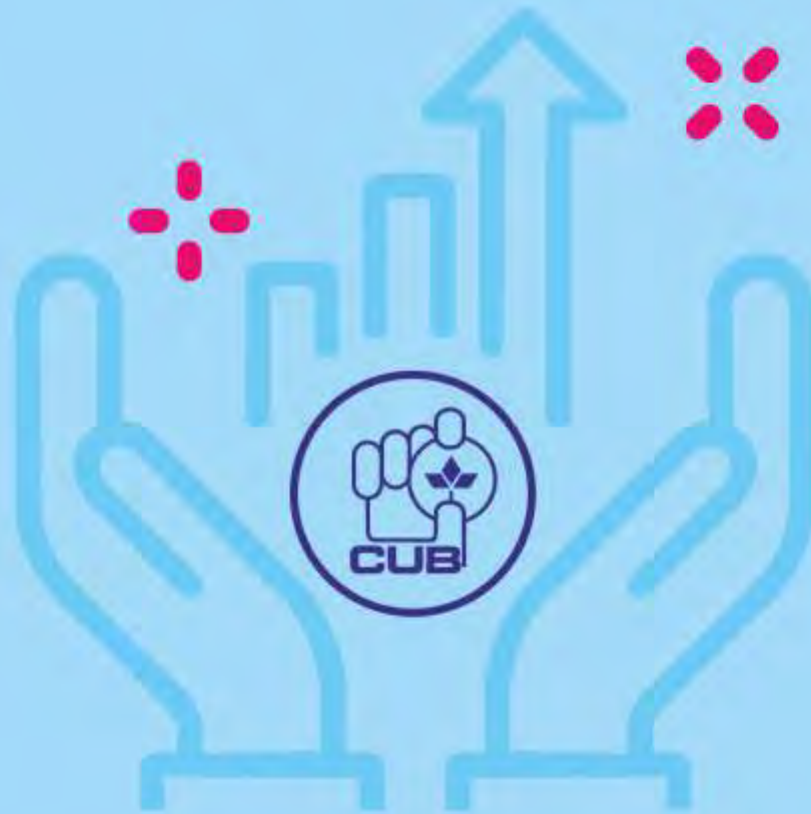


ANNUAL  
**REPORT**  
2022-23



**CUB**  
Trust and Excellence  
SINCE 1904

**CITY UNION BANK LIMITED**



Inauguration of Tamilnadu's 500th branch at Thiruchendur



# Table of Contents

<b>Contents</b>	<b>Page No.</b>
Environment, Social and Governance Report	11
Directors' Report	15
Annexure to Directors' Report	31
Business Responsibility and Sustainability Report	55
Corporate Governance Report	119
Management Discussion & Analysis Report	153
Independent Auditor's Report	164
Balance Sheet	174
Profit & Loss Account	175
Schedules to Accounts	176
Cash Flow Statement	237
List of Branches	239
BASEL - III Pillar Disclosures	244
Decade of Progress	273

## Joint Statutory Central Auditors

M/s. Jagannathan & Sarabeswaran  
Chartered Accountants,  
No.4/9, 1<sup>st</sup> Floor, 2<sup>nd</sup> Cross Street,  
Seethammal Colony,  
Alwarpet, Chennai - 600018

M/s. K. Gopal Rao & Co.,  
Chartered Accountants,  
New No. 21, Moosa Street,  
T. Nagar, Chennai - 600018

## Secretarial Auditor

M/s. B.K. Sundaram & Associates,  
Practising Company Secretaries,  
30, Pandamangalam Agraharam,  
Woriur, Tiruchirapalli - 620 003

## Registrar and Transfer Agents

Integrated Registry Management  
Services Private Limited,  
(Unit : CITY UNION BANK LIMITED)  
II Floor, "Kences Towers"  
No.1 Ramakrishna Street, Off North Usman Road,  
T. Nagar, Chennai - 600 017  
Tamil Nadu, India.

☎ 044-28140801-803

☎ 044-28142479

✉ corpserv@integratedindia.in

**CIN: L65110TN1904PLC001287**

### Registered Office

149, T.S.R (Big) Street,  
Kumbakonam - 612 001  
Thanjavur Dist.,  
Tamil Nadu

### Administrative Office

"Narayana", No. 24-B, Gandhi Nagar,  
Kumbakonam - 612 001  
☎ 0435 - 2402322, 2401622, 2402412  
☎ 0435 - 2431746

### Customer Call Center

Premier Trade Center,  
No.1/55, Mayiladuthurai Main Road, Ullur,  
Kumbakonam - 612001  
☎ 044 - 71225000

✉ shares@cityunionbank.in | customercare@cityunionbank.com 🌐 www.cityunionbank.com



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**BOARD OF DIRECTORS**



**M. NARAYANAN**

B.Sc., F.C.A., Grad CWA., DISA.

NON-EXECUTIVE PART-TIME CHAIRMAN



**Dr. N. KAMAKODI**

B.Tech., MBA., CAIIB, Ph.D.

MANAGING DIRECTOR & CEO



**N. SUBRAMANIAM**

PGDM-IIM(A), C.A., F.C.S., CWA.



**V.N. SHIVASHANKAR**

B.Com., B.L., A.C.S., AICWA.



**Dr. T.S. SRIDHAR** I.A.S. (Retd.)

MA., Ph.D.



**K. VAIDYANATHAN**

B.Sc., FCMA, FCS.



**T.K. RAMKUMAR**

B.Com., B.L.



**Prof. V. KAMAKOTI**

B.E., M.S., Ph.D.



**G. MAHALINGAM**

M.Sc., MBA, CAIIB



**LALITHA RAMESWARAN**

B.Com., FCA., DISA



**SENIOR GENERAL MANAGERS**



V. RAMESH



S. MOHAN



K. MAHARAJAN



R. GANESH



S. RAMESH

**GENERAL MANAGERS**



J. SRIDHARAN



R. LAKSHMINARAYANAN



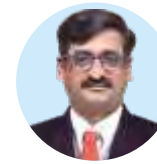
S. RAJAM



G. SANKARAN



V. GOPALAKRISHNAN



K. JAYARAMAN



M. KALYANARAMAN



R. BALAJI



S. VENKATESH



R. UMA



C. GANESAN

**DEPUTY GENERAL MANAGERS**

GANESAN V

VENKATESAN S

VENKATASUBRAMANIAN V

VENKAT KISHNA V

SUNDARARAMAN G

BALACHANDAR K V

GANESAN J

MOHAN S

SIVAKUMAR V

NARAYANAN R

SUBBARAMAN R

VENKATAKRISHNAN K

SADAGOPAN J

MOHANKUMARAMANGALAM N

THOTA VENKATA SARAVANAN S

SURESH T V

**ASSISTANT GENERAL MANAGERS**

GANESH B

RAJA B

SWAMINATHAN K

SADIQ BATCHA I

VAIDYANATHAN N

KANNAPIRAN C

SWAMINATHAN R

SUYAMBULINGA RAJA G

GUHAN V

RAGHUNATHA REDDY S

RAJAN MT

RAMAKRISHNA G

GANESAN S

SENTHILKUMAR T

SENTHILKUMAR S

GANESH V

MUTHU KUMARAN P

SIVANESAKUMAR J

MANOJ KUMAR S

JAISANKAR J

AMIRTHAGANESH T S

PAVANKUMAR L

NATARAJAN R

RAMAKRISHNAN K

SRINIVASAN V

VENKATESAN G

KALYANA SUNDARAM S

SIVASUBRAMANIAN J S

SATHYANARAYANAN KV

GURUMOORTHY V

MURALIDHARAN S

MAHESHWARAN M D

SRIDHAR D

LAKSHMI B

MOHAN R

GURU PRASATH S

SRINIVASA PRASAD K K

ARUL ARASU A

MEENAKSHISUNDARAM S

VENKATARAMAN K

MALATHI CHANDRASEKAR

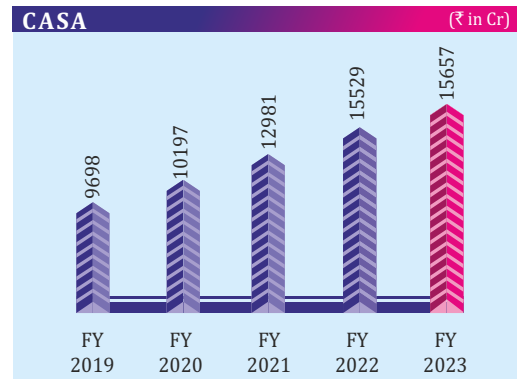
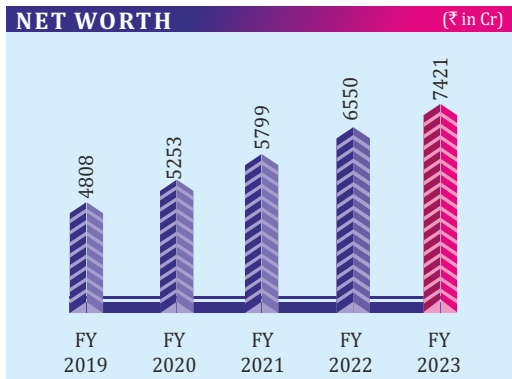
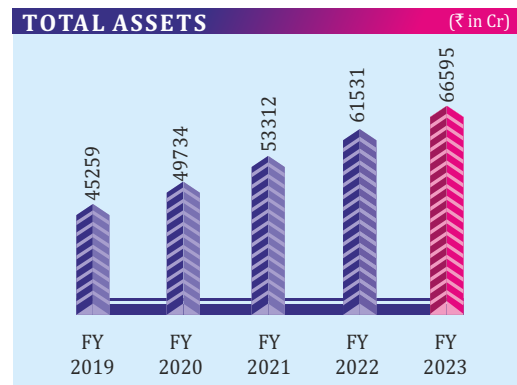
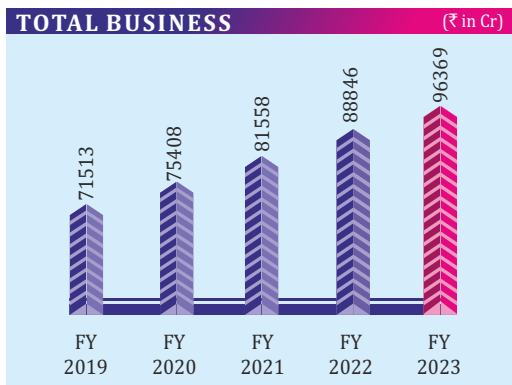
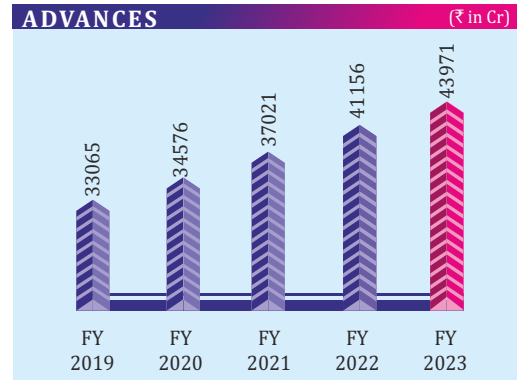
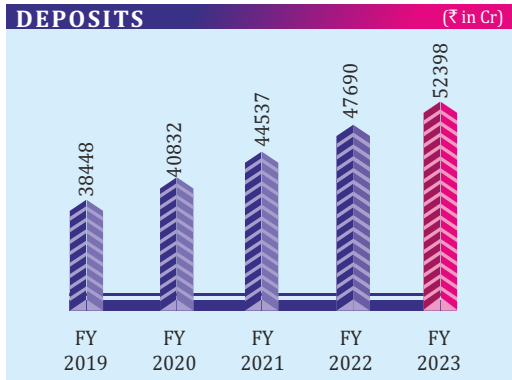
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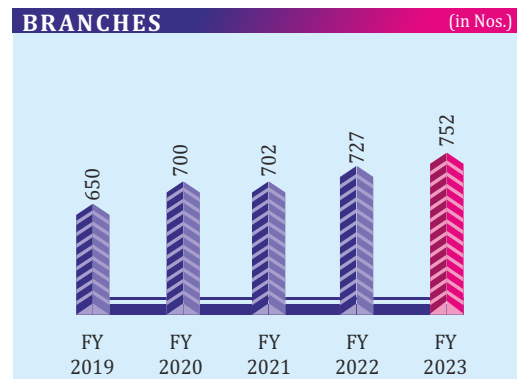
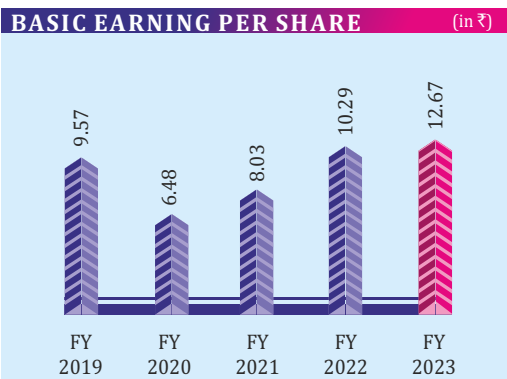
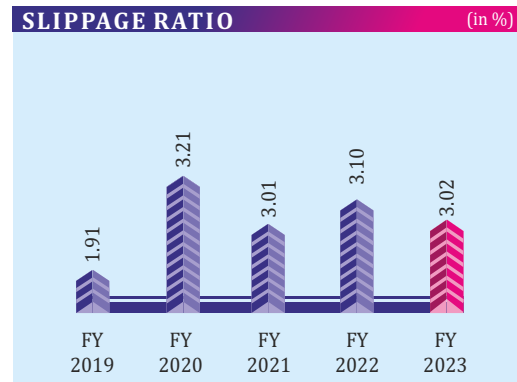
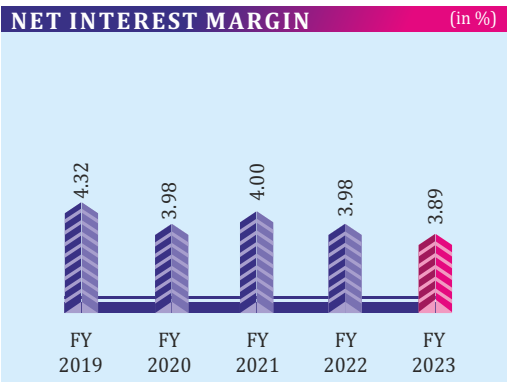
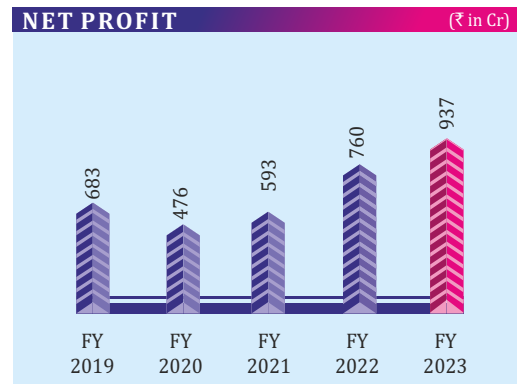
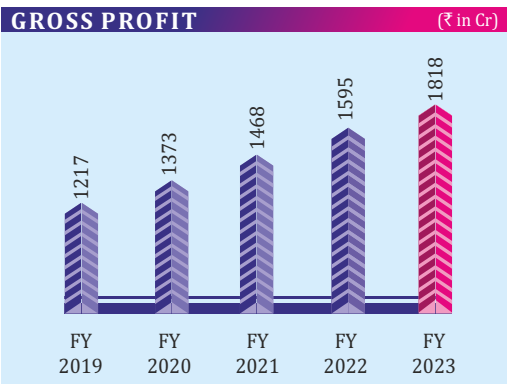
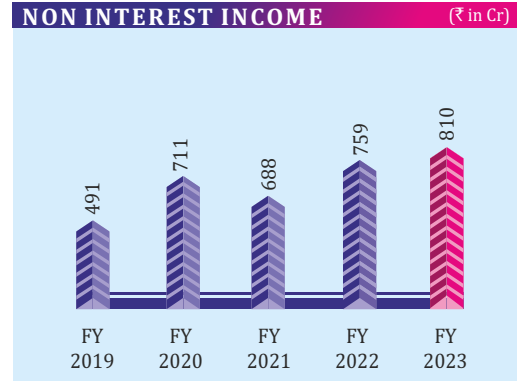
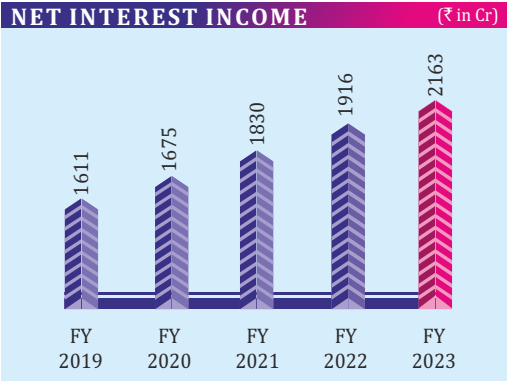
**CHIEF FINANCIAL OFFICER**

SADAGOPAN J

**COMPANY SECRETARY**

VENKATARAMANAN S





## CUB - CSR Initiatives



CUB hands over 2 Golf Cart to Sree Somnath Temple Trust, Gujarat



## CUB - CSR Initiatives



Installation of Solar Panel at Arulmigu Vadapalani Murugan Temple, Chennai



## CUB - CSR Initiatives



Renovation and Construction of class rooms at Govt. aided School, Mangudi Village, Kumbakonam







City Union Bank is awarded for the "Best Digital Engagement", "Best Financial Inclusion", "Best Fintech Collaboration" and "Best Technology Talent" categories at IBA Technology Conference Expo & Awards 2022 - December 2022



City Union Bank is awarded the "Use of Emerging Technologies" and "Digital Transformation Leader" at 5th India BFSI Conclave & Awards 2022 - October 2022



City Union Bank is awarded the "Holistic Large Data Management" at The Economic Times Data Con Awards 2022 - June 2022



City Union Bank is awarded the "Best CIO Award" at Digital CIO Excellence Awards 2022 - June 2022



## ENVIRONMENT, SOCIAL AND GOVERNANCE ("ESG") REPORT

### OVERVIEW

Environment, Social and Governance ("ESG") is best characterized as a framework that helps stakeholders understand how an organization is managing risks and opportunities related to environmental, social, and governance criteria. The stakeholders under ESG include not just the investment community but also customers, suppliers, regulators, employees, the society / community around etc. All of them are increasingly interested in how sustainable an organization's operations are. Further, Banks are highly regulated entities and our Bank's governance framework recognises transparency, integrity, honesty, accountability as its core values. The management strongly believes that the practice of each of these in letter and spirit creates the right corporate culture fulfilling purpose of Governance.

Climate change has emerged as an important concern enveloping all countries across the globe. There is a growing worldwide phenomenon to adopt sustainability practices in business operations across Environmental, Social and Governance (ESG) aspects. The inclusion of ESG and climate-related transition risks is going to become a significant consideration in decision-making within the financial services. The RBI has also published a statement to support the greening of India's financial system.

As the backbone of all business operations, banks hold significant influence in the progress of developing economies. They fulfil this crucial role by skilfully handling risks and controlling the availability of limited capital. And they contribute to the advancement of society by funding ventures that align with socially responsible practices. Banks and Financial institutions are more inclined to offer better interest rates on advances to companies that adhere to ESG standards. Inclusion of such factors in the credit appraisals, which is the core activity of commercial banks is a financial material indicator and is imperative to assess the quality level of disclosures. The Banking industry is a highly regulated industry in the service sector and indirectly impacts environmental and social factors. ESG reporting therefore becomes vital for both the management and stakeholders of the banks.

### YOUR BANK'S ESG OBJECTIVES

The Bank has embraced ESG values as an integral part of its identity for a long time. Aligned with the ESG

framework, the Corporate Social Responsibility Committee (CSR) of the Bank focuses on addressing environmental, social and governance aspects. This is achieved through active engagement with internal and external stakeholders, aiming to improve the well-being of the Bank and society at large. The Bank's ESG aspects are set out below:

### Environmental front

Your Bank continues to incorporate environment friendly practices in its operations through responsible financing and selection of vendors. Your Bank has adopted both technological as well as process solutions in its day-to-day operations to contribute to the betterment of the environment. Conservation of waterbodies has always been an area of priority for the Bank. The Bank has been involved in various activities in and around the Headquarters of the Bank at Kumbakonam, Thanjavur district including cleaning and desilting of Tanks, Lakes & other water bodies and rebuilding of river canals. Since the financial year 2017-18, CUB has strengthened and protected the river and canal banks to a stretch of 58 kms, desilted and rejuvenated lakes to the spread of 594 acres, benefiting about 45,000 acres of cultivable land. These activities covered over 70 villages and benefited around 1.5 lakh people.

