that are transferred or acquired, the disclosures should cover, inter alia, aspects such as weighted average maturity, weighted average holding period, retention of beneficial economic interest, coverage of 54 tangible security coverage, and rating-wise distribution of rated loans. Specifically, a transferor should disclose all instances where it has agreed to replace loans transferred to transferee(s) or pay damages arising out of any representation or warranty. The disclosures should also provide break-up of loans transferred / acquired through assignment / novation and loan participation.-**NIL**.

(ii) In the case of stressed loans transferred or acquired, the following disclosures should be made

Details of stressed loans transferred during the year (to be made separately for loans classified as NPA and SMA)			
(all amounts in ₹ crore)	To ARCs	To permitted transferees	To other transferees
No: of accounts	0.00	0.00	0.00
Aggregate principal outstanding of loans transferred	0.00	0.00	0.00
Weighted average residual tenor of the loans transferred	0.00	0.00	0.00
Net book value of loans transferred (at the time of transfer)	0.00	0.00	0.00
Aggregate consideration	0.00	0.00	0.00
Additional consideration realized in respect of accounts transferred in earlier years	0.00	0.00	0.00

Details of loans acquired during the year		
(all amounts in ₹ crore)	From SCBs, RRBs, UCBs, StCBs, DCCBs, AIFIs, SFBs and NBFCs including Housing Finance Companies (HFCs)	From ARCs
Aggregate principal outstanding of loans acquired	0.00	0.00
Aggregate consideration paid	0.00	0.00
Weighted average residual tenor of loans acquired	0.00	0.00

(iii) The transferor(s) should also make appropriate disclosures with regard to the quantum of excess provisions reversed to the profit and loss account on account of sale of stressed loans. Also, the lender should disclose the distribution of the SRs held by it across the various categories of Recovery Ratings assigned to such SRs by the credit rating agencies. - NIL.

e) Non-Fund Based (NFB) Credit Facilities:

		Current Year	
		Secured Portion	Unsecured Portion
I.	Outstanding Guarantees (₹ crore)	38.77	0.00
	i) In India	38.77	0.00
	ii) Outside India	0.00	0.00
II.	Acceptances, Endorsements and other Obligations (₹ crore)	0.00	0.00
III.	Other NFB Credit facilities (₹ crore)	0.00	0.00

f) Fraud accounts

Banks shall make disclose details on the number and amount of frauds as well as the provisioning there on as per template given below.

Particulars	Current Year
Number of frauds reported	3
Amount involved in fraud (₹ crore)	0.24
Amount of provision made for such frauds (₹ crore)	0.00
Amount of Unamortised provision debited from 'other Reserves as at the end of the year (₹ crore)	0.00

g) Disclosure under Resolution Framework for COVID-19-related Stress

As on March 31, 2026

(Rs. in Crores)

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at the end of the previous half-year (A)	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A), amount written off during the half-year	Of (A), amount paid by the borrowers during the half-year	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at the end of this half-year
Personal Loans	0.00	0.00	0.00	0.00	0.00
Corporate Loans	0.00	0.00	0.00	0.00	0.00
Of which MSMEs	0.00	0.00	0.00	0.00	0.00
Others	154.00	3.61	0.00	27.36	123.03
Total	154.00	3.61	0.00	27.36	123.03

As on September 30, 2025

(Rs. in Crores)

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at the end of the previous half-year (A)	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A), amount written off during the half-year	Of (A), amount paid by the borrowers during the half-year	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at the end of this half-year
Personal Loans	0.00	0.00	0.00	0.00	0.00
Corporate Loans	0.00	0.00	0.00	0.00	0.00
Of which MSMEs	0.00	0.00	0.00	0.00	0.00
Others	201.15	2.69	0.00	44.46	154.00
Total	201.15	2.69	0.00	44.46	154.00

As on March 31, 2025

(Rs. in Crores)

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at the end of the previous half-year (A)	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A), amount written off during the half-year	Of (A), amount paid by the borrowers during the half-year	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at the end of this half-year
Personal Loans	0.01	0.00	0.01	0.00	0.00
Corporate Loans	0.00	0.00	0.00	0.00	0.00
Of which MSMEs	0.00	0.00	0.00	0.00	0.00
Others	330.90	5.87	3.40	120.48	201.15
Total	330.91	5.87	3.41	120.48	201.15