Nevertheless, the Bank has always remained keen in the betterment of environment through other activities also like rainwater harvesting, installation of energy saving equipments & solar panels across its branches wherever feasible, discontinuation of incineration methods to reduce air pollution / emission of gases etc.

Some of our branches are situated in regions that are prone to climate-related hazards such as cyclones, floods, and intense and unpredictable rainfall. These environmental risks pose a significant threat, often leading to extensive devastation of both human lives and property. As a prudent measure, recently the Bank had shifted its Data Centres and Disaster Recovery Sites to a more secured place with elevated floors, to mitigate flood related risks. Our agricultural credit exposures are significantly impacted by cyclones and floods, especially when customers residing in those areas suffer losses during unpredictable periods. To manage and reduce these risks, we provide guidance to our customers regarding the selection of suitable tropical cropping

patterns and the importance of obtaining adequate insurance coverage. Climate risk is widely spoken in India although it is a relatively new phenomenon. Aligned with international emission standards, industries such as automobiles and other conventional sectors that heavily rely on fossil fuels and diesel are transitioning towards electric vehicles and sustainable energy sources. Our bank has devised a Policy on Financing Framework for Green Deposits in consonance with RBI Framework for Acceptance of Green Deposits dated April 11, 2023 which has come into effect from June 01, 2023 and has an exclusive Climate Risk Policy, which approaches ESG in a structured manner.

As a Bank committed ESG, we consider those proposals which supports or gives importance to sustainable energy and use carbon free substitutes. The bank's ESG priorities on environment front continue to evolve and address the ever-changing business dynamics.

### Social front

On the social front, the Bank's ESG priorities addresses workforce development, physical and social infrastructure, financial inclusion, Digital banking, Stakeholders value addition etc. The Bank does various activities on this aspect, some of which are highlighted below:

1. Your Bank has opened an exclusive Digital Banking Unit (DBU) as Khammam Digital Banking Unit on October 16, 2022.
2. Implementation of Digital Banking Initiatives like Internet Banking, Mobile Banking, Phone Banking etc., thereby reducing paper usage and reducing carbon footprints. At present 95% of our customer transactions are happening through online.
3. The Bank is gradually moving towards paperless environment and has implemented paperless loan processing mechanism which shall be fully achieved in the coming months.
4. Relocating data centres and disaster recovery sites to a more secure location is being undertaken to prioritize the safety and security of customer data
5. Promotion and Conservation of Ancient Heritage and Arts among the rural folk to enhance the livelihood.
6. The Bank has always remained keen to support the "Swachh Bharat Mission" of the Government of India and Solid Waste Management activities by coordinating with local municipal authorities at various places in Tamilnadu.
7. The Bank supports Education and literacy programmes including schools in rural areas by contributing towards Smart Class development, Technological aids for students viz. Computers, Laptops etc.
8. Your Bank conducts financial literacy week annually.
9. Contributions to healthcare and hospitals with the aim of improving medical facilities for the local community.
10. Training of Employees and their active involvement determines the success of the organization. Your Bank continue to invest in improving their skills and equipping them with necessary education and training programs across various levels to raise their functional value. During the reporting year, the Bank has imparted training to 4,478 employees comprising of 74% of total employee.
11. Bank financing is being provided to support the development of the MSME sector, which in turn promotes the generation of local employment opportunities.
12. Some of the employee safety and rights measures like:
  - a. Addressing grievances of employees under Prevention of Sexual Harassment at Work Place (POSH) Act.
  - b. Separate intranet web portal for lodging grievances for female employees.
  - c. Employees are granted access to Whistleblower or Vigil mechanism, which enables them to report genuine concerns and issues.
  - d. conduct of fire safety drills on a periodical basis
  - e. Health camps are organized to provide healthcare services to employees

### Governance front

The Bank being a listed entity is subject to various statutory and regulatory disclosures from time to time

and it adopts highest standards of governance by making transparent and timely disclosures. The Bank's Board plays a effective role in ensuring strong governance, as it comprises 90% independent directors and operates in a professional manner. Some of the Governance Practices are listed below:

1. The Board consists of 13 committees, each comprising members with expertise in specific subjects. Shareholders are encouraged to refer to the Corporate Governance Report included in this Annual Report for detailed information on the committees and other governance matters conducted by the Bank.
2. We have established a Customer Grievances Redressal Mechanism and appointed an Internal Ombudsman at our Central Office to ensure prompt resolution of customer concerns
3. Adopted several policies related to governance, including the Protection of Sexual Harassment (POSH) policy, Whistleblower policy/Vigil mechanism, Customer Rights Policy, Citizens Charter, Anti-bribery policy, Equal Opportunity policy, and Privacy Policy, among others.
4. Availability of Internal Complaints Committee for lodging grievances under POSH Act.

The Bank adheres to the applicable laws in letter and spirit and its employees are committed to following best ethical practices in all facets of banking.

### CONCLUSION

Similar to CSR reporting, the Securities Exchange and Board of India ("SEBI") introduced Business Responsibility and Sustainability Reporting ("BRSR") in the year 2021 and made it mandatory for top 1000 listed entities by market capitalization from FY 2022-23. Accordingly, the Bank has set out such report for FY 2023 forming part of this Annual Report wherein the details on Environment, Social and Governance activities of the Bank have been more fully set-out.

CUB's ESG and CSR initiatives have achieved remarkable success in making a tangible impact at the grassroots level. It is noteworthy that besides other CSR activities, your Bank has created behavioural change among the community in the governance of water bodies and solid waste management. Your Bank has embraced the concept of digitalization and is continuously adopting environmental friendly practices to align with India's commitment towards Net Zero Green House Gas (GHG) Emissions by 2070, which becomes particularly significant in a year when India has taken on the mantle of Presidency of G20 Member Countries which deals with the issues of International Financial Stability, Climate change mitigation and sustainable development.

ESG  
Report

Statutory  
Reports

Financial  
Statements

List of  
Branches

Basel III



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 <p><b>Get FASTag</b></p>  <p><b>+91 040 7132 0408</b></p>	 <p><b>UPI QR Code</b></p> <p><b>+91 040 7132 0749</b></p>
 <p><b>CUB POS Machines</b></p> 	 <p><b>CUB Whatsapp Banking</b> Say Hi to</p> <p><b>+91 044 7122 5000</b></p>
 <p><b>CUB CURRENT Accounts</b></p>  <p><b>+91 88866 10805</b></p>	  <p><b>APPLY CUB Contactless Wearables</b></p> <p><b>+91 88866 10805</b></p>

 044-71225000
 cityunionbankltd
 cubltd
 cityunionbankltd
 cubltd

Stay Home. Stay Safe.



# Directors' Report



*Dear Shareholders*

The Board of Directors of your Bank is pleased to present the Annual Report on business and operations of the Bank together with the Audited Financial Statements for the Financial Year ended March 31, 2023.

## ECONOMY OVERVIEW

In the beginning of the year 2023 the Global economic activity remained subdued amidst turmoil in the banking system in some advanced economies, tight financial conditions and lingering geopolitical hostilities, supply chain disruptions and inflation in food, energy and commodities. The Central Banks across the globe remained cautious and continued to withdraw their accommodative stance in a calibrated manner which led to tight liquidity conditions across world markets accompanied by an increase in interest rates. The Financial Year FY 2023 was largely affected by the Global Banking crisis such as the collapse of Silicon Valley Bank ("SVB") and Signature Bank in US and Credit Suisse of Switzerland which was caused by a rapidly rising interest rates, high levels of uninsured deposits and regulatory rollbacks in the US and elsewhere and the negative impact of the prolonged Russia Ukraine war. These macroeconomic and geopolitical factors had significant ramifications on global growth. Weakening external demand, spillovers from the banking crisis in some Advanced Economies, volatile capital flows and debt distress in certain vulnerable economies weighed on growth prospects. Going forward, weak external demand, elevated debt levels and geo economic disintegration amidst tighter external financial conditions pose risks to growth prospects for several Emerging Market Economies ("EMEs") although capital flows in such economies are slowly returning on renewed risk appetite.

## Indian Economy

In India, the real GDP recorded a growth of 7.2 per cent in FY 2023 surpassing the previous estimate of 7.0 per cent primarily aided by fixed investment and higher net exports. The easing of inflation was observed across food, fuel, and core categories (CPI excluding food and fuel). During the FY 2023, the manufacturing sector registered single digit growth as against 11% during previous year due to factors such as high raw material prices and weak external demand. India's service sector exhibited a strong rebound since the pandemic driven by increase in demand for sectors such as tourism, retail trade, hotel, entertainment and recreation. India's service exports recorded a high of USD 333 billion during FY 2023 which boosted India's Balance of Trade. The private final consumption expenditure recorded robust growth of over 7% during FY 2023 primarily due to recovery in rural consumption post the pandemic.

India's growth story has been aided by a healthy and robust banking sector which has managed to record steady recovery post pandemic. The RBI data depicts that the Bank deposits expanded at 9.6% compared to 8.9% during the previous year. The credit growth which is vital for output, stood at 15%. The credit growth to MSME sector continued to be robust while it accelerated for large Industries and the credit growth to service sector

accelerated to 19.8% in March 2023 from 8.7% a year ago due to improved credit off take in NBFCs and trade. Retail loan segment recorded a growth of 20.6% in March 2023 compared to 12.6% a year ago primarily driven by Housing loans. The recovery in both gross NPAs and net NPAs showed positive signs in FY 2023. The Banking sector remains a crucial component for the success of Indian economy.

### Outlook

For 2023-24, domestic demand conditions remain supportive of growth on the back of improving household consumption and investment activity. The Urban demand remains resilient with indicators such as passenger vehicle sales, domestic air passenger traffic and credit cards outstanding posing double digit expansion and Rural demand is also on a revival path with an increase in two-wheeler and three-wheeler sales although tractor sales remained subdued. Growth in steel consumption, cement output and production and import of capital goods reflects buoyancy in investment activity. Higher Rabi crop production backed by a normal monsoon should augment household consumption. Robust government capital expenditure is also expected to nurture investment and manufacturing process. Taking all these factors into reckoning, the real GDP growth for

2023-24 is projected at 6.5 per cent with Q1: 2023-24 at 8.0 per cent; Q2 at 6.5 per cent; Q3 at 6.0 per cent and Q4 at 5.7 per cent with the risks evenly balanced.

### BANK'S PERFORMANCE

Under the above circumstances, your Bank recorded a total business of ₹ 96,369 crore, an increase of ₹ 7,523 crore over the previous year figure of ₹ 88,846 crore in FY 2022, a 8% increase over FY 2022 position.

The Net Profit of the Bank has increased to ₹ 937 crore from ₹ 760 crore, a 23% increase over FY 2022 position. The Net Interest Income of the Bank stood at ₹ 2,163 crore, as against ₹ 1,916 crore during the previous year, a 13% increase over FY 2022 position. The key performance indicators i.e., the Return on Assets of the Bank stood at 1.46%, Return on Equity stood at 13.42%, the Net Interest Margin of the Bank stood at 3.89% and the Cost to Income ratio stood at 38.85% during the reporting year. The financial performance has been discussed in detail in the forthcoming paragraphs. During the year the Bank opened 25 additional branches to total 752 branches and has 1,678 ATM's as at March 31, 2023. Further information on the state of affairs of the Bank has been discussed in detail in the Management Discussion and Analysis Report forming part of this Report.

Financial Highlights

(₹ in crore)

Particulars	2022-23	2021-22	Growth (%)
Share Capital	74	74	-
Reserves & Surplus	7,383	6,512	13%
Deposits	52,398	47,690	10%
Advances (Gross)	43,971	41,156	7%
Investments (Gross)	14,360	12,294	17%
Total Assets / Liabilities	66,595	61,531	8%
Total Income	5,525	4,864	14%
Total Expenses	3,707	3,269	13%
Net Interest Income	2,163	1,916	13%
Operating Profit	1,818	1,595	14%
Provisions & Contingencies	881	835	6%
Net Profit (A)	937	760	23%
<b>Appropriations</b>			
Balance of Profit brought forward (B)	100	61	-
Amount available for appropriations (A+B)	1037	821	-
<b>Transfers to:</b>			
- Statutory Reserve	250	200	-
- Capital Reserve	4	4	-
- General Reserve	480	405	-
- Investment Reserve Account	40	1	-
- Special Reserve under IT Act, 1961	80	75	-
- Dividend	74	37	-
- Balance of Profit carried forward	109	99	-
<b>Total</b>	<b>1037</b>	<b>821</b>	<b>-</b>

The Deposits and Advances for the current year stood at ₹ 52,398 crore and ₹ 43,971 crore respectively. The total business stood at ₹ 96,369 crore as compared to ₹ 88,846 crore for the previous year registering a growth of

8%. The size of the Balance Sheet as on March 31, 2023 is ₹ 66,595 crore as compared to ₹ 61,531 crore last year recording an increase of 8%.

ESG  
Report

Statutory  
Reports

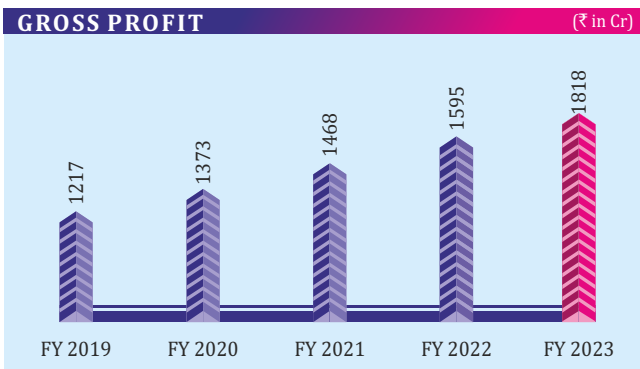
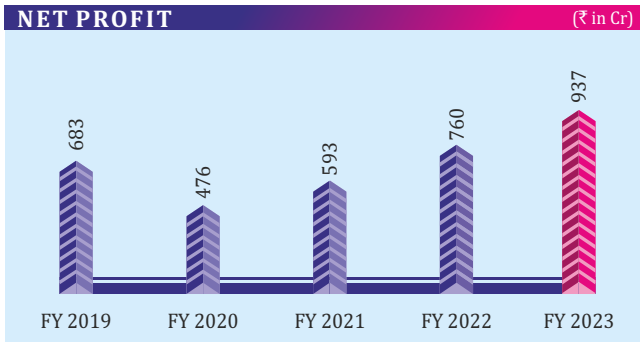
Financial  
Statements

List of  
Branches

Basel III

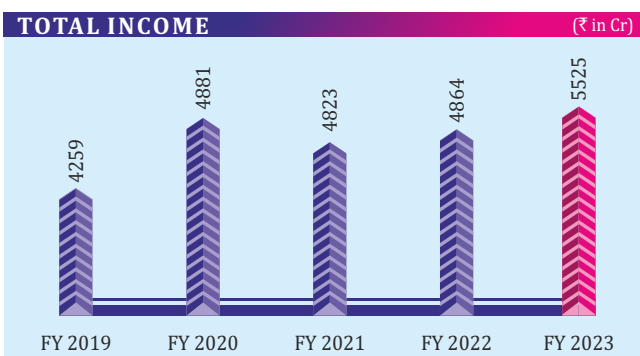
## PROFIT

During the year the Bank earned a Gross profit of ₹ 1,818 crore as compared to previous year's figure of ₹ 1,595 crore registering an increase of 14%. The Net profit of the Bank for the current year was ₹ 937 crore as against ₹ 760 crore last year, registering an increase of 23%.



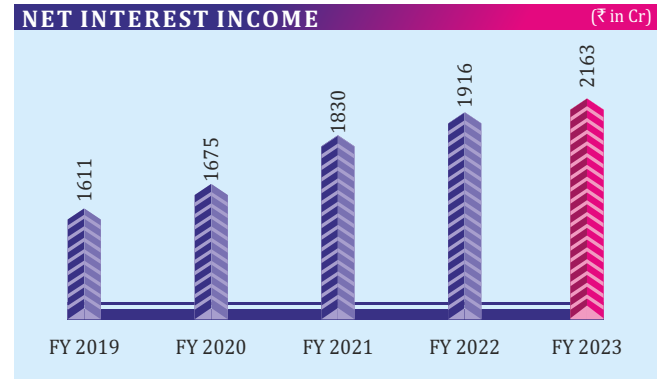
## TOTAL INCOME

The Total Income earned by the Bank increased for FY 2023 to record ₹ 5,525 crore as against ₹ 4,864 crore in FY 2022, registering an increase of 14%. The non-interest income of the Bank increased from ₹ 759 crore to ₹ 810 crore registering a growth of 7% on account of recoveries made from technical write off accounts. The total expenditure of the Bank increased to ₹ 3,707 crore as compared to ₹ 3,269 crore, in the previous year, registering an increase of 13%.



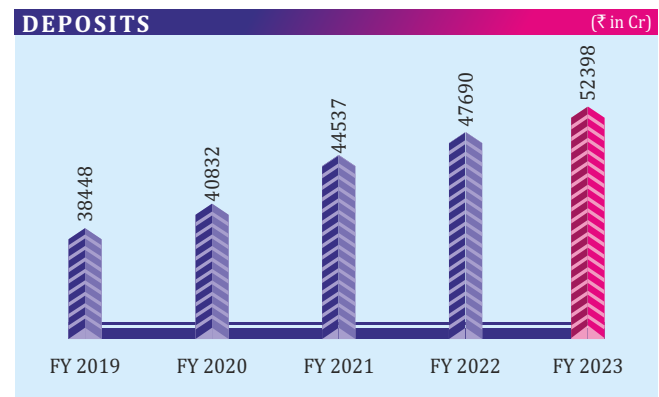
## NET INTEREST INCOME

The Net Interest Income for FY 2023 stood at ₹ 2,163 crore as compared to ₹ 1,916 crore in the last year recording an increase of 13%.



## DEPOSITS

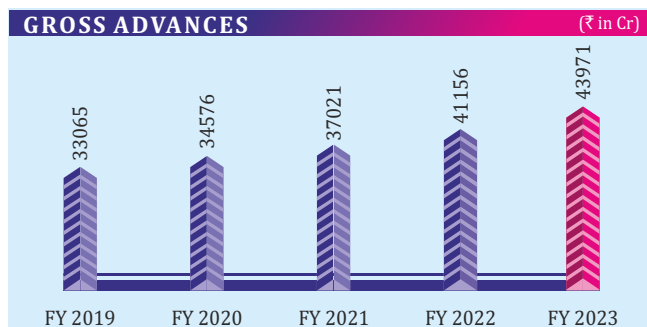
The Bank's total Deposits for the year under review increased by ₹ 4,708 crore to record ₹ 52,398 crore from ₹ 47,690 crore registering a growth of 10% over previous year. During the current year CASA increased by ₹ 128 crore to record ₹ 15,657 crore from ₹ 15,529 crore. The cost of deposit of the Bank marginally decreased to 4.66% from 4.68% in the previous year.



## ADVANCES

Gross Advances of the Bank increased by ₹ 2,815 crore to ₹ 43,971 crore from ₹ 41,156 crore, posting a growth of 7%. The yield on advances declined to 9.23% from 9.36% during the reporting year. The Bank achieved the target / sub-targets prescribed by the RBI for Priority sector, Agriculture, Micro Enterprises, Small / Marginal farmers and weaker section.





The Gross NPA and Net NPA for the year under review stood at 4.37% and 2.36% respectively as compared to 4.70% and 2.95% in the previous year.

The provision for tax for the reporting year increased to ₹ 240 crore from ₹ 225 crore in previous year. The provision made for NPA for the financial year was ₹ 690 crore vis-a-vis ₹ 554 crore last year. The total provision increased by ₹ 46 crore to ₹ 881 crore from ₹ 835 crore in the previous year.

## TREASURY OPERATIONS

### Domestic Treasury

The gross Investments increased by ₹ 2,066 crore to ₹14,360 crore as on March 31 2023 from ₹12,294 crore as on March 31 2022. Out of this, the investments in Government Bonds alone remained at ₹14,268 crore constituting 99.36% of the total Investment. The Non-SLR investments declined by ₹65 crore mainly on account of reduction in Security Receipts. The financial year began with rising interest rate cycle as central banks tightened policy rate to combat high inflation. During the year, the Reserve Bank of India delivered a series of back-to-back rate hikes by 250 bps in total, taking the repo rate to 6.50%. The Monetary Policy Committee also raised CRR rate by 50 bps during the year while retaining the policy stance at 'focus on withdrawal of accommodation'. The US Federal Reserve hiked interest rate by 4.50% from the beginning of FY23 amid high CPI inflation. US Treasury yield curve remained deeply inverted throughout the year. Indian bond yields moved in line with its global peers on a hardening note. Towards the end of the financial year, the bond yield cooled off on the collapse of one of the largest banks in USA and its impact on Federal Reserve rate decision. Strong GST collections and retail credit growth

signaled healthy consumption demand in Indian economy. During the year the bank booked a profit of ₹7.63 crore by sale of securities.