As on September 30, 2024

(Rs. in Crores)

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at the end of the previous half-year (A)	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A), amount written off during the half-year	Of (A), amount paid by the borrowers during the half-year	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at the end of this half-year
Personal Loans	0.10	0.05	0.00	0.04	0.01
Corporate Loans	0.00	0.00	0.00	0.00	0.00
Of which MSMEs	0.00	0.00	0.00	0.00	0.00
Others	423.02	5.54	0.00	86.58	330.90
Total	423.12	5.59	0.00	86.62	330.91

As on March 31, 2024

(Rs. in Crores)

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at the end of the previous half-year (A)	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A), amount written off during the half-year	Of (A), amount paid by the borrowers during the half-year	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at the end of this half-year
Personal Loans	0.11	0.00	0.00	0.01	0.10
Corporate Loans	0.00	0.00	0.00	0.00	0.00
Of which MSMEs	0.00	0.00	0.00	0.00	0.00
Others	701.40	1.47	4.41	272.50	423.02
Total	701.51	1.47	4.41	272.51	423.12

As on September 30, 2023

(Rs. in Crores)

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at the end of the previous half-year (A)	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A), amount written off during the half-year	Of (A), amount paid by the borrowers during the half-year	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at the end of this half-year
Personal Loans	0.27	0.04	0.00	0.12	0.11
Corporate Loans	0.00	0.00	0.00	0.00	0.00
Of which MSMEs	0.00	0.00	0.00	0.00	0.00
Others	1226.68	11.12	0.00	514.16	701.40
Total	1226.95	11.16	0.00	514.28	701.51

As on March 31, 2023

(Rs. in Crores)

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at the end of the previous half-year (A)	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A), amount written off during the half-year	Of (A), amount paid by the borrowers during the half-year	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at the end of this half-year
Personal Loans	0.47	0.06	0.00	0.17	0.27
Corporate Loans	0.00	0.00	0.00	0.00	0.00
Of which MSMEs	0.00	0.00	0.00	0.00	0.00
Others	1788.02	6.31	0.02	635.42	1226.68
Total	1788.49	6.37	0.02	635.59	1226.95

As on September 30, 2022

(Rs. in Crores)

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at the end of the previous half-year (A)	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A), amount written off during the half-year	Of (A), amount paid by the borrowers during the half-year	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at the end of this half-year
Personal Loans	0.69	0.03	0.00	0.49	0.47
Corporate Loans	0.00	0.00	0.00	0.00	0.00
Of which MSMEs	0.00	0.00	0.00	0.00	0.00
Others	2672.57	9.96	0.00	2083.41	1788.02
Total	2673.26	9.99	0.00	2083.90	1788.49

5. Exposures

a) Exposure to real estate sector

(Rs. in Crores)

Category	Current Year
i) Direct exposure	
a) Residential Mortgages-	
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented. Individual housing loans eligible for inclusion in priority sector advances shall be shown separately. Exposure would also include non-fund based (NFB) limits.	2,828.85
b) Commercial Real Estate-	
Lending secured by mortgages on commercial real estate (office buildings, retail space, multipurpose commercial premises, multifamily 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;	25.94
c) Investments in Mortgage-Backed Securities (MBS) and other securitized exposures-	
i. Residential	14.06
ii. Commercial Real Estate	0.00
ii) Indirect Exposure	
Fund based and non-fund-based exposures on National Housing Bank and Housing Finance Companies.	0.00
Total Exposure to Real Estate Sector	**2,868.85**

b. Exposure to capital market

(Rs. in Crores)

Particulars	Current Year
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;	0.00
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;	0.00
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
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
v) Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stock brokers and market makers;	0.00
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
vii) Bridge loans to companies against expected equity flows/issues;	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
ix) Financing to stock brokers for margin trading;	0.00
x) All exposures to Venture Capital Funds (both registered and unregistered)	0.00
Total exposure to capital market	0.00

c) Risk category-wise country exposure

(Rs. in Crores)

Risk Category	Exposure (net) as at March,26 (Current Year)	Provision held as at March,26 (Current Year)
Insignificant	NA	NA
Low	NA	NA
Moderately Low	NA	NA
Moderate	NA	NA
Moderately High	NA	NA
High	NA	NA
Very High	NA	NA
Total	NA	NA

d) Unsecured advances

(Rs. in Crores)

Particulars	Current year
Total unsecured advances of the bank	13,310.46
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
Estimated value of such intangible securities	0.00

e) Factoring exposures - NIL

f) Intra-group exposures

The following is the summary of significant related party transactions: (Rs. in Crores)

Particulars	For the year ended 31st March 2026
Total amount of intra-group exposures	0.00
Total amount of top 20 intra-group exposures	0.00
Percentage of intra-group exposures to total exposure of the bank on borrowers / customers	0.00
Details of breach of limits on intra-group exposures and regulatory action thereon, if any.	0.00

g) Unhedged foreign currency exposure - NIL.

h) Loans against gold and silver collateral

i. Details of loans extended against eligible gold and silver collateral

	Loan outstanding		Average ticket size (₹ crore)	Average LTV ratio	Gross NPA (%)
	₹ crore	As % of Total Loans			
1. Opening balance of the FY [(a) + (b)]	22,444.42	34.61	0.012	0.71	0.01
(a)Consumption loans	3,238.01	4.99	0.01	0.65	0.02
of which bullet repayment loans	2,921.58	4.51	0.009	0.65	0.02
(b) Income generating loans	19,206.42	29.62	0.013	0.72	0.01
2. New loans sanctioned and disbursed during the FY [(c) + (d)]	34,345.02	47.92	0.015	0.71	NA
(c) Consumption loans	2,818.62	3.93	0.009	0.65	NA
of which bullet repayment loans	2,258.50	3.15	0.007	0.65	NA
(d) Income generating loans	31,526.40	43.99	0.016	0.72	NA
3. Renewals sanctioned and disbursed during the FY	0.00	0	0	0	NA
4. Top-up loans sanctioned and disbursed during the FY	0.00	0	0	0	NA
5. Loans repaid during the FY [(e) + (f)]	29,301.10	40.89	0.012	NA	NA
(e) Consumption loans	3,899.83	5.44	0.009	NA	NA
of which bullet repayment loans	3,418.42	4.77	0.008	NA	NA
(f) Income generating loans	24,354.96	33.98	0.013	NA	NA
6. Non-Performing Loans recovered during the FY [(g) + (h)]	0.62	0.01	0.01	NA	NA
(g) Consumption loans	0.18	0.01	0.01	NA	NA
of which bullet repayment loans	0.18	0.01	0.01	NA	NA
(h) Income generating loans	0.44	0.01	0.01	NA	NA
7. Loans written off during the FY [(i)+(j)]	0.00	0.00	0.00	NA	NA
(i) Consumption loans	0.00	0.00	0.00	NA	NA
of which bullet repayment loans	0.00	0.00	0.00	NA	NA
(j) Income generating loans	0.00	0.00	0.00	NA	NA
8. Closing balance at the end of FY [(k) + (l)]	26,450.18	38.36	0.0016	0.53	0.01
(k) Consumption loans	2,087.16	2.91	0.011	0.50	0.02
of which bullet repayment loans	1,699.65	2.37	0.009	0.50	0.03
(l) Income generating loans	25,391.57	35.43	0.017	0.54	0.01

ii. Details of gold and silver collateral and auctions

Sr. No.	Particulars		
(a)	Unclaimed gold or silver collateral at the end of the financial year (in grams)		60647.27
(b)	Number of loan accounts in which auctions were conducted		111
(c)	Total outstanding in loan accounts mentioned in (b) (in ₹ crore)		1.26
(d)	Gold or silver collateral acquired during the FY due to default of loans (in grams)		2918.79
(e)	Gold or silver collateral auctioned during the FY (in grams)		2796.39
(f)	Recovery made through auctions during the FY (in ₹ crore)		2.45
(g)	Recovery percentage:		
(h)		as % of value of gold or silver collateral	95.81
(i)		as % of outstanding loan	194.44