### Forex Treasury

During the financial year 2022-23, Indian Rupee weakened against USD by 8.44%. Indian Rupee against USD opened at ₹ 75.77 and closed at ₹ 82.165. Major reason attributed for weaker Rupee was continuous rate hike by Federal Reserve to contain record high inflation. Geopolitical tension caused by the war between Ukraine and Russia impacted the local currency and favoured US dollar. Central banks all over the world were forced to hike rates due to higher inflation. The presence of the RBI reduced the pace of the depreciation of the Rupee. During the FY 2022-23, profit on our foreign exchange operation stood at ₹ 151.60 crore as against ₹ 194.74 crore during the previous financial year.

## NET WORTH & CAPITAL ADEQUACY RATIO

### Net Worth

The paid-up Share Capital of the Bank increased to ₹ 74.04 crores as on March 31, 2023 from ₹ 73.96 crore as on March 31, 2022. During the reporting period the Bank has allotted 8,31,472 equity Shares to employees under Employee Stock Options pursuant to CUB ESOS Scheme 2008 & CUB ESOS Scheme 2017.

The Net worth of the Bank stands improved to ₹ 7420.92 crore as on March 31, 2023 from ₹ 6,549.75 crore as on March 31, 2022.

### Capital Adequacy Ratio

As per Basel III regulations, banks are required to maintain a minimum Pillar 1 Capital (Tier-I + Tier II) to Risk Weighted Assets Ratio (CRAR) of 9% on an ongoing basis. Besides this minimum capital requirement, Basel III also required creation of capital conservation buffer and countercyclical buffer of 2.50% at the end of March 2018 in a phased manner beginning from March 31, 2015 @ 0.625% in each year up to March 31, 2018. The RBI had issued circulars on various dates extending the transitional period for full implementation of Basel III Capital Regulations due to the unfavorable economic situation. Now the minimum regulatory requirement under Basel III with Capital Conservation Buffer ("CCB") is 11.50% (9.00%+2.50%) with effect from 01.10.2021. The CRAR required to be maintained for the period ended March 31, 2023 is 11.50%. The Bank has maintained Tier I CRAR of 21.27% and total CRAR of 22.34% as at March 31, 2023 which are well above the norms prescribed by the RBI.

## DIVIDEND

The Board of the Bank at its meeting held on May 26, 2023 had recommended a Dividend of 100% (i.e Re.1/- per equity share on face value of Re.1/- each fully paid up) for the year ended March 31, 2023 subject to the approval of shareholders at the ensuing Annual General Meeting ("AGM"). The dividend, if declared at the AGM will be paid to the shareholders as on the record date specified for such purpose, within the prescribed time. The dividend payout for FY 2023 is in accordance with the Dividend Distribution Policy ("the Policy") of the Bank framed in terms of Regulation 43A of Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 and the same has been uploaded in the website of the Bank. Weblink:

<https://www.cityunionbank.com/assets/frontend/pdf/others/DividendDistributionPolicy.pdf>

In case any shareholder has not claimed dividend(s) for previous year(s), they may kindly approach the Bank or its Registrar and Transfer Agents ("RTA"). The details on Unclaimed Dividends and transfers to IEPF is given in a separate report on Corporate Governance forming part of this report.

## BRANCH EXPANSION

Our Bank continued with a slower pace of branch expansion during the year and it added only 25 New branches to total 752 as on March 31, 2023. The total number of ATMs stood at 1,678 (includes 822 Bulk Note Recycler Machines (BRM) which performs the job of accepting and dispensing cash). As on March 31, 2023 the Bank had a total of 1,124 onsite ATMs and 554 offsite ATMs.

During the reporting year, the Bank has opened 171 ATMs / BRMs, replaced 127 old ATMs / BRMs with new ones and closed 225 loss making off-site ATMs / BRMs, the details of which are as follows:

Particulars	ATM	BRM	Total
Opened	109	62	171
Replaced	102	25	127
Closed	196	29	225

As for the Branch spread, as on date 89% of branches are operational in South, 5% in West, 4% in North and 1% in Central and 1% in Eastern parts of India.

## FINANCIAL INCLUSION

Financial Inclusion is a concept where the banking financial solution and services are offered to every individual without any form of discrimination as well as to ensure even the under privileged get easy access to banking channels. The objective of financial inclusion is to facilitate the following:

- Basic savings bank deposit accounts
- Servicing products (including investment and pension)
- Simple credit products and overdrafts linked with no frills account
- Remittance and money transfer facilities
- Pension and Insurance products

Your bank has witnessed tremendous progress in the successful implementation of financial inclusion, especially to the citizens in rural areas. The Bank has already implemented Pradhan Mantri Jan Dhan Yojana (PMJDY) scheme and there are 84,545 accounts as on March 2023. The Bank has 2,98,236 Basic Savings Bank Deposit accounts, including 1,07,323 accounts sourced through Business Correspondents (BCs). To cater the needs of customers of unbanked areas, the bank has established BC Outlets in those places and is providing Basic banking services through Business Correspondents (BCs). Your bank has 135 BCs and 3 BC outlets for rendering services to the village level beneficiaries. The Business Correspondents of the bank make regular visits to the villages and provides doorstep banking services.

Your Bank is very much keen in creating awareness on Financial Inclusion and also on the promotion of Government schemes for social welfare, Pension, Insurance viz Atal Pension Yojana (APY), MUDRA, PMJJBY, PMSBY etc., The Bank has 43,744 APY Accounts, 43,654 PMJJBY Accounts 85,992 PMSBY Accounts under the scheme.

Your Bank has got e-KYC facility and Aadhaar enabled Payment System (AePS), for rendering quick services to the rural public. Besides the bank has deployed POS machines, at various locations, which are very much helpful for doing merchant transactions. The bank has continuously ensured uninterrupted Banking services in the unbanked areas with the help of digital banking services. Your bank is proud of extending contribution to the social welfare schemes of the Government, for our Nation building.

As done in the past, 'Financial Literacy Week' is being conducted by the Bank with the aim of furthering financial literacy, developing credit discipline and encourage availing credit from formal financial institutions by the customers.

As per the objectives of the National Strategy for Financial Education 2020-2025, focus of the Bank will be on the following three topics with a view to promote digital transactions in a more secured manner:

- Convenience of digital transactions
- Security of digital transaction
- Protection of customers

Your Bank has conducted campaigns at various places for observing the Financial Literacy Week in an effective manner and to educate its customers properly.

### HUMAN RESOURCE DEVELOPMENT

Human Resource Development and cordial Industrial atmosphere play a prominent role in an organization's growth and your Bank has always maintained cordial relation with its employees. As a part of HR strategy, the Bank offers its employees various monetary and non-monetary benefits based on their performance in the form of ESOP, Performance Linked Pay (PLP) & Ex-gratia and ensures that each employee feels part of the Bank and strives to deliver to the best of his/her abilities. It is pertinent to note here that there has not even been a single occasion of employee unrest in the Banking history of CUB. Continuous efforts are being made to enhance the quality of existing personnel and to attract new talent.

In line with the Bank's expansion plans, 25 new branches were opened in various states for which the Human Resources Department provided adequate manpower. Specific efforts were made towards talent acquisition, skill development, and manpower training and knowledge updation. Employees are identified and imparted trainings at various areas of banking. Job rotation is being followed to ensure every employee gains experience in all the areas of banking.

In tune with the future expansion, the bank is constantly upgrading and revisiting its manpower requirements through developing a talent pool. The members of the talent pool are being groomed by giving trainings at various centers of excellence in our staff college at Chennai and Kumbakonam apart from SIBSTC, NIBM, CAFRAL, IRDBT etc.

As on March 31, 2023, the Bank has 6,019 on-roll employees, comprising of 66 employees in Executive cadre, 2,444 in Management cadre and 3,509 in Clerical and Subordinate cadre.

### EMPLOYEES STOCK OPTION SCHEME (ESOS)

The Bank implemented Employee Stock Option Scheme 'CUB ESOS 2008' for grant of stock options to eligible employees of the Bank. The Shareholders of the Bank approved the scheme on 26th April, 2008 at an Extra Ordinary General meeting of the Bank. The maximum aggregate number of options that may be granted under this scheme is 5,00,00,000. As per the scheme, exercise price of the options shall be decided by the Compensation & Remuneration Committee at the time of grant of stock options. The Bank offers ESOS to its employees which vests over a period of five years from the date of grant of options i.e., 15% options each for first three years and 25% and 30% for fourth and fifth year respectively. The options are offered at prevailing market prices at the time of grant to the employees. However the same shall vary pursuant to corporate action viz., Rights Issue, Bonus Issue etc. There were no material changes in the ESOS of the Bank during the period under review and the same is in compliance with the provisions of SEBI (Share Based Employee Benefits) Regulations, 2014 as amended from time to time ("SEBI SBEB Regulations"). As at the end of March 31, 2023, the Bank has 16,91,260 options to be granted out of 5,00,00,000 options under the scheme.

In addition, the shareholders of the Bank at its meeting held on 23rd August, 2017 approved new CUB ESOS Scheme 2017 for 3,00,00,000 options on terms and conditions similar to previous one.

As on March 31, 2023, 2,59,38,250 options are yet to be granted under the CUB ESOS 2017 Scheme.

The disclosures pursuant to Regulation 14 of SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 has been hosted in the website of the Bank and also the same is annexed hereto as **Annexure I**. weblink:

[https://www.cityunionbank.com/filemanager/PDF/ESOP\\_Genicon\\_CUB\\_Valuation%20Report\\_FY%202022-23.pdf](https://www.cityunionbank.com/filemanager/PDF/ESOP_Genicon_CUB_Valuation%20Report_FY%202022-23.pdf)

### AUTOMATION / DIGITAL BANKING

Banking service now-a-days moved from branch banking to palm of customer to do banking on their convenience and comfort. The advent of digital payment due to advancement of information technology, availability of easy access of network through mobile, encourage more cashless transactions and brings it into the Bank's system. As on date 97.51% of the Bank's transactions are carried out through Alternate Channels. Thus digital banking has become the order of the day.

- The Bank has been spreading its Self Service Bank branches (e-Lounge) and enabling our ATMs / BRMs for cardless deposit and withdrawals, self-service kiosk for passbook and cheque deposit machine.
- The Bank has established Digital Banking Unit as per digital initiatives of Government of India.
- Bank also set-up neo-bank as digital front line so as to enable our customer to open banking relationship.
- Customers can manage their digital payments / transactions by setting their own limit for the ATM, POS and E-com channel transactions. They can enable / disable International usage of the card also through Net / Mobile Banking
- Bank has made its presence in Social Media Banking through Whatsapp, Facebook, Twitter and YouTube.
- Our customers are enjoying CUB e-Wallet, Unified Payment Interface (UPI), BHIM and '\*99#' a NUUP (National Unified USSD Platform), Bharat Bill Payment System (BBPS), Bharat QR - Scan & Pay in BHIM / UPI, ASBA and Aadhaar Enabled Payment System (AEPS).
- Bank is running V-Chip (VKYC) for customer on-boarding and account opening across India
- FASTag facility to make payments at Vehicle Toll Plazas
- A customer friendly Contact Centre (Call Centre) with Interactive Voice Response System (IVRS), is put in place to promote customer support on Multilanguage on 24x7 basis.
- Bank has PCI DSS certification for the digital card environment

## NEW TECHNOLOGY INITIATIVES

### Wearable Keychain and CUBFit Watch

- In order to make payment on the go, CUB has introduced its payment mode to their customers through wearables. To begin with CUB has made tie up with RuPay to make the tap and go payments through a key chain and CUBFit watch.
- This is an advanced technology by embedding chip into the wearable to make payments. Contactless card can be tapped at the merchant PoS devices and transactions upto ₹ 5,000 can be performed without entering PIN.

### CUB UPI123 Pay

- In the series of its innovation, CUB has now introduced UPI Payment solution for feature phones – 'CUB UPI 123PAY'. Customers of any bank can now perform UPI transactions using feature phone / smart phone through CUB BHIM Voice IVR by calling 08045163581.
- The feature phone solution is expected to help in offering payment services to the unserved and underserved segment of the population.

### Apply Card Online

- Introduced facility to apply debit card online through net banking and mobile banking without visiting branch. Customers can apply for a fresh card or for a replacement card against their lost /blocked card. Card status can also be tracked online.

### Easy Buy

- As enrichment to our CUB All in one Mobile app, we have now integrated 'EasyBuy', a shopping platform comprising marketplace module like Flipkart, Bigbazaar, Myntra, Netmeds, etc. 'EasyBuy' is built to meet shopping needs of the consumers and to use a single app for all their online shopping needs instead of downloading multiple apps for specific purpose.

### Dhi Credit Card (Credit Card Issuance with 42CS)

During the financial year 2022-23, Bank tied up with M/s. 42 Card Solutions Pvt. Ltd., to issue CUB brand credit card 'Dhi'. A soft launch was made with our own staff and executives and found satisfactory. Bank is expanding the credit card network to our customers also.

### Voice Bio-Metric based Login for Retail mobile banking – "Your Voice is your Password"

Bank developed a new functionality 'Voice-Biometric' in retail mobile banking for login to have different customer experience. Currently customers can log in to bank's retail mobile banking application via MPIN or Fingerprint / Face ID.

One more login option is introduced through 'Voice-biometric'. Through this method, customer initially needs to register his / her voice in the mobile banking.



Post successful registration, for subsequent logins, customers can choose their 'Voice' as authentication mechanism and login. During the login, the customers can talk in different languages and different text. An enable/disable option for voice biometric is provided to the customer.

### Soft Token for Retail customers for transaction approval

The Bank has provided Digital Signature (DSC) Hard token and Soft token for our corporate customers for transaction approval. Similarly for retail customers also DSC Soft token is introduced for transaction approval. This would be a seamless process of approval and avoids delay due to SMS delivery.

### Cyber Security Measures

As the convenience in doing banking transactions through digital channels increases, the risks in cyber environment also get increased. New types of cyber frauds are emerging with the introduction of new digital channels. As the Bankers are the custodians of Depositors' money, we take utmost care to ensure necessary security measures to protect public interest and necessary mitigation measures are implemented.

- The Bank has implemented latest technology tools in our Bank to cover the protection, detection and response for all cyber security threats and risks.
- The Bank has established Security Operation Centre (SOC) working by 24 X 7 on all calendar days. The SOC takes steps to prevent the attempts from the IOC (Indicators of Compromise) and IOA (Indicators of Attack).
- The Bank participates in the cyber drills conducted by IDRBT on quarterly rests to enhance our threat detection and prevention capabilities. During this review period, bank detected all the attacks successfully in the cyber drills.
- The Bank is giving training on information security and cyber security to employees of the bank.
- Bank is regularly conducting Readiness Assessment among employees to detect and respond for a cyber-incident.

### National Cyber Coordination Center (NCCC)

Cert-In and Ministry of Electronics and Information Technology (MeitY) proposed to implement a national level project called National Cyber Coordination Centre (NCCC). Your Bank actively participates in the project.

### Brand Indicator for Message Identification (BIMI) Implementation

BIMI is an emerging standard that will help establish branch identity and trust on email channels. CUB has adopted this emerging standard to help the customer to easily identify the email emanated from CUB by displaying our logo in the recipient inbox. This will help the customer to easily ensure the genuineness of email and to avoid phishing mails that may impersonate CUB.

### OTHER BUSINESS ACTIVITY

During FY 2022-23, our Bank has entered into Corporate Agency tie-up with six Insurance Companies in addition to the existing tie ups with LIC of India and Star Health & Allied Insurance Company, for augmenting the Non-interest Income. This has been done in accordance with the "Open Architecture" Regulation of IRDAI. The six new Insurance Companies with whom we have tied up with are given below:

#### A) Life Insurance Business

1. Bajaj Allianz Life Insurance Company
2. TATA AIA Life Insurance Company

#### B) Standalone Health Insurance Business

1. Aditya Birla Health Insurance Company
2. Care Health Insurance

#### C) General Insurance Business

1. Royal Sundaram General Insurance Company
2. Shriram General Insurance Company

The above tie ups are fully functional and we are now offering Insurance products of all the above companies to our Customers. During the reporting year the Bank has earned a Fee income of ₹ 26.72 crores as against ₹ 21.03 crores in the previous year, through cross selling of Insurance Products.

Bank is also offering the following additional services to all our Customers through Net Banking & Mobile Banking Platforms:

- Demat A/c from our own DP with NSDL
- Trading A/c from our tie up with Integrated Enterprises India Ltd.,
- Mutual Fund investment solution from our Tie up with Finwizard Technology Pvt. Ltd. (widely known as FISDOM)

### SUBSIDIARIES AND ASSOCIATES

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

### BOARD MEETING

The Board meetings of the Bank were held in accordance with the Companies Act, 2013, the Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. During the year under review, 12 (Twelve) meetings were held. The details of such meetings along with the constitution of the Board and its committees are given under Report on Corporate Governance forming part of this report.

### BOARD OF DIRECTORS & KEY MANAGERIAL PERSONNEL

#### Retirement(s):

#### Shri. R. Mohan (DIN 06902614)

Shri. R. Mohan, Part-Time Chairman of the Bank had completed his tenure on May 03, 2022 as per his appointment terms approved by RBI vide its letter no. DBR.APPT.NO.8631 /08.42.001/2018-19 dt.10th April 2019. Further, as per the provisions of Section 10A(2A)(i) of the Banking Regulation Act, 1949, Shri. R Mohan, has vacated his office of Director as Independent Director on the close of business hours of 27th June, 2022 on account of completion of tenure (8 years).

The Board hereby places on record its warm appreciation over the excellent services rendered by Shri. R Mohan during his tenure.

#### Smt. Abarna Bhaskar (DIN 06971635)

Smt. Abarna Bhaskar (DIN 06971635) retired as an Independent Director from the Board of the Bank on

October 24, 2022 on account of completion of tenure (8 years) as per Banking Regulation Act, 1949 and the Companies Act, 2013.

The Board hereby places on record its warm appreciation over the excellent services rendered by Smt. Abarna Bhaskar during her tenure.

#### Appointment / Re-appointment:

#### Shri. M. Narayanan (DIN 00682297)

During the reporting year, the RBI vide its letter no. DOR.GOV.No.S663/08.42.001/2022-23 dated May 04, 2022 had approved the appointment of Shri. M. Narayanan (DIN 00682297) as the Part-time Non-Executive Chairman of the Bank w.e.f. May 04, 2022 for a period of two (2) years. His appointment was also approved by the Shareholders at the Annual General Meeting held on August 18, 2022.

#### Prof. Veezhinathan Kamakoti (DIN 03537582) and Shri. Gurumoorthy Mahalingam (DIN 09600723)

During the reporting year, Prof. V. Kamakoti and Shri. G. Mahalingam were appointed as Independent Directors of the Bank w.e.f May 27, 2022 and July 06, 2022 respectively. Their appointments were approved by the Shareholders at the Annual General Meeting held on August 18, 2022.

#### Shri. Narayanan Subramaniam (DIN 00166621)

During the reporting year, the Shareholders of the Bank at the Annual General Meeting held on August 18, 2022 had approved the re-appointment of Shri. Narayanan Subramaniam as an Independent Director on the Board of the Bank for the remaining period upto June 19, 2025 as permitted under the Banking Regulation Act, 1949.

#### Smt. Lalitha Rameswaran (DIN 02326309)

Smt. Lalitha Rameswaran was initially co-opted as Additional Director on the Board of the Bank on November 04, 2022 representing Majority Sector "Finance, Accountancy, Banking and Information Technology". The shareholders of the Bank have approved her appointment as an Independent Woman Director on the Board of the Bank for a period of five years w.e.f November 4, 2022 which was duly passed on January 29, 2023 through Postal Ballot by way of remote e-voting.

**Dr. N. Kamakodi (DIN 02039618)**

The Reserve Bank of India vide its letter dated April 26, 2023 had granted its approval for the re-appointment of Dr. N. Kamakodi as the Managing Director & CEO of the Bank for a period of three years w.e.f May 01, 2023. The appointment is subject to approval by shareholders. The Notice seeking the approval of shareholders has been circulated to all concerned through postal ballot for voting by way of remote e-voting. The members may check the stock exchange communications for updates on this.