6. Concentration of deposits, advances, exposures and NPAs

a) Concentration of deposits

(Rs. in Crores)

Particulars	Current year
Total deposits of the twenty largest depositors	8,022.84
Percentage of deposits of twenty largest depositors to total deposits of the bank	12.41%

b) Concentration of advances

(Rs. in Crores)

Particulars	Current year
Total advances to the twenty largest borrowers	75.36
Percentage of advances to twenty largest borrowers to total advances of the bank	0.11%

c) Concentration of exposures

(Rs. in Crores)

Particulars	Current year
Total exposure to the twenty largest borrowers /customers	97.65
Percentage of exposures to the twenty largest borrowers /customers to the total exposure of the bank on borrowers /customers	0.15%

d) Concentration of NPAs

(Rs. in Crores)

Particulars	Current year
Total Exposure to the top twenty NPA accounts	25.97
Percentage of exposures to the twenty largest NPA exposure To total Gross NPAs.	4.28

7. Derivatives

a) Forward rate agreement/Interest rate swap

(Rs. in Crores)

Particulars	Current year
i) The notional principal of swap agreements. ii) Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements. iii) Collateral required by the bank upon entering into swaps. iv) Concentration of credit risk arising from the swaps. v) The fair value of the swap book.	0.00

b) Exchange traded interest rate derivatives

(Rs. in Crores)

Sr. No.	Particulars	Current year
i)	Notional principal amount of exchange traded interest rate derivatives undertaken during the year (instrument wise)	NIL
ii)	Notional principal amount of exchange traded interest rate derivatives outstanding as on 31st March, 2024 (instrument wise)	
iii)	Notional principal amount of exchange traded interest rate derivatives outstanding and not highly effective' (instrument wise)	
iv)	Mark to market value of exchange traded interest rate derivatives outstanding and not highly effective (instrument wise)	

c) Disclosures on risk exposure in derivatives

i) **Qualitative disclosures - NIL**

ii) **Quantitative disclosures**

(Rs. in Crores)

Sl. No.	Particulars	Current Year	
		Currency Derivatives	Interest Rate Derivatives
a)	Derivatives (Notional Principal Amount)	0.00	0.00
	i) For Hedging	0.00	0.00
	ii) For Trading	0.00	0.00
b)	Market to Market Positions	0.00	0.00
	i) Assets (+)	0.00	0.00
	ii) Liability (-)	0.00	0.00
c)	Likely impact of one percentage change in interest rate (100*PV01)	0.00	0.00
	i) On hedging Derivatives	0.00	0.00
	ii) On Trading Derivatives	0.00	0.00
d)	Maximum and Minimum of 100*PV01 observed during the year	0.00	0.00
	i) On hedging	0.00	0.00
	ii) On Trading	0.00	0.00

8. Transfers to Deposit or Education and Awareness Fund (DEA Fund)

(Rs. in Crores)

Sr. No.	Particulars	Current year
i)	Opening balance of amounts transferred to DEA Fund	193.67
ii)	Add: Amounts transferred to DEA Fund during the year	51.70
iii)	Less: Amounts reimbursed by DEA Fund towards claims	9.78
iv)	Closing balance of amounts transferred to DEA Fund	235.59

9. Disclosure of complaints

i. Summary information on complaints received by the bank from customers and from the Offices of Ombudsman

Sr. No.		Particulars	Current year
	Complaints received by the bank from its customers		
1		Number of complaints pending at beginning of the year	17
2		Number of complaints received during the year	421
3		Number of complaints disposed during the year	436
	3.1	Of which, number of complaints rejected by the bank	0
4		Number of complaints pending at the end of the year	2
		Maintainable complaints received by the bank from Office of Ombudsman	
5		Number of maintainable complaints received by the bank from Office of Ombudsman	126
	5.1.	Of 5, number of complaints resolved in favour of the bank by Office of Ombudsman	126
	5.2	Of 5, number of complaints resolved through conciliation/ mediation/ advisories issued by Office of Ombudsman	0
	5.3	Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the bank	0
6		Number of Awards unimplemented within the stipulated time (other than those appealed)	0

ii. Top five grounds of complaints received by the bank from customers

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
Current Year					
Ground- 1	2	11	NA	0	0
Ground- 2	0	9	NA	0	0
Ground- 3	7	135	NA	2	0
Ground- 4	2	21	NA	0	0
Ground- 5	6	27	NA	0	0
Others	0	218	NA	0	0
Total	17	421	NA	2	0