**Shri. V.N. Shivashankar (DIN 00929256)**

Shri. V.N. Shivashankar currently an Independent Director on the Board of the Bank and his appointment as Independent Director was duly approved by the shareholders at their meeting held on September 01, 2018 for a period of five years. In accordance with the provisions of Section 149(10) of the Companies Act, 2013, an Independent Director can hold office for a maximum term of upto five (5) consecutive years on the Board of the company and shall be eligible for re-appointment for another term of five years subject to passing of Special Resolution by the members and disclosure of such appointment on Board's Report. Further, in respect of Banking Companies, the provisions of section 10A(2) of the Banking Regulation Act, 1949 ('Banking Act') specify that the overall tenure of non-executive Directors should not exceed a period of eight (8) consecutive years.

Keeping in view the provisions of both the Companies Act, 2013 and the Banking Regulation Act, 1949 and pursuant to the recommendations of the Nomination Committee, the Board of Directors of the Bank had approved a proposal to re-appoint Shri. V.N. Shivashankar as Independent Director on the Board of the Bank to hold the office till the remaining period upto February 06, 2026 as permitted under the Banking Regulation Act, 1949 from the date of his first appointment in the Bank, subject to approval of Shareholders by means of Special Resolution at the ensuing Annual General Meeting of the Bank.

Accordingly, the Board recommends the re-appointment of Shri. V. N. Shivashankar for a second term as an Independent Director on the Board of the Bank (not liable to retire by rotation) for approval by shareholders in the Notice calling the ensuing Annual General Meeting. The relevant details of Shri. V.N. Shivashankar pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard - 2 is disclosed separately in such Notice.

**Dr. T. S. Sridhar (DIN 01681108)**

Dr. T. S. Sridhar currently an Independent Director on the Board of the Bank and his appointment as Independent Director was duly approved by the shareholders at their meeting held on September 01, 2018 for a period of five years. In accordance with the provisions of Section 149(10) of the Companies Act, 2013, an Independent Director can hold office for a maximum term of upto five (5) consecutive years on the Board of the company and shall be eligible for re-appointment for another term of five years subject to passing of Special Resolution by the members and disclosure of such appointment on Board's Report. Further, in respect of Banking Companies, the provisions of section 10A(2) of the Banking Regulation Act, 1949 ('Banking Act') specify that the overall tenure of non-executive Directors should not exceed a period of eight (8) consecutive years.

Keeping in view the provisions of both the Companies Act, 2013 and the Banking Regulation Act, 1949 and pursuant to the recommendations of the Nomination Committee, the Board of Directors of the Bank had approved a proposal to re-appoint Dr. T. S. Sridhar as Independent Director on the Board of the Bank to hold the office till the remaining period upto February 06, 2026 as permitted under the Banking Regulation Act, 1949 from the date of his first appointment in the Bank, subject to approval of Shareholders by means of Special Resolution at the ensuing Annual General Meeting of the Bank.

Accordingly, the Board recommends the re-appointment of Dr. T. S. Sridhar for a second term as an Independent Director on the Board of the Bank (not liable to retire by rotation) for approval by shareholders in the Notice calling the ensuing Annual General Meeting. The relevant details of Dr. T. S. Sridhar pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard - 2 are disclosed separately in such Notice.

**Directors to retire by Rotation**

All directors on the Board except the Managing Director and CEO of the Bank are Independent Directors. Hence the provisions of Section 152(6) of Companies Act, 2013 relating to retirement of directors by rotation do not apply considering the present composition of the Board of Directors. Independent Directors are not required to retire in terms of Section 149(13) of the said Act. Accordingly no Director including MD & CEO is required to retire by rotation at the ensuing Annual General Meeting.

### Declaration by Independent Directors

The Bank has received relevant declarations from all the Independent Directors under Section 149(6), 149(7) of the Companies Act, 2013, notifications issued by the Ministry of Corporate Affairs and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Board is satisfied that the Independent Directors meet the criteria of independence as stipulated under the aforesaid provisions of the Companies Act, 2013.

Further, in compliance with MCA notification no.G.S.R.805(E) dt.22nd October, 2019, all Independent Directors of the Bank have registered themselves in the Independent Directors databank of Indian Institute of Corporate Affairs and are qualified / exempt from undertaking Self Assessment Exam.

### Familiarization program for Independent Directors

The details of programme for familiarization of Independent Directors with the Bank, their roles, rights and responsibilities in the Bank and related matters are provided separately under the Corporate Governance Report forming part of this Annual Report.

### Performance Evaluation

In line with the provisions of the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and relevant notifications / guidelines issued by SEBI in this regard, there exists a structured criterion as approved by the Nomination committee of the Board for carrying out the performance evaluation of the Board as a whole, its committees as well as Independent Directors, MD & CEO and Chairman.

The necessary evaluations / review were carried out by the Board and Independent Directors to determine the effectiveness of the Board, its Committees, MD & CEO, Chairman and individual Directors. Additional information on performance evaluation is set out in Corporate Governance section forming part of this Annual Report.

### Key Managerial Personnel

Dr. N. Kamakodi, Managing Director & CEO continues to be a Key Managerial Person. Shri. V. Ramesh, Chief Financial Officer & Company Secretary of the Bank, was a Key

Managerial Personnel ("KMP") of the Bank till February 11, 2023. Further, with effect from the close of business hours of February 11, 2023, Shri. V Ramesh vacated the office of Chief Financial Officer and Company Secretary. He was assigned the whole-time role of Chief Compliance Officer and re-designated by the Board as SGM & Chief Compliance Officer of the Bank to be in line with RBI circular no. DoS.CO.PPG./SEC.02/11.01.005/2020-21 dt.11.09.2020.

The Board of Directors at its meeting held on February 11, 2023 appointed Shri. J Sadagopan as a KMP designated as Chief Financial Officer ("CFO") and Shri. Venkataramanan S as a KMP designated as the Company Secretary ("CS") of the Bank w.e.f. February 12, 2023 respectively pursuant to the provisions of Section 2(51) read with Section 203 of the Companies Act, 2013.

As on the date of this report there are 3 KMPs viz. Managing Director & CEO, CFO and CS.

### AUDITORS

#### Statutory Central Auditor

M/s. Jagannathan & Sarabeswaran, Chartered Accountants, Chennai and M/s. K Gopal Rao & Co., Chartered Accountants, Chennai were re-appointed as the Joint Statutory Central Auditors ("SCAs") of the Bank in the previous Annual General Meeting ('AGM') held on 18th August, 2022. The term of the present SCAs will conclude at the conclusion of the ensuing Annual General Meeting of the Bank and being eligible has offered themselves for re-appointment in line with RBI guideline dated 27th April, 2021. Consent has been received from the SCAs for their re-appointment and also a confirmation to the effect that they are not disqualified to be appointed as Statutory Central Auditors of the Bank in terms of Companies Act, 2013 & the rules made there under. An application was made to the Reserve Bank of India seeking its prior approval for the re-appointment of M/s. Jagannathan & Sarabeswaran, Chartered Accountants, Chennai and M/s. K Gopal Rao & Co. Chartered Accountants, Chennai to act as Joint Statutory Central Auditors for the FY 2023-24. In response, the RBI vide its letter No. CO.DOS.RPD.No. S2229/08.13.005/2023-24 dt. June 22, 2023 has accorded its approval for the re-appointment of M/s Jagannathan & Sarabeswaran, Chartered Accountants, Chennai (FRN 001204S) and M/s K. Gopal Rao & Co., Chartered Accountants, Chennai (FRN 000956S) as the Joint Statutory Central Auditors of the



Bank for a third term for FY 2023-24. The Members are requested to consider and approve their re-appointment as the Joint Statutory Central Auditors of the Bank as per the agenda set out in the Notice calling this Annual General Meeting.

The Statutory Central Auditors have furnished their Report for FY 2023 which forms part of this report and there are no qualifications, reservations or adverse remarks made by the Auditors in their report. Further, the Auditors of the Bank has not reported any fraud under section 143(12) of the Companies Act, 2013.

### Secretarial Auditor

Pursuant to Section 204 of the Companies Act, 2013, read with Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, the Bank had appointed M/s. B. K. Sundaram & Associates, Practising Company Secretaries, Tiruchirapalli as Secretarial Auditor to conduct the Secretarial Audit of the Bank for the Financial Year 2023. The report of Secretarial Auditor 'Secretarial Audit Report' in the prescribed format is annexed to this report as **Annexure II**.

Pursuant to Regulations 24A of SEBI Listing Regulations 2015, read with relevant SEBI circular, the Bank has obtained Secretarial Compliance Report certified by such Auditor for the financial year ended March 31, 2023, on compliance of all applicable SEBI regulations and circulars / guidelines issued thereunder and the copy of the same was submitted with the stock exchanges within due timelines.

There are no observations, reservations or adverse remarks made by the Secretarial Auditor in their report except they have recorded a fact as to the levy of penalty by the Stock Exchanges BSE Ltd., and the National Stock Exchange of India Limited and the divergence reported by RBI. The members may refer Annexure II for more details.

### Cost Audit

The requirement of maintaining cost records u/s 148(1) of the Companies Act 2013 is not applicable to the Bank.

### DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with Section 134 (5) of the Companies Act, 2013, the Board of Directors of the Bank hereby declares and confirms that:

- i) In the preparation of the Annual Accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures.
- ii) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the State of Affairs of the Bank as at the end of the Financial Year and of the Profit & Loss of the Bank for that period.
- iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of applicable laws governing Banks in India for safeguarding the assets of the Bank and for preventing and detecting fraud and other irregularities.
- iv) The Directors have prepared the annual accounts on a going concern basis.
- v) The Directors have laid down adequate internal financial controls to be followed by the Bank and that such internal financial controls are adequate and were operating effectively; and
- vi) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### INSIDER TRADING NORMS

The Bank has formulated / revised the Code of Conduct pursuant to SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time ("SEBI PIT Regulations") to regulate, monitor and ensure reporting of trading by the designated persons and other connected persons. The said code had been reviewed and amended by the Board of Directors from time to time.

The code is adopted to maintain highest ethical standards in dealing with securities of the Bank by persons to whom it is applicable. The code of conduct and related policy are available in the Bank's website. weblink:

[https://www.cityunionbank.com/assets/frontend/pdf/others/CUB\\_Code\\_of\\_Conduct.pdf](https://www.cityunionbank.com/assets/frontend/pdf/others/CUB_Code_of_Conduct.pdf)

All listed companies are required to maintain an in-house Structured Digital Database ("SDD") under Regulation 3(5) and 3(6) of SEBI (PIT) Regulations, 2015 through which Unpublished Price Sensitive Information (UPSI) are to be reported. In this regard our Bank has purchased a software application from M/s GNSA, Infotech, Chennai

which has been integrated in the Bank's server. The trades of all Designated and Connected persons ("Insiders") are monitored on a continuous basis.

Further, in order to exercise additional vigil on the trades conducted by all Insiders, the PAN of all the Insiders are linked in the database of RTA and thereby the RTA furnishes a weekly report to the Bank on trades conducted by the Insiders. The violations, if any, are reported to the Audit Committee and the Board.

### **MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE BANK AND SIGNIFICANT / MATERIAL ORDERS PASSED BY THE REGULATORS**

There are no material changes and commitments affecting the financial position of the Bank which occurred between the end of the financial year of the Bank i.e., March 31, 2023 and the date of Directors Report i.e., June 26, 2023.

During the year under review, no significant and material orders have been passed by the Regulators except the Reserve Bank of India, which as per its final Report on Risk Assessment for the period March 2022 has inter-alia reported divergence in additional gross NPA amounting to ₹259 Crores. As per such Report the Bank had to make an additional provisioning towards Bad & Doubtful debts to the tune of ₹40 Crores. The Bank had complied with the directions of RBI.

### **POLICIES**

Directors Appointment(s) and Remuneration / Compensation Policy

The Bank has formulated and adopted a policy on Board Diversity as per which the Nomination Committee of the Board of Directors of the Bank conducts the preliminary assessment for appointment of Directors on the Board of the Bank and makes suitable recommendations to the Board for its consideration.

The Nomination Committee identifies and assesses the qualifications and positive attributes of the proposed candidate for the position of Director based on the disclosures / declarations received from such person under the Companies Act, 2013, the Banking Regulation

Act, 1949 and also RBI guidelines. The Nomination Committee makes a thorough scrutiny of the prospective candidate and certifies the fit and proper status to the Board after exercising above due diligence process.

Apart from the above, the Nomination Committee while appointment of an Independent Director also considers the Declaration on Independence furnished by the proposed candidate for the position of Director u/s 149 (6) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Further, the Bank has a Compensation Policy which is in accordance with the directives issued by the Reserve Bank of India. The Bank has constituted a Compensation & Remuneration Committee which oversees the framing, implementation and review of the Compensation Policy of the Bank. The Remuneration Policy of the Bank is briefed under Corporate Governance Report forming part of Annual Report.

### **RISK MANAGEMENT POLICY**

The Bank has in place an Integrated Risk Management framework supported by detailed policies and processes for management of Credit Risk, Market Risk, Liquidity Risk, Operational Risk and various other risks. The details on the Risk Management framework of the Bank is detailed in the Management Discussion and Analysis section appended to this Report.

### **BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT**

As per Regulation 34(2)(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, your Bank has prepared the Business Responsibility and Sustainability Report setting out the Bank's Social, Environmental and Governance aspects. The same is furnished as a separate report forming part of this Annual Report.

### **DEPOSITS UNDER CHAPTER V OF COMPANIES ACT, 2013**

Being a Banking company, the disclosures as required pursuant to Rule 8(5)(v) & (vi) of the Companies (Accounts) Rules, 2014 read with Section 73 & 74 of the Companies Act, 2013 are not applicable to your Bank.

## INTERNAL FINANCIAL CONTROLS SYSTEMS & ADEQUACY

The Bank has put in place adequate internal financial controls commensurate with the size and scale of operations. The Bank has, in all material aspects, adequate Internal Control systems over financial reporting and these controls have been taken into consideration, the essential components of internal control stated in the guidance note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. Such Internal Financial Controls over Financial Reporting were operating effectively as at the end of the financial year. More details have been set out in Management Discussion and Analysis Report which forms part of this report.

## RELATED PARTY TRANSACTIONS

The Board of Directors of the Bank has adopted a policy on Related Party transactions which is in line with the Companies Act, 2013 and SEBI Listing Regulations, 2015. During the reporting year, no contracts or arrangements were made by the Bank attracting the provisions of Section 188 of the Companies Act, 2013 or SEBI Listing Regulations. A detailed policy on the Related Party Transaction is available at the Bank's website. Weblink:

<https://www.cityunionbank.com/filemanager/PDF/RPT-policy-26%20June-2023.pdf>

## LOANS, GUARANTEES OR INVESTMENTS

The Loans, Guarantees or Investments made in securities by the Bank are exempt pursuant to the provisions of section 186 (11) of the Companies Act, 2013 and hence do not attract any disclosure required under section 134 (3)(g) of the Companies Act, 2013.

## ANNUAL RETURN u/s 92(3) OF COMPANIES ACT, 2013

The Annual Return pursuant to Section 92(3) of the Companies Act, 2013 is uploaded in the website of the Bank. Weblink:

[https://www.cityunionbank.com/filemanager/PDF/MGT-7\\_2022.pdf](https://www.cityunionbank.com/filemanager/PDF/MGT-7_2022.pdf)

## CORPORATE SOCIAL RESPONSIBILITY (CSR)

In compliance with Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended and the related notifications / circulars / guidelines issued by MCA, the Bank has established Corporate Social

Responsibility (CSR) Committee. The Bank has established CUB Foundation, a non-profit entity to identify suitable deserving projects, recommend and oversee the CSR initiatives of the Bank.

The Annual Return on CSR activities as required under Rule 9 of the Companies (Corporate Social Responsibility) Rules 2014 is furnished under **Annexure III** to this report.

## DISCLOSURE TO BE MADE UNDER SECTION 177(8) OF COMPANIES ACT, 2013

The Board of the Bank had constituted the Audit Committee under the extant guidelines of Reserve Bank of India (RBI), provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The details of the composition of the Audit Committee are furnished in the Corporate Governance Report which forms part of this Report.

## CORPORATE GOVERNANCE

The Bank is committed to achieving the highest standards of Corporate Governance and it also adheres to the Corporate Governance requirements set by the Regulators / applicable laws. The Corporate Governance practices followed by the Bank aim to ensure value creation for all its stakeholders through ethical decision making and maintaining transparency.

A detailed report on Corporate Governance standards followed by the Bank as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Companies Act, 2013 and Rules made there under along with Certificate of Compliance from the Statutory Auditors are furnished separately which forms part of this report.

## MANAGEMENT DISCUSSION & ANALYSIS

A detailed Management Discussion and Analysis Report for the year under review as stipulated in SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 is presented as a separate section forming part of this Report.

## OTHER DISCLOSURES

### Conservation of Energy and Technology Absorption

In respect of the nature of activities carried out by the Bank, w.r.t. the provisions of Section 134 (m) of the

ESG  
ReportStatutory  
ReportsFinancial  
StatementsList of  
Branches

Basel III



Companies Act, 2013 relating to conservation of energy and technology absorption, the Bank has taken every effort to conserve energy. The Bank has been installing energy efficient equipments at all its branches including installation of Solar panels wherever feasible and power saving LED bulbs at majority of Branches and Central Office. The members may refer the Business Responsibility and Sustainability Report for more details on this aspect.

On the technological front, the Bank continued to offer reliable and secure banking service to its customers by facilitating the latest customer friendly technological solutions. A separate para on Technology matters has been set out elsewhere in this report.

### Foreign Exchange Earnings and Outgo

The Bank continues to encourage country's export promotion by lending to exporters and offering them forex transaction facilities.

### EMPLOYEES / OTHER DISCLOSURES

#### Disclosures under Section 197 of the Companies Act, 2013

The disclosures pursuant to the provisions of Section 197 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are furnished as **Annexure IV**.

The statement containing particulars of employees as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is annexed as **Annexure V**.

#### Disclosure under Section 22 of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Bank is keen in maintaining and upholding the dignity of each and every woman at the work place. The Bank has a policy on Prevention of Sexual Harassment at workplace which provides for adequate safeguards and protection for women at the work place in the organization. The Bank has complied with the requirement of constitution of Internal Complaints Committee (ICC) under the Sexual Harassment of Women at work place (Prevention, Prohibition and Redressal) Act, 2013.

There exists an online Grievance redressal forum for women employees in the intranet server of the Bank wherein women employees of the Bank can file their Grievance / complaint under the act. During the reporting period no complaints have been received by the ICC.

### Whistle Blower / Vigil Mechanism

Pursuant to the provisions of Section 177(9) and (10) of the Companies Act 2013, a vigil mechanism for Directors and employees to report genuine concerns has been established. The Bank has a policy on whistle blower / vigil mechanism which is uploaded in the website of the Bank. Weblink:

<https://www.cityunionbank.com/assets/frontend/pdf/others/Whistleblower-Policy.pdf>

There exists an online forum for all employees in the intranet server of the Bank to report genuine concerns under the mechanism. No application / complaint was received in this regard during FY 2022-2023.

All employees and Directors have access to the Chairman of the Audit Committee under extraordinary circumstances.

### Compliance with Secretarial Standards and applicable laws

It is hereby confirmed that the Bank has complied with the Secretarial Standards issued by the Institute of Company Secretaries of India (SS-1 and SS-2) relating to Meetings of the Board, its Committees and Shareholders. Further proper systems are in place to ensure compliance of all laws applicable to the Bank.

### ACKNOWLEDGEMENT

The Board of Directors of the Bank would like to take this opportunity to thank all its Customers and Stakeholders and wish to place on record its sincere appreciation for the assistance and co-operation received from the Reserve Bank of India, SEBI, IRDAI, NABARD, NHB, SIDBI, EXIM BANK, ECGC, DICGC, NPCI, Stock Exchanges, Depositories, Integrated Registry Management Services Private Limited, Life Insurance Corporation of India and all other authorities.

Your Directors also place on record their deep sense of appreciation for the committed services rendered by the Bank's Executives, members of the Staff and all other employees.