10. Disclosure of penalties imposed by the Reserve Bank of India -

Sl. No.	Penalties imposed by the Reserve Bank of India under the provisions of	Nature of the breach	No. of Instances	Penalty Amount (in ₹ Cr.)
(i)	Banking Regulation Act, 1949	NIL	0	0.00
(ii)	Payment and Settlement Systems Act, 2007	Funds Shortage in IMPS Settlement	1	0.01
(iii)	Government Securities Act, 2006 (for bouncing of SGL)	NIL	0	0.00
(iv)	Defaulting in Reverse Repo	NIL	0	0.00

11. Related Party Disclosure:

a. Our Bank is an Associate for Union Bank of India. Accordingly, Union Bank of India is a related party.

b. Salaries and Allowances paid to the officers on deputation from Union Bank of India (i.e, our Sponsor Bank) are charged to the profit and loss account of the Bank.

c. The Bank is having transactions with Union Bank of India, but details are not given under this head as Accounting Standard 18 on Related Party Disclosures exempts the Bank from disclosing the transactions with Other State Controlled Enterprises.

Particulars of Managerial Remuneration:

(Rs. in Lakhs)

Sl. No.	Name	Designation	Current year
1	K Pramod Kumar Reddy	Chief General Manager	20.95
2	G Venkata Prasad	Assistant General Manager	16.05
3	B Rama Krishna	Assistant General Manager	15.57
4	Harish Betha	Assistant General Manager	16.49
5	J Jummilal	Assistant General Manager	16.36
6	D Venkata Ramana	Assistant General Manager	15.89
7	A Rajasekharam	Assistant General Manager	16.49
8	K Janardhana Rao	Assistant General Manager	16.37
9	S R Raghunatha Reddy	Assistant General Manager	16.07
10	Bidhubhusan Lenka	Assistant General Manager	16.49
11	Praveen Venugopalan	Assistant General Manager	2.31
12	V Lakshmanan	Assistant General Manager	1.76
13	N Amarnath Reddy	Chief Manager	14.55
14	E Rambabu	Chief Manager	13.87
15	M.B.S. Subrahmanyam	Chief Manager	1.97
16	Srinivasa Manikantesh Kedarisetty	Chief Manager	2.31
17	Hashim Malegedekunuge	Chief Manager	1.28
18	Nallu Venkata Ananth Kumar	Chief Manager	1.09
19	Nitin Prajapati	Chief Manager	2.13

(Rs. in Lakhs)

Sl. No.	Name	Designation	Current year
20	Partha Sarathi Nayak	Chief Manager	2.04
21	Somasekhar V	Senior Manager	1.75
22	Bulsan Pradhan	Senior Manager	1.57
23	Jatothu Suman	Senior Manager	1.64
24	Sreelatha C.V.	Senior Manager	1.79
25	Krushna Rout	Senior Manager	1.94
26	Nitin Gamit	Senior Manager	1.71
27	Ishaan Bali	Senior Manager	0.85
28	A V S S Ramesh Reddy	Senior Manager	3.52
29	Mohan Babu Banavathu	Senior Manager	3.28
30	K Vasudeva Reddy	Senior Manager	3.24
31	G Saleem Basha	Senior Manager	3.60
32	Suresh Kumar Kombathula	Manager	1.30
33	Preetham Sharma Challapalli Naga	Manager	1.13
34	Prateek Shrivastava	Manager	1.31
35	Anantha Kumar V P	Manager	1.27
36	Puli Chaitanya	Assistant Manager	1.26