For and on behalf of the Board  
Sd/-

**M. Narayanan**

DIN: 00682297

Chairman

Date : 26<sup>th</sup> June, 2023  
Place : Chennai



**ANNEXURE I**  
**ANNEXURE TO BOARD'S REPORT**  
**REGULATION 14 OF SECURITIES AND EXCHANGE BOARD OF INDIA**  
**(SHARE BASED EMPLOYEE BENEFITS AND SWEAT EQUITY) REGULATIONS, 2021**

Particulars	CUB ESOS 2008	CUB ESOS 2017
Date of Shareholder's approval	April 26, 2008	August 23, 2017
Total number of options approved under ESOS	5,00,00,000	3,00,00,000
Vesting requirements	There shall be a minimum period of one year between the grant of options and vesting of options. The vesting shall happen in one or more tranches under each series, subject to the terms and conditions of vesting as may be stipulated by the Board which may include satisfactory performance of the employees. Each tranche shall be open for exercise to employees for a period of five (5) years from the date of vesting.	
Exercise price or pricing formula	The latest available closing price on the National Stock Exchange of India Limited (NSE) prior to meeting of the Compensation and Remuneration Committee of Directors / Board of directors approving and granting the options.	
Maximum term of options granted	5 years	
Source of shares (primary, secondary or combination)	Primary	
Method used to account for ESOS - Intrinsic or Fair Value	<p>Intrinsic Value Method: For all employees other than MD &amp; CEO/ Whole Time Directors / Material Risk Takers.</p> <p>Fair Value Method: For MD &amp; CEO / Whole Time Directors / Material Risk Takers and Control Function Staff as per RBI Circular No.DoR.GOV.REC.44/29.67.001/2021-22 dt. August 30, 2021.</p>	
Stock Options to Whole Time Director / Managing Director & CEO and Material Risk Takers (MRTs)	<p>In case of grant of stock options to Whole Time Director / Managing Director &amp; CEO and Material Risk Takers (MRTs), the employee's compensation cost for said options should be accounted using "FAIR VALUE".</p> <p>In view of above, the Board of Directors of the Bank based on the recommendation of Compensation and Remuneration Committee vide its Meeting held on August 8, 2022, had amended the existing CUB ESOS 2017 Scheme and segregated it into two parts i.e. Part A applicable for all the eligible employees and Part B for MD &amp; CEO / Whole Time Directors / Material Risk Takers and Control Function Staff of the Bank.</p>	

ESG  
Report

Statutory  
Reports

Financial  
Statements

List of  
Branches

Basel III

**Black Scholes model has been employed to arrive value of options granted under ESOS 2008 & 2017 based on the following assumptions**

1. Risk Free Rate - Yield on the appropriate period Government Securities has been considered as the risk-free rate.
2. Expected Volatility - Standard Deviation of the stock returns of City Union Bank over the trailing one year period prior to the date of grant of options has been considered.
3. Expected Dividend - Based on the last dividend pay-out by the Bank.

Particulars	ESOS 2008			
	Series IV	Series V	Series VI	Series VII
Pricing Formula	₹46.95	₹93.20	₹88.05	₹179.00
Revised price due to rights & bonus issue	₹38.80	₹77.03	₹72.77	--
<b>No. of options outstanding as on 1<sup>st</sup> April, 2022</b>	24,200	6,39,483	3,55,861	37,78,300
No of additional options granted pursuant to Bonus Issue during the year	0	0	0	0
No. of fresh options granted during the year	0	0	0	0
No of options lapsed during the year	24,200	2,65,099	14,218	8,42,200
No of options exercised during the year	0	3,74,384	1,68,613	8,175
No. of shares arising as a result of exercise of option during the year	0	3,74,384	1,68,613	8,175
Variation in terms of Options	Not Applicable			
Vesting Period	1 <sup>st</sup> year - 15%, 2 <sup>nd</sup> year - 15%, 3 <sup>rd</sup> year - 15%, 4 <sup>th</sup> year - 25% and 5 <sup>th</sup> year - 30%.			
Money realized by exercise of Options during the year (In ₹)	0	2,88,38,799.52	1,22,69,968.01	14,63,325.00
Loan repaid by the Trust during the year from the exercise price received	Not Applicable			
<b>Total Number of options outstanding at the end of the year 31<sup>st</sup> March, 2023</b>	0	0	173,030	29,27,925
Employee wise details of Options granted				
i) Senior Management Personnel	Nil			
ii) Any other employee who received a grant in any one year of the options amounting to 5% or more of the options granted during the year	Nil			
iii) Identified employees who were granted options during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Bank at the time of grant	Nil			

Particulars	ESOS 2008			
	Series IV	Series V	Series VI	Series VII
<b>Allotment of shares made during the Financial Year under ESOS 2008</b>				
Employee wise details of the shares allotted to				
<b>i) Senior Managerial Personnel</b>	4	5	6	7
Rajam S	-	12,705	-	-
Sivakumar V	-	7,260	-	-
ii) Any other employee who received a grant in any one year of the options amounting to 5% or more of the options granted during the year	Nil			
iii) Identified employees who were granted options during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Bank at the time of grant	Nil			

ESG  
Report

Statutory  
Reports

Financial  
Statements

List of  
Branches

Basel III

Particulars	ESOS 2017			
	Series I	Series II	Series III	Series IV
Pricing Formula	₹132.95	₹144.80	₹ 140.40	₹ 1
Revised price due to rights & bonus issue	--	--	--	
<b>No. of options outstanding as on 1<sup>st</sup> April, 2022</b>	30,94,825	5,12,800	-	-
No of additional options granted pursuant to Bonus Issue during the year	-	-	-	-
No. of fresh options granted during the year	-	-	60,000	26,950
No of options lapsed during the year	2,43,000	71,000	0	0
No of options exercised during the year	2,80,300	0	0	0
No. of shares arising as a result of exercise of option during the year	2,80,300	-	-	-
Variation in terms of Options	Not Applicable			
Vesting Period	1 <sup>st</sup> year - 15%, 2 <sup>nd</sup> year - 15%, 3 <sup>rd</sup> year - 15%, 4 <sup>th</sup> year - 25% and 5 <sup>th</sup> year - 30%			30%, 30% and 40% in each of the years - 3 Years
Money realized by exercise of Options during the year (In ₹)	3,72,65,885	0	0	0
Loan repaid by the Trust during the year from the exercise price received	Not Applicable			
<b>Total Number of options outstanding at the end of the year 31<sup>st</sup> March, 2023</b>	25,71,525	4,41,800	60,000	26,950
<b>Employee wise details of Options granted</b>				
<b>i) Senior Management Personnel</b>				
Kalyanaraman M	-	-	20,000	-
Venkatasubramanian V	-	-	15,000	-
Venkat Kishna V	-	-	15,000	-
ii) Any other employee who received a grant in any one year of the options amounting to 5% or more of the options granted during the year	Nil			
iii) Identified employees who were granted options during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Bank at the time of grant	Nil			



Particulars	ESOS 2017			
	Series I	Series II	Series III	Series IV
<b>Allotment of shares made during the Financial Year under ESOS</b>				
<b>Employee wise details of the shares allotted to</b>				
<b>i) Senior Managerial Personnel</b>				
Uma R	1500	-	-	-
Sundararaman G	2250	-	-	-
Mohan S	1500	-	-	-
Ramasamy J	10000	-	-	-
Balachandar K V	5250	-	-	-
Subbaraman R	3000	-	-	-
Venkatakrishnan K	7500	-	-	-
Sankaran G	1500	-	-	-
Gopalakrishnan V	1500	-	-	-
Jayaraman K	1500	-	-	-
Sadagopan J	1500	-	-	-
ii) Any other employee who received a grant in any one year of the options amounting to 5% or more of the options granted during the year	Nil	-	-	-
iii) Identified employees who were granted options during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Bank at the time of grant.	Nil	-	-	-

Note: The employees in the rank of Dy. General Manager and above are included in Senior Managerial Personnel.

Employee compensation cost calculated as per the intrinsic value method for the financial year 2022-23 is Nil for the stock options granted under ESOS 2008 and ESOS 2017. If the Employee compensation cost was calculated as per fair value method as prescribed under Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, the total cost to be recognized in the financial statement for the Financial Year 2022-23 would be ₹3,45,20,611/-. Consequently, net profit would have been reduced by

₹3,45,20,611/- and EPS would have been reduced by ₹0.0466/- per share.

Further, as mandated by RBI, in case of Whole Time Director / Managing Director & CEO and Material Risk Takers (MRTs), the Bank must follow fair value of option for accounting ESOS. For the stock options granted to MD and CEO under Series IV during the financial year, the Bank has followed fair value of option.

ESG  
Report

Statutory  
Reports

Financial  
Statements

List of  
Branches

Basel III

Weighted Average Details	ESOS 2008	ESOS 2017
Weighted Avg Market Price (In ₹)	173.93	135.01
Weighted Avg Exercise Price (In ₹)	173.93	133.64
Weighted Avg Risk Free Interest Rate (%)	7.37	5.61
Weighted Avg Stock Volatility	0.002	0.04
Weighted Avg Fair Value of Options (In ₹)	51.85	39.19

## ANNEXURE - II

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2023  
FORM NO. MR-3

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

*To the Members of*

## CITY UNION BANK LIMITED

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. City Union Bank Limited (CIN: L65110TN1904PLC001287) (hereinafter referred to as 'BANK') for the audit period covering the financial year ended on 31<sup>st</sup> March 2023.

Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances for expressing our opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the 'Bank' and also the information provided by the 'Bank', its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the 'Bank' has, during the audit period covering the financial year ended on 31<sup>st</sup> March 2023 complied with the statutory provisions listed hereunder and also that the 'Bank' has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the 'Bank' for the financial year ended on 31<sup>st</sup> March 2023, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- a) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 2015;
- b) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer

Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
- d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021
- e) Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003
- (iv) The following Acts, Rules and Regulations are specifically applicable to the 'Bank':
  - a) The Banking Regulations Act, 1949
  - b) The Reserve Bank of India Act, 1934
  - c) Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002
  - d) The Bankers' Books Evidence Act, 1891
  - e) Recovery of Debts due to Banks and Financial Institution Act, 1993
  - f) Credit Information Companies (Regulation) Act, 2005
  - g) Prevention of Money Laundering Act, 2002
  - h) The Deposit Insurance and Credit Guarantee Corporation Act, 1961
  - i) Industrial Disputes (Banking and Insurance Companies) Act, 1949
  - j) SEBI (Bankers to an Issue) Regulations, 1994
  - k) The Negotiable Instruments Act, 1881
  - l) Insurance Regulatory and Development Authority of India Act, 1999

ESG  
ReportStatutory  
ReportsFinancial  
StatementsList of  
Branches

Basel III

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

- (i) Secretarial Standards with respect to the meetings of the Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India.
- (ii) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the 'Bank' has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above, subject to the information made infra.

During the period under report, provisions of the following regulations were not attracted by the 'Bank':

- (i) The Securities and Exchange Board of India (Buy back of Securities) Regulations, 2018.
- (ii) The Securities and Exchange Board of India (Delisting of Equity Shares Regulations) 2021
- (iii) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings

**We further report that:**

The Board of Directors of the 'Bank' is duly constituted with proper balance of Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice with agenda items supported by detailed notes thereon is given to all Directors to schedule the Board Meetings and Committee meetings and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meetings and for meaningful participation at the meetings.

Resolutions at the meetings of the Board of Directors of the Bank and Committees thereof are carried through, on the basis of unanimous decisions. If and when decisions are carried through on the basis of majority, the dissenting members' views are captured and recorded as part of the minutes. But there were no dissenting views during the year under report.

**We further report that** there are adequate systems and processes in the 'Bank' commensurate with the size and operations of the 'Bank' to monitor, to make requisite disclosures to the concerned authorities and thereby ensure compliance with applicable Laws, Rules, Regulations and Guidelines.

**We further report that** during the audit period the 'Bank' had no specific events / actions, except the below mentioned events, having a bearing on the Bank's affairs in pursuance of the above referred Laws, Rules, Regulations, Guidelines, Standards, etc., referred to above:

- The stock exchanges BSE Limited & The National Stock Exchange of India Limited had imposed a fine of ₹41,300/- each for delayed filing of return for the half year ended 31-03-2022 as per amended regulation 23 (9) of SEBI (LODR) Regulations 2021.
- The Reserve Bank of India as per its final report on Risk Assessment for the period March 2022 has inter-alia reported divergence in additional gross NPA amounting to ₹259 Crores. As per such report the Bank had to make an additional provisioning towards Bad & Doubtful debts to the tune of ₹40 Crores. The Bank had complied with the directions of RBI.

For **M/S. B.K. SUNDARAM & ASSOCIATES**  
COMPANY SECRETARIES

Sd/-

**B. Kalyanasundaram**

Company Secretary

ACS. No. A672 CP. No. 2209

UDIN: A000672E000498125

Peer Review Cert No. : 1215/2021

ICSI Unique code: S1994TN013100

Date : 26<sup>th</sup> June, 2023

Place : Tiruchirapalli

Note: This report has to be read along with the Annexure which forms an integral part of this report.



**ANNEXURE TO SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2023**

**CITY UNION BANK LIMITED**

1. Maintenance of secretarial records with reference to the provisions of the Companies Act, 2013 & the Rules thereunder and the maintenance of records with reference to other applicable laws is the responsibility of the management of the 'Bank'. Our responsibility is to express an opinion based on our audit regarding compliance thereof by the 'Bank'.
2. The audit was conducted in accordance with applicable Standards issued by the Institute of Company Secretaries of India. We have followed the audit practices and procedures as were appropriate to obtain reasonable assurance about the correctness

of the contents of the records. 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 Secretarial Audit. The verifications were done on a random test basis to ensure the correctness of the facts reflected in the records.

3. We have obtained the Management representation about the compliance of Laws, Rules and Regulations and other specifically applicable Acts, Rules and Regulations and occurrence of events and we have covered the same in our report.

For **M/S. B.K. SUNDARAM & ASSOCIATES**  
COMPANY SECRETARIES

Sd/-

**B. KALYANASUNDARAM**

COMPANY SECRETARY

ACS. No. A672 CP. No. 2209

UDIN: A000672E000498125

Peer Review Cert No. : 1215/2021

ICSI Unique code: S1994TN013100

Date : 26<sup>th</sup> June 2023

Place : Tiruchirapalli

ESG  
Report

Statutory  
Reports

Financial  
Statements

List of  
Branches

Basel III

## ANNEXURE - III

### ANNUAL RETURN ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

#### 1. Brief outline on CSR Policy of the Bank

CSR has always remained an integral part of the Bank. The Bank is committed towards serving the society in which it operates. The Bank understands the challenges and hazards faced by the environment in this contemporary world and has always ensured in making effective and meaningful contributions to positively impact the society in which it operates.

During the FY 2022-23 the Bank has effectively carried out CSR activities covering diverse range of activities to have a high social impact. The main objective of the Bank's CSR policy is to bring about an overall positive development in improving the living standards of the

society. During the year the Bank has made an active contribution towards the following causes.

- a) Cleanliness & Swachh Bharat Mission
- b) Literacy & Rural Sports
- c) Health Care
- d) Restoration & Renovation of sites of Historical Importance
- e) Environment Sustainability, conservation of natural resources and maintaining quality of air, soil and water
- f) Rural Sports
- g) Rural Development

#### 2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Dr. N. Kamakodi	MD & CEO & Chairman of the Committee	3	3
2	V. N. Shivashankar	Member	3	3
3	Dr. T. S. Sridhar	Member	3	3
4	T.K. Ramkumar	Member	3	3
5	K Vaidyanathan	Member	3	3

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

<https://www.cityunionbank.com/filemanager/PDF/composition%20of%20Board%20committees.pdf>  
<https://www.cityunionbank.com/assets/frontend/pdf/others/csr2021.pdf>  
[https://www.cityunionbank.com/filemanager/PDF/CSR-ANNUALACTIONPLAN\\_2022-23.pdf](https://www.cityunionbank.com/filemanager/PDF/CSR-ANNUALACTIONPLAN_2022-23.pdf)

#### 4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable.

The impact Assessment Report on the CSR projects related to the FY 2023 as applicable in pursuance of the aforesaid rule is provided after this report.

5. (a) Average net profit of the company as per sub-section (5) of section 135 : ₹7,54,76,69,123/-  
 (b) Two percent of average net profit of the company as per sub-section (5) of section 135 : ₹15,09,53,383/-  
 (c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years : Nil  
 (d) Amount required to be set off for the financial year, if any : Nil  
 (e) Total CSR obligation for the financial year ((b) + (c) - (d)) : ₹15,09,53,383/-
6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): ₹12,74,18,144/-  
 (b) Amount spent in Administrative Overheads: Nil  
 (c) \*Amount spent on Impact Assessment, if applicable : NA  
 (d) Total amount spent for the Financial Year ((a)+(b)+(c)): ₹12,74,18,144/-

\*This expenditure has not been accounted from CSR funds.

**(e) CSR amount spent or unspent for the financial year:**

Amount unspent (in ₹)

Total Amount Spent for the Financial Year (in ₹)	Total Amount transferred to Unspent CSR Account as per sub-section 6 of section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section 5 of section 135		
	Amount (in ₹)	Date of transfer	Name of the Fund	Amount	Date of transfer
12,74,18,144	2,46,15,856	25.04.2023		Nil	

**NOTE:** CSR FY 2023 - An amount of ₹15,20,34,000/ has been budgeted which is in excess by ₹10,80,617/- over the actual CSR obligation mentioned above depending on the proposals received during the year.

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

Sl. No.	Particulars	Amount (in ₹)
1	Two percent of average net profit of the company as per sub-section (5) of section 135	15,09,53,383
2	Total amount spent for the Financial Year	12,74,18,144
3	Excess amount spent for the Financial Year ((ii) - (i))	Nil
4	Surplus arising out of the CSR projects or programmes or activities of the Previous Financial Years, if any	Nil
5	Amount available for set off in succeeding Financial Years ((iii) - (iv))	Nil

**7. Details of Unspent CSR amount for the preceding three Financial Year(s):**

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under sub-section 6 of section 135 (in ₹)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in ₹)	Amount spent in the Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section 5 of section 135, if any.		Amount remaining to be spent in succeeding financial years. (in ₹)	Deficiency, if any
					Amount (in ₹)	Date of transfer		
1	2019-2020	-	-	-	Nil		-	
2	2020-2021	4,53,75,117	1,92,21,696	1,92,21,696			-	
3	2021-2022	2,94,65,143	2,94,65,143	2,37,68,868			56,96,275	
	<b>TOTAL</b>	<b>7,48,40,260</b>	<b>-</b>	<b>4,29,90,564</b>			<b>56,96,275</b>	

**8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: Yes**

If Yes, enter the number of Capital assets created / acquired : 23

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sl. No.	Short particulars of the property or asset(s) (including complete address and location of the property)	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent (in ₹)	Details of entity / Authority / beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered address
1	Battery vehicle for Solid waste management	625706	06.05.2022	1,87,566	NA	Municipality- Thirumangalam	Thirumangalam Municipality, Madurai
2	Smart Class for Various Schools in and around Kumbakonam	612001	21.07.2022	28,00,000	NA	Various Schools/Institutions	Kumbakonam
3	Van to School Students	600017	21.06.2022	20,20,000	NA	Pratyuksha Charitable Trust-Chennai	Pratyuksha Charitable Trust, Chennai
4	Construction of Community Hall	612001	17.03.2023	15,00,000	NA	Senbegavalli Thayar Tirupani Committee	Nathan Koil-Kumbakonam
5	Vehicle to school Students (Special Children)	625005	25.08.2022	23,00,000	NA	Shaksham Trust-Madurai	Madurai
6	Solar System	600026	29.03.2023	25,00,000	NA	Vadapalani Temple	Chennai
7	Solar System	600017	18.05.2022	10,00,000	NA	Chatruveda Vidya Ganapathi Trust	Chennai
8	Construction of Community hall	612003	01.08.2022	17,00,000	NA	Viralimalai Sadasiva swamigal Trust	Thirubhuvanam
9	Provision of Borewell	612601	23.05.2022	1,50,000	NA	Sengalipuram Narpani Mandram	Sengalipuram
10	Construction of Community hall	612601	30.03.2023	6,00,000	NA	President & the residents of Vembanur Village	Kodavasal
11	Vehicle to school Students	612610	23.09.2022	22,00,000	NA	Swami Dayananda Educational Trust	Manjakudi
12	Computers	612001	06.09.2022	7,50,000	NA	Saraswathi Patasala Higher Sec.School,Kumbkonam	Kumbakonam
13	Construction of Community hall	630212	17.08.2022	5,00,000	NA	Iranikoil Nattukottai Nagarathar Religious Trust	Iraniyur village, Sivaganga Dt.
14	Construction of Community hall	600031	11.08.2022	3,00,000	NA	Kamakshi Amman Kaingarya Sabha Trust	Chennai
15	Construction of Community hall	620001	19.10.2022	5,00,000	NA	Varaprasada Ganapathy Sabha	Tiruchirappali
16	Bench/ Desk	612001	05.05.2022	2,98,200	NA	Various Schools/Institutions	Kumbakonam
17	Computers	600004	17.08.2022	1,05,800	NA	Sivaswami Kalalaya Higher Secondary School	Chennai



Sl. No.	Short particulars of the property or asset(s) (including complete address and location of the property)	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent (in ₹)	Details of entity / Authority / beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered address
18.	Computers & Printer	612001	10.11.2022	89,831	NA	Dr. MGR Memorial Municipal Middle School	Kumbakonam
19.	Computers & Printer	611106	23.01.2023	46,949	NA	Koraka Siddhar Ashramam	North Poigainallur
20.	Construction of Toilet	612503	23.08.2022	6,65,000	NA	Kasthuri Dream Foundation- Govt School cholapuram	Cholapuram
21.	Construction of Classrooms	612804	16.09.2022	20,00,000	NA	Panchayat Union Middle School	Oothukadu
22.	Computers to School at Dombivali	421202	22.06.2022	20,00,000	NA	South Indian Association, Dombivili	Dombivili, Mumbai
23.	Battery Operated Golf Cart for public	362268	21.11.2022	14,50,000	NA	Somnath Jyotirlingam Temple	Gujarat
	<b>Total</b>			<b>2,56,63,346</b>			

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office / Municipal Corporation / Gram panchayat are to be specified and also the area of immovable properties as well as boundaries)

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

The amount has already been sanctioned / budgeted and the same will be spent / disbursed as per the requirement of CSR beneficiaries and the same shall be reported in succeeding financial year.

For **CITY UNION BANK**

Sd/-

**Dr. N. Kamakodi**

DIN : 02039618

Managing Director & CEO  
(Chairman of CSR Committee)

Date: 26<sup>th</sup> June, 2023  
Place: Chennai

ESG  
Report

Statutory  
Reports

Financial  
Statements

List of  
Branches

Basel III

## IMPACT ASSESSMENT REPORT ON CSR ACTIVITIES OF CITY UNION BANK LIMITED, KUMBAKONAM FY 2022

### INTRODUCTION

Many corporates and successful companies have engaged in some sort of socially responsible and environmentally sustainable development activities for a long time with the overarching objective of improving the welfare of the communities and society they affect, and upon which they depend. Businesses can support the environment, people, and society by engaging in corporate social responsibility (CSR). UN's Industrial Development Organisation (UNIDO) defines CSR as a strategic business management concept whereby companies integrate social and environmental concerns in their business operations and interactions with their stakeholders ([www.unido.org](http://www.unido.org)). In this sense, CSR can be charity, sponsorships, or philanthropy.

City Union Bank Limited head quartered at Kumbakonam, Tamilnadu has been doing many CSR activities in Thanjavur, Kumbakonam, Thiruvarur and Nagapattinam districts of Tamil Nadu. Their major activities include desilting of lakes/ponds, including temple ponds for better water management for irrigation and improving water availability in temple ponds, providing schools and smart classrooms in schools for improving the access and quality of education, toilet facilities for the public and school children for improving hygiene and clean environment, providing better healthcare facilities for the public, improving facilities in the temples and renovation of temples, support for cultural festivals for preserving and enhancing the local culture, etc. CUB's annual budget for CSR activities is substantial and spends about 15 crore rupees annually.

This report presents the evaluation of CUB's CSR efforts in collaboration with the healthcare establishments of the Government of Tamil Nadu (GoTN) in several locations to manage and mitigate the impact of the COVID-19 epidemic during the financial year 2020-21 and 2021-22.

### 1.1 Need for Impact Assessment Study

A systematic impact assessment study is required to measure the contribution of CSR programmes and projects carried out by a company to the social, economic, and environmental goals of the country.

The impact assessment study helps to understand the following:

- 1) What benefits and impacts (positive or negative) do CSR bring to the economy and society outside the company?
- 2) How can all stakeholders better measure and evaluate the impacts arising from CSR?
- 3) How this can be used for integrating public policies with corporate strategy?

The impact assessment study is used to appraise the strategies adopted in the implementation of CSR programmes and projects, assess the performance, report the impact and also to recommend any required improvements to align the activities with the goals, mission and vision of the company.

### 1.2 Objectives of the Study

- 1) To assess the overall impact of the CSR activities of CUB that were focused on supporting the government healthcare establishments at different levels including urban local bodies (ULB) hospitals, and primary health centres, to overcome the Covid-19 pandemic during the year 2021-22.
- 2) To collect evidence through photographs and videos, and first-hand information about CUB's support to Covid-19 pandemic relief measures and to assess their success/utility and impact.
- 3) To find out the perception of the stakeholders (doctors, healthcare staff, ULB officials and the beneficiaries) regarding the success/utility of CUB's CSR activities during the period 2021-22.

2. GENERAL APPROACH TO IMPACT EVALUATION STUDY

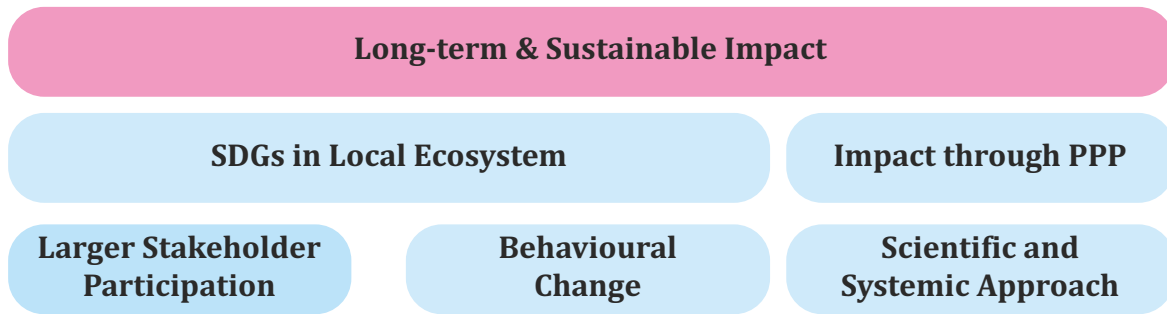


Figure 1: CUB's Approach to CSR

ESG Report

Statutory Reports

Financial Statements

List of Branches

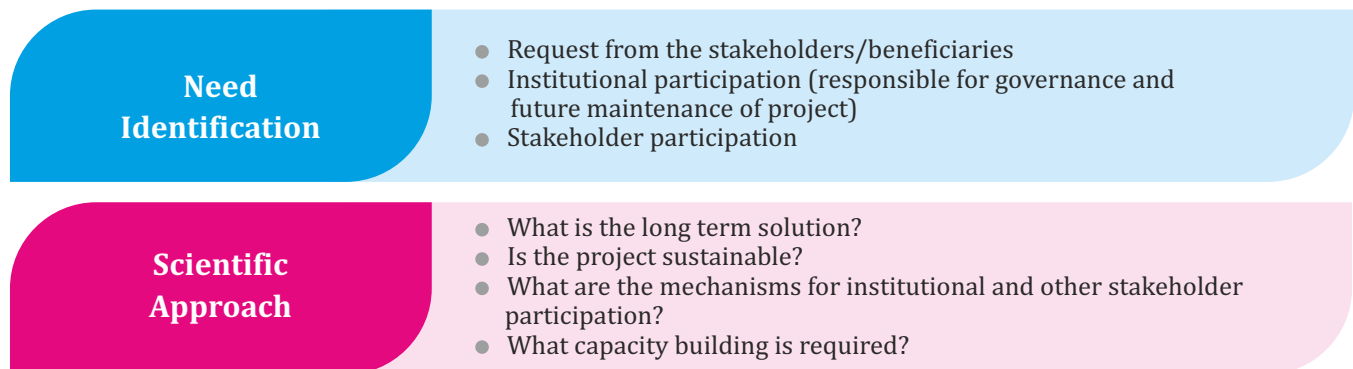
Basel III

Over the last couple of decades, CUB's CSR investments have emerged as a key force to achieve societal change, contributing to :

- Sustainable Development Goals (SDGs) in the local ecosystem: This is the primary focus of CUB's CSR activities. A strong ecosystem is characterised by its environmental sustainability. All CSR activities by CUB are oriented towards this end and for each investment, CUB factors in the SDGs that the CSR shall impact. This forms the objective of each investment.
- Impactful Public-Private Partnership: CUB's CSR activities focus on projects wherein impactful public-private partnerships can be created. This is an important aspect because it ensures that good practices are scaled up and replicated.
- Positive Behavioural Change Among Citizens: Under

the framework of the "Theory of Change" model of impact creation, it is imperative to achieve stakeholder participation as well as achieve behavioural change wherever necessary to create and sustain the change that is envisaged and achieved.

CUB leadership is convinced that CSR efforts should have a long-term focus. As such, a perspective approach for planning and delivering CSR activities has been undertaken. Impact evaluation is an effort to understand the current status of the project, and the contributions that have been made to society in terms of positive change and provide any course corrections/improvements. It is also imperative that through CSR efforts, there is a larger number of people participating in community development programmes. In this context, the approach to undertaking CSR activities has been decided. This framework is presented in below shown Figure 2.



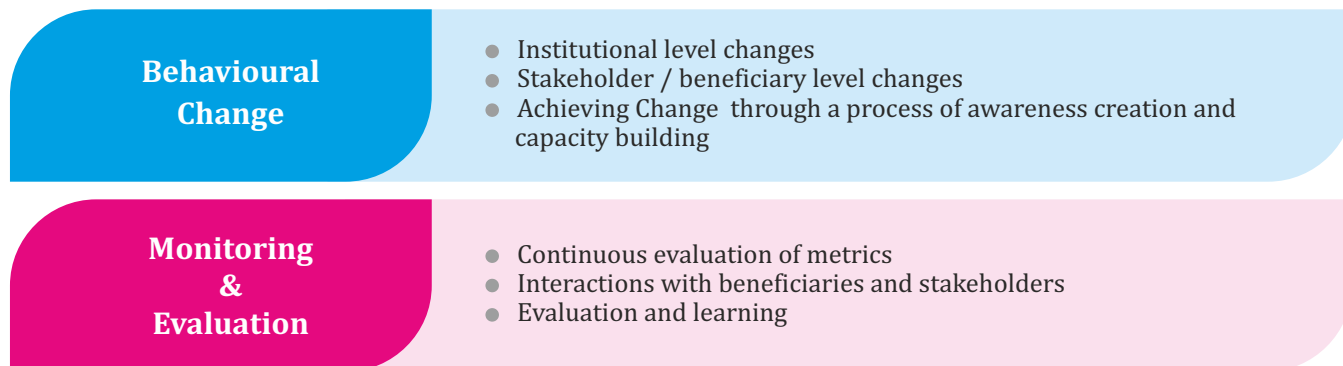


Figure 2 : CUB's General Approach to CSR Investment

### 3. METHODOLOGY

The CSR assessors carried out a detailed desk analysis of the project documents of the CSR grant related to the Covid-19 pandemic provided by CUB. The assessors visited the major healthcare facilities where CUB's CSR activities were carried out to collect evidence through photographs, and first-hand information to assess the socio-economic impact of the CSR activities.

A qualitative research method has been adopted to assess the socio-economic impact of CUB's Covid-19 pandemic related CSR activities. The non-probability purposive sampling technique was selected for this study. This empirical research used a convenience sampling method to conduct the survey. The sampling frame was prepared with the help of the local government authorities, the project manager, and the representative from CUB. The respondents comprise the stakeholders including the deans of medical college hospitals, chief medical officers, doctors, other healthcare professionals and government officials, particularly in the healthcare division.

Focus group discussions were undertaken with the stakeholders to find out the perception of the stakeholders regarding the success/utility and impact of CUB's CSR activities. The stakeholders are the doctors, nurses, and other medical professionals. In-depth interviews were conducted to collect primary data from more knowledgeable stakeholders to assess the socio-economic impact of CUB's CSR activities and to suggest recommendations for the future CSR activities of CUB. Participants were also contacted on their mobile numbers to collect information. The assessment was carried out in May 2023.

### 4. CSR - COVID-19 PANDEMIC AND EMERGING ROLE OF CUB'S CSR

The outbreak of the Covid-19 pandemic had put severe stress on society and triggered economic disruption around the world. It was imperative that CUB worked with all the related stakeholders such as the government establishments in the entire process of pandemic relief. Indeed, several other CSR foundations also worked towards this objective during the pandemic period, in India.

The Ministry of Corporate Affairs, Government of India, through two notifications, one on March 23, 2020 (General Circular No. 10/2020) and then again on May 5, 2021 (General Circular No. 9/2021), clarified that "spending of CSR funds for 'creating health infrastructure for COVID care', 'establishment of medical oxygen generation and storage plants', 'manufacturing and supply of Oxygen concentrators, ventilators, cylinders and other medical equipment for countering COVID-19' or similar such activities are eligible CSR activities under item nos. (i) and (xii) of Schedule VII of the Companies Act, 2013 relating to the promotion of health care, including preventive health care, and, disaster management respectively." It was evident that the Government of India was expecting more CSR participation towards mitigation of the pandemic and its effects. This was a direct indication of the "need" for CSR participation.

The Indian Institute of Corporate Affairs (IICA) in its report "Business Response to Covid-19 through CSR" published in 2022, reports that all the top 100 companies that reported CSR activities have made contributions to support government measures to mitigate the Covid-19 pandemic. The data from the



Government of India's CSR portal ([www.csr.gov.in](http://www.csr.gov.in)) shows that the highest growth in the CSR expenses category in 2020-21 over the previous year was in healthcare, which grew by 49% from ₹ 4,905 crores to ₹ 7,325 crores. In fact, during this period, the contribution to other areas such as education, rural development, sanitation, environmental sustainability, and livelihoods saw negative growth over the previous financial year.

As such, CUB too increased its focus on the emergency requirement during the pandemic and worked closely with government departments to alleviate the people's suffering due to Covid-19. CUB instantly viewed its responsibility as a corporate citizen in the country. As per the standard procedure set in CUB are in line with its CSR processes, the CSR expenditure towards Covid-19 relief was undertaken on a timely basis, driven by the "Needs Assessment" expressed by the government departments. The major category of expenses was the purchase of oxygen concentrators and ventilators.

## 5. IMPACT EVALUATION

Covid-19 was a catastrophe for humankind across the globe. Several thousand died of the virus; several still lost their livelihoods permanently. The mix of overlapping crises like poverty etc. along with the pandemic has driven healthcare establishments to new levels of preparedness that will have long-term impacts on human suffering.

India was no exception. Across India, as the pandemic took a toll on lives and livelihoods, the entire ecosystem had to respond to overcome the situation. India saw the best of human nature at this time, witnessing several examples of resilience achieved through collective action. As a conscientious corporate citizen, CUB sprang to action on the requests received from the government departments at different levels. The following table gives the expenses undertaken at different locations towards Covid-19 pandemic relief:

**Table 1: CUB's CSR Expenses for 2021-22 towards Covid Relief**

Hospital	Amount (₹ Lakhs)
Thanjavur District Hospital and Medical College	81.50
Kumbakonam Hospital	50.00
Iluppur, Viralimalai, Annavasal Primary Health Centres	39.20
Karaikudi Hospital	17.50
Vedaranyam, Nagapattinam District	16.30
Pudukkottai District Hospital	15.00
Mayiladuthurai Hospital	8.50
<b>Total</b>	<b>228.00</b>

During the second wave of the Covid-19 pandemic, the surge in new infections had led to an alarming rise in the number of active cases. The demand for oxygen concentrators had significantly increased the stress on our public health infrastructure.

The challenge of supplying oxygen to patients in mild-to-moderate severity cases was quickly met with oxygen concentrators. This oxygen therapy - using oxygen for medical treatment with oxygen concentrators enhanced the oxygen levels of mild-to-moderate severity patients to clinically acceptable levels. The steady supply of oxygen improves the flow of oxygen from the lungs to various cells in the body and helped to overcome Covid at an early stage<sup>1</sup>. As mentioned, even though there was an urgency in meeting the needs, the CSR activities followed a process

of need identification and carefully working with the authorities and stakeholders for achieving complete success of the CSR activities. The representative flow of activities is presented in Figure 3.

An oxygen concentrator is a device used to provide more oxygen within the targeted area, but it differs from an oxygen cylinder in the way it provides oxygen. While there is a finite amount of oxygen in a cylinder and it needs refilling, an oxygen concentrator provides an infinite oxygen supply, extracting from the atmosphere. Working like an air-conditioner, it takes in the ambient air, filters, and concentrates oxygen molecules from it, and supplies pure oxygen to the user in the target location - usually a hospital bed.

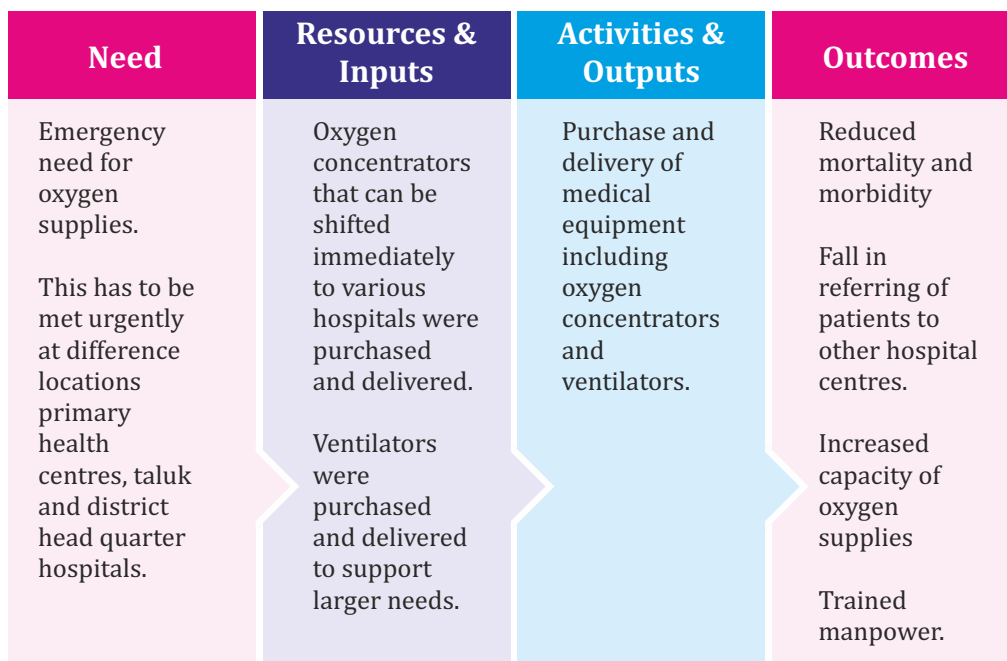


Figure 3: The Theory of Change for Covid-19 Relief Measures

### 5.1 Baseline data

It is difficult to establish a baseline for "disaster recovery" programmes. In our interviews with the medical staff at the hospitals, before the supply of oxygen concentrators by various CSR foundations, there was a severe shortage of oxygen supply impacting the lives of patients. In every hospital other than the district headquarters, patients had to be referred to hospitals with larger facilities. The baseline information was ascertained based on interviews with medical professionals. In terms of patients, the following situation was reported:

- Primary health centres (PHC): out of 10 patients, 8 were referred to Taluk and district headquarters hospitals. The major reason was the lack of oxygen concentrators and ventilators.
- Taluk headquarters hospitals: here too, about 6 out of 10 patients had to be referred to the district headquarters due to lack of oxygen concentrators and ventilators.
- District headquarters: hospitals were severely constrained due to the regular inflow of patients from taluk headquarters and PHCs.

### 5.2 Pregnant women and just-born infants:

A major situation that was highlighted during our discussions, but not much discussed during the pandemic in media or other reports, was the situation of pregnant women and just-born babies. Among this category, due to Covid, there was a surge in premature delivery. Infants were weighing much less than the required body weight at birth due to premature delivery and also the Covid infection of the mothers. It is to be noted that almost 90% of the pregnancies in small towns and rural areas are handled in the PHCs, and 10% of the affluent households handle the pregnancies in private nursing homes and clinics. Welfare schemes oriented towards achieving 100% institutional delivery are the key factors behind this. In this situation, the Covid pandemic had put huge pressure on the PHCs and hospitals in the taluk headquarters. All these were referred to the district HQ hospital for want of ventilator supported baby-incubators to handle premature deliveries.

In effect, the baseline has to be understood in the context of the following aspects:

- Lack of key amenities (oxygen supplies) for the mild-to-moderate infection of Covid, which is a critical stage of disease control and recovery from the infection.
- Increased pressure in district headquarters due to referrals from lower-level hospitals in towns and taluks.
- Stress on pregnancy care and infant care, the threat of increasing infant mortality rate due to increased premature delivery and lack of enough numbers of ventilator supported incubators.