12. Accounting Standard 17 - Segment Reporting

Part A: Business Segments

(Rs. in Crores)

Business Segments	Treasury	Corporate / Wholesale Banking	Retail Banking	Other Banking Business	Total
Particulars	Current Year	Current Year	Current Year	Current Year	Current Year
Revenue	659.87	0.00	8,239.67	0.00	8,899.54
Result*	187.09	0.00	2336.17	0.00	2523.26
Unallocated expenses					0.00
Operating profit					2828.91
Income taxes					688.00
Extraordinary profit / loss	0.00	0.00	0.00	0.00	0.00
Net profit					1,835.81
Other information:	0.00	0.00	0.00	0.00	0.00
Segment assets	10,947.28	0.00	66,043.28	0.00	76,990.56
Unallocated assets					18,593.88
Total assets					95,584.44
Segment liabilities	0.00	0.00	78,788.33	0.00	78,788.33
Unallocated liabilities					16,796.11
Total liabilities					95,584.44

* The total result has been apportioned to each segment in the ratio of segment revenue.

Part B: Geographic Segment

There is only one segment, i.e, Domestic Segment.

13. Cash Flow Statement for the Year ended 31st March 2026

(Rs. in Crores)

Particulars	Rs. in Cr. 01-May-25 to 31-Mar-26
A) CASH FLOW FROM OPERATING ACTIVITIES :-	
Net Profit before Tax	2,523.26
Adjustments for:	
Depreciation for the year	49.34
Profit / Loss on sale of Fixed assets (Net)	(0.22)
Operating profit before working capital changes	2,572.38
Working Capital Changes :-	
(Decrease)/Increase in Deposits	8,380.01
(Decrease)/Increase in Other Liabilities	(492.97)
(Increase)/Decrease in Advances	(7,889.44)
(Increase)/Decrease in Other Assets	(937.40)
(Increase)/Decrease in Investments	(1,383.18)
Cash Generated from Operations	249.40
Direct Taxes	687.45
Net Cash flow from Operating Activities (A)	**(438.05)**
B) CASH FLOW FROM INVESTING ACTIVITIES :-	
Purchase of Fixed Assets	(153.89)
Sale of Fixed Assets	0.29
Increase/(Decrease) in Borrowings	(2,330.60)
Net Cash Flow from Investment Activities (B)	**(2,484.20)**
C) CASH FLOW FROM FINANCING ACTIVITIES :-	
Increase/(Decrease) in share capital	-

(Rs. in Crores)

Particulars	Rs. in Cr. 01-May-25 to 31-Mar-26
Dividend paid	-
(Utilization)/Creation of Reserves*	-
Net Cash Flow from Financing Activities (C)	**-**
Net Increase/(Decrease) in Cash and Cash equivalents (A+B+C)	**(2,922.25)**
1) Cash & Bank Balances with Reserve Bank of India	4,157.14
2) Balances with Banks and Money at call and short notice	13,177.11
Cash and Cash Equivalents at the Beginning of the Year (1+2)	**17,334.25**
a) Cash & Bank Balances with Reserve Bank of India	2,466.87
b) Balances with Bank and Money at call and short notice	11,945.13
Cash and Cash Equivalents at the End of the Year (a+b)	14,412.00
Net Increase in cash and cash Equivalents	**(2,922.25)**

14. Other Disclosures

i. Business ratios

	Particulars	Current year
i)	Interest Income as a percentage to Working Funds	8.68
ii)	Non-interest income as a percentage to Working Funds	1.27
iii)	Cost of Deposits	6.41
iv)	Net Interest Margin	3.72
v)	Operating Profit as a percentage to Working Funds	2.82
vi)	Return on Assets	2.05
vii)	Business (deposits plus advances) per employee (in ₹ crore)	18.45
viii)	Profit per employee (in ₹ crore)	0.25

ii. Bancassurance business

(Rs. in Lakhs)

Particulars	2025-26
Fees / brokerage earned in respect of insurance broking, agency and bancassurance business	2194.05

iii. Marketing and distribution

(Rs. in Lakhs)