### 5.3 Impact Evaluation

The CSR activities were undertaken during the peak of the pandemic period. At that time there was an acute shortage of oxygen supplies which was the key to giving immediate relief and recovery for the patients. An important point to be noted here is that oxygen requirement differs from patient to patient.

- For patients who are in the early stages of infection and also for those with weaning (recovering) situations, the oxygen requirement is up to 30% to 40% concentration. This can be absorbed from atmospheric air and supplied to the patients on an individual basis through small bedside oxygen concentrators.
- For patients with severe infections and consequently have low lung capacity, the requirement is a very high concentration of oxygen at above 80%.

Small, bedside oxygen concentrators can solve the need of patients who are in the mild-to-moderate category of infection. The oxygen at this stage also helps in the early recovery of the patients who can be immediately put into other medical treatments.

It takes a longer time to establish a large infrastructure for the piped supply of oxygen from large concentrators, which may be of no use in PHCs once the pandemic situation is overcome. So, the concentrators delivered by the CSR of CUB had a high impact given the pandemic situation.

The first impact is the reduction of referrals from smaller hospitals. Second is the lives directly saved. In the following PHCs, based on the interviews with the concerned medical officer and staff nurse we estimate the lives saved and the reduction in referrals:

- a. Iluppur, Viralimalai and Annavasal: Referrals reduced by 24% to 36%. We estimate that over a 3-month period, about 72 people benefited directly in terms of life saved and about 260 man-days were saved for various persons by the reduced morbidity.
- b. Vedaranyam: Referrals reduced by 40%. We estimate that over a 3-month period, 42 lives were directly saved and about 120 man-days were saved by the reduced morbidity.
- c. Mayiladuthurai: We estimate that over a 3-month period, 86 lives were directly saved and about 320 man-days were saved by the reduced morbidity.
- d. Kumbakonam: We estimate that over a 3-month period, 92 lives were directly saved and about 360 man-days were saved by the reduced morbidity.
- e. Karaikudi: We estimate that over a 3-month period, 96 lives were directly saved and about 380 man-days were saved by the reduced morbidity.
- f. Pudukkottai: We estimate that over a 3-month period, 100 lives were directly saved and about 400 man-days were saved by the reduced morbidity.
- g. Thanjavur: We estimate that over a 3-month period, 120 lives were directly saved and about 460 man-days were saved by the reduced morbidity.

#### 5.4 Current Status and Continuing Impact

A major feature in the case of disaster recovery programmes is that governments react to the new needs of the population considering the requirements imposed during the pandemic/disasters. Public expenditure hitherto considered unnecessary become indispensable to create the minimum support facilities. Healthcare infrastructure is one such sector wherein, after the pandemic, it was imperative that governments invest in critical infrastructure, of which oxygen supply is one.

During our visit to the district hospitals and medical colleges at Pudukkottai, Karaikudi, Thanjavur and Mayiladuthurai, we observed that new infrastructure to supply direct oxygen to the required patients' bed has been set up from a centralised supply, delivered

through pipes. This posed a question on the current utility of the oxygen concentrators and ventilators supplied by CUB's CSR expenses. Here, we found two different scenarios, namely:

- i. Several of the concentrators were kept in a separate location under lock and key, with no use. The major issue is that with the additional infrastructure for oxygen supply, the concentrators were redundant. In our discussion, we were informed that the concentrators would be put to use whenever there is a need in emergencies and in the out-patient wards where the patients need to be in bed for treatments temporarily.
- ii. In Mayiladuthurai we observed that the concentrators were being used in maternity wards for pre-mature delivered babies who were kept in incubators. The oxygen from such concentrators was ideally suited here. This helped in managing the important resource of a centralised supply of oxygen for requirements in ICU and operation theatres. Discussions with the doctors in Karaikudi and Thanjavur indicated that this was being practised there too; however, as the number of concentrators supplied was high, the additional supplies were kept isolated.

As such, it is evident that, to a considerable extent, there is continuous usage of concentrators. However, it has to be ensured that there is a higher maintenance cost for the concentrators. Moreover, the critical ingredient, the molecular sieves composed of zeolites used to adsorb the atmospheric nitrogen has to be replaced periodically to ensure that oxygen remains as the primary gas. Considering these, it may be surmised that in a couple of years, there will be no utility from the concentrators. Further, the warranty period offered to oxygen concentrators expired by a year period from the date of purchase of the equipment. The consumption of electricity is also relatively high per patient compared to the supply of oxygen from the centralised piped supply.

#### 5.5 Recommendations

Based on the discussions with the healthcare professionals, our observations, and a general understanding of the requirements of the healthcare sector, we submit the following recommendations for CUB's CSR for the healthcare sector:



- i. Long-term orientation: Infrastructure is a long-term investment. Therefore, in creating healthcare infrastructure too, the focus must be on long-term benefits for the community.
- ii. CSR Support through Tamil Nadu Medical Supplies Corporation (TNMSC): TNMSC is an umbrella organisation involved in all purchases for the TN Government hospitals. Providing CSR through the TNMSC based on the needs assessments will be more fruitful. For instance, the TNMSC is the qualified agency to evaluate the purchases, the price of products and services, the continued requirements for maintaining the equipment purchased, warranty of the equipment and based on these criteria, can determine the needs. If the CSR is aligned with the TNMSC, this will be an effective public-private partnership.
- iii. The purchases made through TNMSC can also come with the requisite training in the case of higher-end machinery.
- iv. There is an urgent need for government hospitals to provide services such as water supply, safe drinking water, RO plant, good quality food for patients, present the food in good containers, cooking utensils, facilities for internal movement of patients and their attendants, wheelchairs, and basic amenities such as toilets and their maintenance through annual maintenance contracts. Solutions such as battery-operated vehicles (as found in railway stations) can be a good option for CSR.

Date : 23<sup>rd</sup> June, 2023  
Place : Tiruchirappalli

## 5.6 CUB Brand Image

In our analysis, we found that the brand image of CUB was on a higher pedestal among healthcare professionals. It must be mentioned that though the Covid-19 relief CSR was a response to an urgent and emergency situation, the benefits have been valued highly by the stakeholders.

In order to further strengthen the brand by leveraging the connections established in the government hospitals, CUB may work closely with the TNMSC, and propose the creation of an infrastructure which can overcome the running challenges of the hospitals and also provide a better brand reach.

## 6. CONCLUSION

Covid-19 was a pandemic. This means that invariably a large section of the population gets infected due to the virus. In socio-medical research, generally, the estimates are often produced for a section of the population prevented from having the disease through some initial access to medications. But in the case of a pandemic, the probability of a large section of the population getting infected even after an initial set of people are treated safely is very high, as a pandemic invariably affects a large section of the population. In this scenario, the impact analysis is directly measurable in terms of lives saved (608 lives) and man-days protected (2,300). The analysis also shows great value to the timeliness of the CSR - as the oxygen concentrators were supplied at the instance of extreme urgency which is a critical factor for combating the Covid pandemic.

Sd/-

**Dr. C. N. S. Ramnath Babu**      **Prof. Somasundaram**  
(Assistant Professor)

**Bharathidasan Institute of Management**  
Tiruchirappalli

**ANNEXURE - IV**

**Details pursuant to the provisions of Section 197 of the Companies Act 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

Sl.No.	Requirements	Disclosure
1	The ratio of the remuneration of each Director to the median remuneration of the employees of the bank for the financial year ended 2023.	<b>MD &amp; CEO : 22.14x</b> The remuneration of MD & CEO is regulated by RBI guidelines.
2	The percentage increase in remuneration of each CFO, CEO, CS in the Financial year.	<b>MD &amp; CEO : -31.17%</b> <b>*CFO &amp; CS : 8.32%</b> The remuneration of MD & CEO has decreased when compared to previous year due to few components in the perquisite income and few components in salary income.  * Shri V. Ramesh who was earlier holding the designation of CFO & CS has been redesignated as Chief Compliance Officer (CCO) with effect from 12.02.2023. His remuneration has marginally increased when compared to previous year as a result of revision in remuneration.  Shri J. Sadagopan was appointed as CFO on 12.02.2023 and there was no increase in his remuneration  Shri S.Venkataramanan was appointed as CS on 12.02.2023 and there was no increase in his remuneration.
3	The percentage increase in the median remuneration of employees in the financial year.	The median remuneration of the employees has decreased by 5.24 %, when compared to previous year.  This decrease in median remuneration was on account of resignation and retirement of senior staff members, whose salary were high, which created an impact in median remuneration of employees.
4	No. of permanent employees on rolls of the Bank.	There were 6,019 employees as on 31 <sup>st</sup> March, 2023.

5	<p>Average percentage increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.</p>	<p>Employee's average salaries have decreased by 5.23% in the Financial Year 2022-23, when compared to previous year.</p> <p>Average Managerial personnel salaries have also decreased by 22.37% in the Financial Year 2022-23, when compared to previous year.</p> <p>Employees' average salary decreased as a result of retirement and resignation of senior staff members and increase in junior level employees whose salary level impacted average employees salary.</p> <p>Salaries of Managerial Personnel have decreased when compared to previous year on account of decrease in their salary income and perquisite income.</p>
6	<p>Affirmation that the remuneration is as per the remuneration policy of the Bank.</p>	<p>Yes, it is confirmed.</p>

ESG Report

Statutory Reports

Financial Statements

List of Branches

Basel III

For and on behalf of the Board

Sd/-

**M. Narayanan**  
DIN : 00682297  
Chairman

Date : 26<sup>th</sup> June, 2023  
Place : Chennai

**ANNEXURE - V****Details of Top Ten Employees of the Bank in terms of Remuneration drawn pursuant to Sec 197 of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016 for the year ended 31<sup>st</sup> March, 2023.**

Sl. No.	Emp No.	Name (Sarvashri)	Designation	Qualification	Age	Remuneration received (₹)	Experience (in yrs.)	Date of Commencement of employment	Last employment
1.	1997	Kamakodi N	MD	B.Tech, MBA, CAIIB, Ph.D	49	12152941	20	18-06-2003	Director - BuPro Solutions (P) Ltd
2.	856	Ramesh V	SGM	MSc, ACS, JAIIB	60	5485704	37	13-03-1986	Not Applicable
3.	2006	Maharajan K	SGM	B.Com, AICWA, CAIIB	59	5186822	20	05-09-2003	Bharat Overseas Bank Ltd
4.	1036	Mohan S	SGM	MA, ACS, CAIIB	60	5169092	34	03-04-1989	Not Applicable
5.	1560	Gopalakrishnan V	GM	BA, MBA	52	5041033	27	04-04-1996	Not Applicable
6.	1059	Rajam S	GM	B.Com, CAIIB, PGDFM	57	4934873	34	03-04-1989	Not Applicable
7.	1637	Jayaraman K	GM	BSc, MBA, CAIIB	50	4617604	27	06-11-1996	Not Applicable
8.	1202	Venkatakrishnan K	DGM	BSc JAIIB	54	4444121	31	21-05-1992	Not Applicable
9.	1443	Sankaran G	GM	BSc, PGDCA, JAIIB	49	4281288	28	16-03-1995	Not Applicable
10.	852	Ramesh S	SGM	BSc, CAIIB	60	4211443	37	12-03-1986	Not Applicable

**Note:**

All the above employees are in the pay roll of the Bank and neither of them are related to each other.  
Remuneration includes Salary and taxable perquisites as per Income Tax Act, 1961

For and on behalf of the Board

Sd/-

**M. Narayanan**  
DIN : 00682297  
Chairman

Date : 26<sup>th</sup> June, 2023  
Place : Chennai

**BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT**  
[Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements),  
Regulations, 2015]

The present report has been formulated in accordance with the SEBI Guidelines for Business Responsibility and Sustainability Reporting (BRSR). Its principal aim is to enhance transparency by showcasing how businesses generate value through active contributions to a sustainable economy. The report serves to emphasize our steadfast dedication to fostering sustainable development and creating enduring value for our stakeholders.

**SECTION A: GENERAL DISCLOSURES**

**1) DETAILS OF THE ENTITY**

S. No.	Particulars	Response
1.	Corporate identity Number (CIN) of the Entity	L65110TN1904PLC001287
2.	Name of the Entity	CITY UNION BANK LIMITED
3.	Year of incorporation	1904
4.	Registered office address	149, TSR (Big) street, Thanjavur Dist. Kumbakonam, Tamil Nadu, India - 612 001
5.	Corporate address	"Narayana" No.24B, Gandhi Nagar, Kumbakonam, Tamilnadu, India - 612 001
6.	E-mail	shares@cityunionbank.in secretary@cityunionbank.in
7.	Telephone	0435 - 2432322
8.	Website	www.cityunionbank.com
9.	Financial year for which reporting is being done	2022-23
10.	Name of the Stock Exchange(s) where shares are listed	BSE Ltd. and The National Stock Exchange of India Limited
11.	Paid-up Capital	INR 740416385/- (Divided into 760416385 equity shares of ₹1/- each).
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Shri. Venkataramanan S Designation: Company Secretary Email: secretary@cityunionbank.in Telephone: +91 - 8925909716
13.	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e., only for the entity) or on a consolidated basis (i.e., for the entity and all the entities which form a part of its consolidated financial statements, taken together).	The disclosures under this report are made on standalone basis.

ESG  
Report

Statutory  
Reports

Financial  
Statements

List of  
Branches

Basel III



## 2) PRODUCTS / SERVICES

### 14) Details of Business Activities (Accounting for 90% of the Turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1.	Financial Service	Banking activities	100%

### 15) Products / Services sold by the Entity (Accounting for 90% of the Entity's Turnover):

S. No.	Product / Service	NIC Code	% of Total Turnover contributed
1.	CUB ("The Bank"), being a banking entity, offers a diverse portfolio of banking products and services to cater to the needs of its customers.	65110	100%

## 3) OPERATIONS

### 16) Number of locations where plants and / or operations / offices of entity are situated:

Location	Number of Plants	Number of Offices	Number of branches	Total
National	This section is not applicable in view of the nature of the business	23	752	775
International		NIL	NIL	NIL

### 17) Markets served by the entity:

#### a) Number of locations

Location	Number
National (No. of States)	19
International (No. of Countries)	0

The Bank extends its operations to encompass a total of 19 states, wherein it caters to a diverse customer base through its comprehensive suite of banking services. With an extensive branch network, the Bank ensures convenient accessibility with wide range of financial solutions for individuals and businesses across these regions. Committed to delivering superior banking experiences, the Bank strives to be the preferred banking partner within its operational footprint.

**b) Contribution of exports:**

**What is the contribution of exports as a percentage of the total turnover of the entity?**

The Bank does not offer its services to international markets, as a result, this section is not relevant. However, as a prominent Banking Company, the Bank actively supports and facilitates exports by offering a range of specialized financial services.

These services include loans and assistance such as pre-shipment and post-shipment financing, which are made available to its diverse clientele involved in export-oriented business activities. By providing these tailored financial solutions, the Bank plays a crucial role in promoting and facilitating the growth of the export industry.

**c) Type of Customers**

**A brief on types of customers**

As a provider of Financial services, the Bank offers a comprehensive array of tailored solutions to cater to the diverse financial requirements of various customer segments. These segments encompass Retail, Agriculture, Small businesses, MSMEs, Sovereign bodies, and Body Corporates.

Within the Retail segment, the Bank extends a wide range of financial products, including savings and deposit accounts, loans, credit cards and investment instruments, designed to meet the individualized needs of customers. Likewise, the Bank offers specialized loans and other agriculture-related services to support farmers within the agriculture segment.

Small businesses and MSMEs are offered an array of financial solutions such as business loans, working capital finance, trade finance, and payment services to assist in their operational growth.

Additionally, the Bank provides customized financial solutions to body corporates, encompassing cash management services, corporate loans etc.

ESG  
Report

Statutory  
Reports

Financial  
Statements

List of  
Branches

Basel III

Moreover, the Bank undertakes Bancassurance business, allowing customers to access a comprehensive range of insurance products through their banking relationships. This encompasses life insurance, health insurance and related policies.

Through its diverse customer segments and extensive range of Financial offerings, the Bank remains committed to meeting the evolving needs of its clientele, safeguarding their financial well-being, and contributing to their overall success.

#### 4) EMPLOYEES

##### 18) Details at the end of Financial Year:

##### A) Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
<b>Employees</b>						
1.	<b>Permanent (D)</b>	6019	4330	71.94%	1689	28.06%
2.	<b>Other than Permanent (E)</b>	72	71	98.61%	1	1.39%
3.	<b>Total Employees (D + E)</b>	6091	4401	72.25%	1690	27.75%
<b>Workers</b>						
1.	<b>Permanent (F)</b>	Nil	Nil	Nil	Nil	Nil
2.	<b>Other than Permanent (G)</b>	Nil	Nil	Nil	Nil	Nil
3.	<b>Total Worker (F + G)</b>	Nil	Nil	Nil	Nil	Nil

**B) Differently abled Employees and workers:**

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
<b>Differently Abled Employees</b>						
1.	<b>Permanent (D)</b>	16	12	75%	4	25%
2.	<b>Other than Permanent (E)</b>	0	0	0	0	0
3.	<b>Total Employees (D + E)</b>	16	12	75%	4	25%
<b>Differently Abled Workers</b>						
1.	<b>Permanent (F)</b>	Nil	Nil	Nil	Nil	Nil
2.	<b>Other than Permanent (G)</b>	Nil	Nil	Nil	Nil	Nil
3.	<b>Total Worker (F + G)</b>	Nil	Nil	Nil	Nil	Nil

**19) Participation / Inclusion / Representation of women:**

Category	Total (A)	No. and percentage of Females	
		No. (B)	% (B/A)
<b>Board of Directors</b>	10	1	10%
<b>Key Management Personnel**</b>	3	0	0%

\*\* Key Management Personnel includes Managing Director & CEO, Chief Financial Officer and Company Secretary.

**20) Turnover rate for permanent employees and workers:**

(Disclose trends for the past 3 years)

Category	FY 2022 - 23 (Turnover rate in current FY)			FY 2021 - 22 (Turnover rate Previous FY)			FY 2020 - 21 (Turnover rate in the year Prior to previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
<b>Permanent Employees</b>	13.09%	16.28%	13.96%	12.02%	17.33%	13.46%	5.72%	7.94%	6.34%
<b>Permanent Workers</b>	NA	NA	NA	NA	NA	NA	NA	NA	NA

5) **HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES (INCLUDING JOINT VENTURES)**

21) **Names of holding / subsidiary / associate companies / joint ventures:**

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

6) **CORPORATE SOCIAL RESPONSIBILITY (CSR) DETAILS**

22)

S. No.	Requirement	Response
1.	Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No)	Yes
<b>Financial Year 2021 - 22</b>		
	Turnover (in ₹)	4863,86,29,213
	Net worth (in ₹)	6549,75,33,710
<b>Financial Year 2022 - 23</b>		
	Turnover (in ₹)	5524,69,63,451
	Net worth (in ₹)	7420,92,43,194



7. TRANSPARENCY AND DISCLOSURES COMPLIANCES

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

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes	Nil	Nil	-	Nil	Nil	-
Investors (other than shareholders)	Yes	Nil	Nil	-	Nil	Nil	-
Shareholders	Yes	Nil	Nil	-	2	Nil	-
Employees and workers	Yes	Nil	Nil	-	3	Nil	The complaint relates to an incident of sexual harassment, and it has been resolved with utmost attention and care.
Customers	Yes <a href="https://www.cityunionbank.com/grievance">https://www.cityunionbank.com/grievance</a>	2797	25	The complaint relates to Banking Services	2835	39	The complaint relates to Banking Services
Value Chain Partners	Yes	Nil	Nil	-	Nil	Nil	-

The Bank's Customer Rights Policy ensures a systematic approach for addressing complaints brought forth by both internal and external stakeholders. Confidentiality is strictly upheld throughout the entire grievance management process and clearly indicating the designated authority responsible for resolving grievances.