Particulars	2025-26
Fees / remuneration received in respect of the marketing and distribution	1.27

iv. Disclosures regarding Priority Sector Lending Certificates (PSLCs)

(Rs. in Crores)

S.No.	Category	PSLC Purchased during FY 2025-26	PSLC Sold during FY 2025-26
1	SFMF	0.00	20,985.00
2	MICRO	10,000.00	0.00
3	GEN	10,150.00	0.00

v. Provisions and contingencies

(Rs. in Crores)

S.No.	Provision debited to Profit and Loss Account	Current Year
i.	Provisions for NPI	0.00
ii.	Provision towards NPA	6.19
iii.	Provision made towards Income tax	688.00
iv.	Other Provisions and Contingencies	
	Provision for Standard Assets	14.05
	Provision for Frauds	6.72
	Depreciation on Investments	1.19
	Provision for Pension Fund	226.77
	Provision for PL Encashment	17.73
	Provision for PLI	33.00

vi. Payment of DICGC Insurance Premium

(Rs. in Crores)

Sr. No.	Particulars	Current year
i)	Payment of DICGC Insurance Premium	73.22
ii)	Arrears in payment of DICGC premium	0.00

VII. Disclosure on amortization of additional pension liability on account of implementation of Pension Scheme in RRBs with effect from November 1, 1993

The Reserve Bank of India, vide its letter no. RBI/2024-25/127 DOR.ACC.REC No. 67/21.04.018/2024-25 dated 20.03.2025, permitted banks to amortize the resultant additional liability over a period not exceeding five years, beginning with the financial year 2024-25, subject to a minimum of one-fifth of the total amount being expensed each year.

Among the four erstwhile RRBs, only Erstwhile Andhra Pradesh Grameena Vikas Bank (e-APGVB) opted for this provision of the RBI. Accordingly, an amount of Rs. 16.69 crore was charged to the Profit and Loss Account for the period ended 31.03.2025 and the balance unamortized expense of Rs. 66.76 crores have been carried forward.In the current FY 2025-26, the Bank had been Amortized the remaining liability of Rs. 66.76 Crore to the Profit and Loss Accounts on 31-03-2026.

VIII. Employee Benefits (AS 15)

a. Defined Benefit plan - Leave Encashment (Funded)

Description	Amount Rs. In Crs.
Plan Benefit Obligation as on 31-Mar-2026 (As per Actuarial report)	315.57
Plan Assets	297.84
Provision made in Profit & Loss Account for the period	17.73

b. Defined Benefit plan - Pension (Funded)*

Description	Amount Rs. In Crs.
Plan Benefit Obligation as on 31-Mar-2026 (As per Actuarial report)	2,531.66
Plan Assets	2304.89
Provision made in Profit & Loss Account for the period	226.77

c. Defined Benefit plan - Gratuity (Funded)*

Description	Amount Rs. In Crs.
Plan Benefit Obligation as on 31-Mar-2026 (As per Actuarial report)	206.06
Plan Assets	300.07
Surplus of Funds available	-94.01

* Gratuity and pension fund balances are not presented in the Financial Statements, as the same are presented in the respective trusts maintained for this purposes.

IX. All figures stated are in Rs. in Crores unless or otherwise stated.

As per our report on even date
For M N Rao & Associates LLP
Chartered Accountants
FRN: 005386S/S000195

(T S Rama Mohana Rao)
Designated Partner
Membership No. 200613
UDIN: 26200613NQZHTV7559

BOARD OF DIRECTORS

K Pramod Kumar Reddy
Chairman

B Suryakumar Arunkumar
Nominee Director
RBI

Dr. K V S Prasad
Nominee Director
NABARD

A K Vinod
Nominee Director
Union Bank of India

C V N Bhaskara Rao
Nominee Director
Union Bank of India

Place : Guntur
Date : 30-Apr-2026

ఆంధ్రప్రదేశ్ గ్రామీణ బ్యాంక్

ANDHRA PRADESH GRAMEENA BANK

Scheduled Bank Owned by Government

Andhra Pradesh Grameena Bank, Head Office,
Guntur - 522002, Andhra Pradesh, India

http://www.apgb.bank.in

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