For detailed information, the Customer Rights Policy can be accessed through the following web link:

[https://www.cityunionbank.com/assets/frontend/pdf/privacy/policies/customer\\_rights\\_policy.pdf](https://www.cityunionbank.com/assets/frontend/pdf/privacy/policies/customer_rights_policy.pdf)

ESG Report

Statutory Reports

Financial Statements

List of Branches

Basel III

24) Overview of the entity's material responsible business conduct issues:

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

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1.	Data Security	Risk	<ul style="list-style-type: none"> <li>Ensuring data security and customer privacy is critical to protecting customer information from cyber-attacks and data breaches.</li> <li>For a banking company like CUB, the breach of data security and customer privacy can have serious implications for customers, such as identity theft and financial loss. Failure to address this issue may result in reputational damage, financial risks, and regulatory non-compliance.</li> </ul>	<ul style="list-style-type: none"> <li>The Bank Utilises advanced technology tools and 24x7 Security Operation Centre (SOC) to detect and respond to cyber threats.</li> <li>The Bank has Partnered with secure server providers adhering to data security standards.</li> </ul>	<p>Negative:</p> <ul style="list-style-type: none"> <li>Cost of potential data breaches including investigation, customer notifications, legal fees, and regulatory fines.</li> <li>Operational disruptions, loss of productivity, and potential customer attrition.</li> <li>Increased cybersecurity measures may require additional investments.</li> </ul>
2.	Customer Privacy	Risk and Opportunity	<p>Risk: The breach of data security and customer privacy presents significant risks, encompassing detrimental consequences such as identity theft, financial loss, harm to reputation, increased financial risks, and potential non-compliance with regulatory requirements.</p>	<ul style="list-style-type: none"> <li>The Bank has implemented various measures to adapt and mitigate the risk of customer privacy breaches.</li> <li>Regular software and security system updates and conducts</li> </ul>	<p>Negative financial implications:</p> <p>The occurrence of a customer privacy breach can have adverse financial consequences, encompassing potential expenses related to legal fees, regulatory penalties, reputational harm, and erosion of customer confidence.</p>

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
			<p>Opportunity: the Bank regularly updates software and security systems, conducts security audits, provides employee training on data security best practices, and maintains strong privacy protections and transparent information practices.</p>	<p>security audits to ensure effectiveness of security measures.</p> <ul style="list-style-type: none"> <li>• Providing employee training on data security best practices.</li> <li>• Utilizing two main server providers located in Chennai and Bangalore for a robust network.</li> <li>• Implementing privacy policies, such as the Policy on Safe Deposit Locker/Safe Custody of Articles, Information System Security Policy, Information Technology Policy, Policy of Collection of Cheques/Instruments and Cyber Security Policy.</li> </ul>	<p>Positive financial implications maintaining strong customer privacy, facilitating increased customer trust, customer loyalty, and potential competitive advantage.</p>

ESG Report

Statutory Reports

Financial Statements

List of Branches

Basel III



S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
3.	Energy Management	Risk	The measurement and management of energy consumption is a crucial material issue for CUB that should be prioritized in their sustainability strategies. Failure to address this issue can lead to increased energy costs, environmental impact.	The Bank recognizes the importance of energy management and is in the process and adopting energy-efficient technologies and practices. By measuring energy consumption, the Bank can identify areas for improvement and implement strategies to optimize energy usage, reduce costs, and minimize environmental impact.	<p><b>Positive</b></p> <ul style="list-style-type: none"> <li>• Cost savings: Effective energy management can result in significant cost savings through reduced energy consumption and lower energy bills.</li> <li>• Efficiency improvements: Optimizing energy usage can improve operational efficiency, leading to potential cost savings in the long run.</li> <li>• Environmental benefits: By reducing energy consumption and adopting energy-efficient practices, the Bank can contribute to environmental sustainability.</li> <li>• Enhanced reputation: Demonstrating a commitment to energy management and sustainability can enhance the Bank's reputation among customers, investors, and stakeholders, potentially attracting new business opportunities and investments.</li> </ul>

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
4.	Corporate governance and ethics	Opportunity	Being a listed entity, the Bank has established strong corporate Governance Practices. Relevant disclosures are made to the investor community via Stock Exchange uploads on a continuous basis. These practices ensure transparency, accountability, and ethical conduct throughout the organization.	NA	<ul style="list-style-type: none"> <li>Corporate governance and ethics have significant financial implications for the Bank. Adhering to these principles enhances the bank's reputation, attracts new customers and business conduct.</li> <li>It builds trust among stakeholders, including investors and regulators, providing a competitive advantage and long-term support.</li> <li>The bank governance practices mitigate legal and compliance risks thereby avoiding penalties and ensuring regulatory compliance.</li> <li>Such practices attract various investor community to raise capital at required times. Effective governance also drives operational efficiency, cost savings, and better financial performance.</li> </ul>

ESG Report

Statutory Reports

Financial Statements

List of Branches

Basel III





S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
5.	Talent Management process	Opportunity	Talent management is crucial for banks as it directly impacts the ability to recruit, develop, and retain a skilled workforce that can meet industry demands. The Bank employs a comprehensive and strategic approach to talent management, prioritizing employee development, diversity, and inclusion. The organization invests in training programs, coaching and mentoring to ensure employee effectiveness and goal achievement.	NA	<ul style="list-style-type: none"> <li>Recruitment expenses: Initial investment in attracting top-tier professionals can yield long-term benefits such as increased productivity, exceptional performance, and reduced staff turnover.</li> <li>Productivity and performance gains: Effective talent management processes lead to improved productivity and performance, resulting in cost savings and revenue growth.</li> <li>Reduced staff turnover: Nurturing talent and providing growth opportunities reduces recruitment and training costs while maintaining an experienced and skilled workforce.</li> </ul>

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
					<ul style="list-style-type: none"> <li>Competitive advantage: Strong talent management helps attract and retain top talent, enhancing the organization's competitive advantage.</li> </ul>
6.	Employee Engagement, Diversity and Inclusion	Opportunity	Prioritising employee engagement, diversity, and inclusion is essential as it enables organizations to unlock opportunities for innovation, growth, and profitability. Failure to address this issue can result in missed chances for enhanced productivity, increased turnover rates, reputation risks, and hindered potential for business success. CUB recognizes the importance of fostering a corporate culture that encourages open communication, feedback, and embraces diversity and inclusion.	NA	<ul style="list-style-type: none"> <li>Employee retention: Investing in employee engagement initiatives can result in higher employee retention rates, reducing recruitment and training costs.</li> <li>Productivity: Engaged employees tend to be more motivated and productive, leading to increased efficiency and overall business performance.</li> <li>Innovation: A diverse and inclusive workforce fosters innovation of</li> </ul>

ESG Report

Statutory Reports

Financial Statements

List of Branches

Basel III

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
					<p>banking products &amp; services, which can drive the development of new banking products or betterment of services contributing to profitability.</p> <ul style="list-style-type: none"> <li>• Customer satisfaction and loyalty: Embracing diversity and inclusion helps meet diverse customer needs, by offering quick delivery of banking services leading to enhanced customer satisfaction and loyalty.</li> <li>• Employer branding and reputation: Establishing a reputation as an inclusive and diverse employer improves employer branding, attracts top talent and contributes to long-term organizational success.</li> </ul>

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
7.	Digitalisation and Paperless Banking	Opportunity	The Bank has a strong focus on digitalisation and paperless banking and more than 90% of transactions are conducted digitally. The Bank is capitalizing on the benefits of digital banking by collaborating with strategic partners. Beyond the operational advantages, paperless banking offers broader societal benefits, including increased accessibility, environmental conservation, and reduced carbon footprint.		<p>Benefits:</p> <ul style="list-style-type: none"> <li>Increased operational efficiency and cost savings from reduced reliance on paper-based processes.</li> <li>Expanded customer base and enhanced customer satisfaction, leading to potential revenue growth.</li> <li>Improved competitiveness and market positioning in the digital banking landscape.</li> <li>Savings in resource consumption and environmental impact through reduced paper usage.</li> </ul>

ESG Report

Statutory Reports

Financial Statements

List of Branches

Basel III

## SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

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

S.No	Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
<b>Policy and management process</b>										
1.	a) Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	b) Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	<b>Particulars of the Policies</b>	<p>The Bank adheres to the following policies that align with the nine prescribed principles. Some of these policies include:</p> <p><b>Principle 1:</b> The Bank upholds integrity and governs itself in an ethical, transparent, and accountable manner. Accordingly, it has implemented policies such as the Anti-corruption or anti-bribery policy, Whistle Blower Policy, Protected Disclosure Scheme, HR Policy, Fraud Risk Management, Code of Fair Practices and Disclosures on UPSI, Policy on Compensation, KYC &amp; Anti Money Laundering Policy, and Code of Conduct for Directors and Senior Management.</p> <p><b>Principle 2:</b> The Bank provides services in a sustainable and safe manner. It has established policies on Information Technology, Information Security System, Information System Audit, Credit Card Policy, Safe Deposit Locker, and Policy on Bank Deposits to ensure the safety and security of services offered to all stakeholders.</p> <p><b>Principle 3:</b> The Bank respects and promotes the well-being of all employees. To uphold this principle, the Bank has implemented policies such as the Compensation Policy, Staff Rotation Policy, HR Policy, Mandatory Leave Policy, Training Policy and Policy on Prevention of Sexual Harassment.</p> <p><b>Principle 4:</b> The Bank respects the interests of and is responsive to all its stakeholders. To fulfil this principle, the Bank has established the Loan Policy and CSR Policy. The Bank conducts Financial Inclusion Programmes as per the mandate of the regulator for Banking in unbanked rural areas.</p>								



		<p><b>Principle 5:</b> The Bank respects and promotes human rights. It has policies in place to safeguard customer rights, as well as a HR Policy, Human Rights Policy, and Equal Opportunity Policy.</p> <p><b>Principle 6:</b> The Bank respects and endeavours to protect and restore the environment. To this end, the Bank has formulated an CSR Policy and Climate Risk Policy.</p> <p><b>Principle 7:</b> The Bank has established the policy on Public Advocacy. For advocacy on policies relating to the Banking Industry, the Bank works through industry associations / committees such as Indian Banks Association (IBA), State Level Bankers Committee (SLBC), State Level Security Committee (SLSC) and other Committees as may be determined by RBI from time to time. The Bank deputes Executives to represent the view of the Bank at such meetings. Also, the MD &amp; CEO of the Bank is a member of the Managing committee of the IBA representing the Bank, Member in the Madras Chamber of Commerce (MCC) and Member in the National Banking Committee of Confederation of Indian Industry (CII). The Bank complies with all the Regulatory Policies issued by RBI. Moreover, the Bank is also a member of various professional bodies such as NIBM, CAFRAL etc, for imparting training programs to its employees.</p> <p><b>Principle 8:</b> The Bank promotes inclusive growth and equitable development through its CSR policy.</p> <p><b>Principle 9:</b> The Bank engages with its consumers and provides value in a responsible manner, as outlined in its Customer Rights policy.</p>
	<p><b>c) Web Link of the Policies, if available</b></p>	<p>The policies of the Bank can be readily accessed on the Bank's official website: <a href="https://www.cityunionbank.com">https://www.cityunionbank.com</a> within the dedicated section titled "Policy and Regulatory Disclosure" and under Investors menu as "Statutory Policies".</p> <p>Furthermore, considering the importance of maintaining confidentiality and the nature of banking operations, a specific selection of CUB's policies can be conveniently accessed through the intranet platform exclusively designated for internal use. The intranet serves as a comprehensive repository for a wide range of policies that govern the operations and conduct within the organization.</p>
<p>2.</p>	<p><b>Whether the entity has translated the policy into procedures. (Yes/No)</b></p>	<p>Yes, The Bank has translated the policies into procedures and reviews periodically.</p>
<p>3.</p>	<p><b>Do the enlisted policies extend to your value chain partners? (Yes/No)</b></p>	<p>The policies and practices are restricted to our own operations and do not extend to our partners.</p>

ESG Report

Statutory Reports

Financial Statements

List of Branches

Basel III

<p>4.</p>	<p><b>Name of the national and international codes /certifications/ labels / standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g., SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.</b></p>	<p>The Bank's policies and operations are aligned with the National Guidelines on Responsible Business Conduct (NGRBC), ensuring adherence to the spirit of internationally recognized standards such as ISO 20001. Furthermore, the Bank holds PCI DSS certification for its Digital Card environment, demonstrating compliance with rigorous security standards in this domain.</p>
<p>5.</p>	<p><b>Specific commitments, goals and targets set by the entity with defined timelines, if any. (Refer Note: 1)</b></p>	<p>By the end of FY 2024, the Bank shall strive to achieve the following:</p> <ul style="list-style-type: none"> <li>● Financing for green activities / projects by way of green deposits pursuant to regulatory directions. As part of this, the bank has been constantly making its efforts to be environment friendly by directing its lending towards Agriculture / MSMEs. The bank also participates in financing projects involving renewable energy to endeavour environmental sustainability. The bank has framed a policy on accepting green deposits with an aim to utilize the proceeds towards green finance.</li> <li>● Installation of energy efficient equipments across all its branches to reduce environment impacts and lower the operational costs and adopting renewable energy sources like solar at its various offices subject to feasibility.</li> <li>● Prohibit the usage or disposal of plastics in the bank's premises by all means.</li> <li>● Implementation of Bring Your Bottle ("BYB") concept amongst all employees to discourage the usage of packaged drinking water bottles.</li> <li>● Digitalise the lending process and minimise paper consumption to a greater extent.</li> </ul>
<p>6.</p>	<p><b>Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met</b></p>	<p>The Bank has not identified any specific commitments, goals and target for FY2023. The same will be identified for next financial year and reported accordingly</p>

7. **Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements**

**Governance, Leadership and Oversight**

As the Director responsible for business responsibility, the Bank has made significant progress in addressing key Environmental, Social, and Governance (ESG) challenges. Our focus on sustainability has significantly improved the overall impact of our operations on the environment, our stakeholders, and the communities we serve. The Bank continues to reduce carbon footprint, increasing its engagement and investing in local communities through various social initiatives.

We are committed to continuously improving our ESG performance.

In terms of environmental conservation, CUB has been progressively investing in protecting water bodies in and around its headquarters at Kumbakonam, Tamil Nadu, and in various other districts such as Thiruvarur and Nagapattinam. We have undertaken several projects for the rejuvenation of lakes and large water bodies, resulting in higher groundwater tables that have helped farmers. Since the financial year 2017-18, CUB has strengthened and protected the river and canal banks to a stretch of 58 kms, desilted and rejuvenated lakes to the spread of 594 acres, benefitting about 45,000 acres of cultivable land. These activities covered over 70 villages and benefitted around 1.5 lakh people.

CUB's banking operations are assisted by a matured Information Technology platform that encourages paperless banking, reducing our carbon footprint. We are driving energy efficiency across all our offices subject to feasibility.

In terms of social initiatives, CUB has been substantially contributing towards community development, particularly towards raising the standards of the underprivileged sections for many years by bringing them under the ambit of Financial Inclusion Programs.

We have also offered many training programs across various levels to raise employees' functional value, including management education, leadership development, and IT skills. During the year 2022-23, 4,478 employees were imparted training which comprises to 74% of the total employee strength of the Bank.

While customers - retail and corporate - are the key stakeholders for the bank's growth in business, other key stakeholders include the government, the regulator, shareholders, business enablers like the NPCI, technology service providers, employees, and the community who support the Bank's business. CUB recognizes the fact that it is the active

ESG Report

Statutory Reports

Financial Statements

List of Branches

Basel III

involvement of the workforce that determines the success of the organization. Our strategic approach to our employees is to engage them with employee-friendly measures and investing in improving their skills and equipping them with necessary education & training to contribute to the success of the organization and personal and professional growth.

CUB's commitment to ESG principles has been an essential aspect of our business, and we are dedicated to continuing to improve our sustainability practices. We believe that by prioritizing ESG considerations, we can create long-term value for our stakeholders while contributing to a more sustainable future for all.

**Dr. N Kamakodi,**  
Managing Director & CEO  
(DIN: 02039618 )

8. **Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy(ies).**

Risk Management Committee of the Board has been designated as the highest authority responsible for the implementation and oversight of the Business Responsibility Policies. The Committee shall be responsible for ensuring that the policies are implemented in accordance with the applicable laws and regulations and that they align with the Bank's objectives and mission.

9. **Does the entity have a specified Committee of the Board / Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details**

The responsibility for making decisions on all matters pertaining to sustainability issues has been delegated to the Risk Management Committee. The Committee is tasked with supervising the formulation and execution of policies, procedures, and initiatives related to sustainability, encompassing various areas such as the management of the Bank's environmental impact, social responsibility, and governance practices.

The Bank's Risk Management Committee comprises of:

Name	Position on the Committee	Designation
N. Subramaniam	Chairperson	Independent Director
Dr. N. Kamakodi	Member	Executive Director
Prof. V. Kamakoti	Member	Independent Director
G. Mahalingam	Member	Independent Director

10. Details of Review of NGRBCs by the Company:

Subject for review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other - please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
<b>Performance against above policies and follow up action</b>	The Bank regularly reviews the policies governing all principles in accordance with regulatory requirements and organizational needs.									As per regulatory needs								
<b>Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances</b>	Yes, we comply with statutory requirements relevant to the principles.									As per regulatory needs								

11. Independent assessment/ evaluation of the working of its policies by an external agency:

	P1	P2	P3	P4	P5	P6	P7	P8	P9
<b>Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.</b>	<p>Yes, all the policies of the Bank are evaluated internally, and such policies are developed as a result of detailed consultations and research on the best practices adopted by banks and organisations across the industry.</p> <p>J. Sundharesan &amp; Associates, specialising in Compliance, Governance and Sustainability advisory has provided a 'limited assurance' on certain Identified Sustainability Indicators based on NGBRC.</p>								

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

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
<b>The entity does not consider the Principles material to its business (Yes/No)</b>	NA	NA	NA	NA	NA	NA	NA	NA	NA
<b>The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)</b>	NA	NA	NA	NA	NA	NA	NA	NA	NA



Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
<b>The entity does not have the financial or/human and technical resources available for the task (Yes/No)</b>	NA	NA	NA	NA	NA	NA	NA	NA	NA
<b>It is planned to be done in the next financial year (Yes/No)</b>	NA	NA	NA	NA	NA	NA	NA	NA	NA

This particular section is deemed inapplicable to the Bank as all the enlisted policies comprehensively cover all aspects as required under each of the 9 principles.

## SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

The purpose of this section is to assist entities in showcasing their ability to effectively incorporate the principles and core elements into critical processes and decisions. The Company has complied with all mandatory disclosures stipulated under the Business Responsibility

and Sustainability Reporting (BRSR) framework. Moreover, the Company is currently in the process of disclosing leadership indicators in its forthcoming financial years.

### PRINCIPLE 1: BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH INTEGRITY, AND IN A MANNER THAT IS ETHICAL, TRANSPARENT AND ACCOUNTABLE



#### A) ESSENTIAL INDICATORS:

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

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	% age of persons in respective category covered by the awareness programmes
Board of Directors	2	The Bank has successfully implemented training programs on KYC & Anti-Money Laundering Governance and Assurance for its Board of Directors.	60%
Key Managerial Personnel	Nil	NA	NA

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	% age of persons in respective category covered by the awareness programmes
Employees other than BOD and KMPs	131	<p>The Bank has addressed a wide range of topics, including but not limited to:</p> <ol style="list-style-type: none"> <li>1. Health and Safety Programmes</li> <li>2. Intensive Credit Appraisal Programme</li> <li>3. Programme on SMA and NPA Management</li> <li>4. Programme on Technological Products</li> <li>5. Current Banking Awareness</li> <li>6. Emerging Scenario in the IT Environment</li> <li>7. Advanced POSH Workshop</li> <li>8. Basics of Bond Mathematics &amp; Introduction to Indian Treasury Market</li> <li>9. Capacity Building for Branch Managers MSME</li> <li>10. Programme on Cyber Risk and Resilience - Evolving Paradigm</li> <li>11. Programme on Innovation and Smart Banking.</li> </ol>	68%
Workers	NA	NA	NA

2. Details of fines/ penalties / punishment / award / compounding fees / settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format:

MONETARY

Particulars	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (in INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	Nil	NSE and BSE	82,600	Payment of fines for non-compliance with regulations 23(9) of SEBI (LODR) Regulations, 2015 (₹41,300/- by each stock exchange)	Yes, the Bank filed an appeal in the form of a written statement. The Audit Committee of the concerned stock exchange reviewed the Bank's request and determined that the reason cited by the Bank did not fall under any of the carve-outs established by the National Stock Exchange (NSE) and the Bombay Stock Exchange (BSE). Therefore, the Bank's request for a waiver was not considered favourably.
Settlement	Nil	Nil	Nil	Nil	Nil
Compounding fee	Nil	Nil	Nil	Nil	Nil

The Bank is diligently addressing changes in compliance regulations and ensuring that it remains fully compliant, avoiding any potential non-compliance issues.

Further, the Bank is committed to upholding its legal and ethical obligations and is taking proactive measures to ensure compliance with all applicable regulations.

**NON - MONETARY**

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

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

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
-	-

Considering, the Bank has not filed Appeal/Revision, the given section is not applicable.

4. **Anti-corruption or Anti-bribery policy:**

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

Yes, the Bank has formulated a comprehensive anti-corruption and anti-bribery policy, emphasizing the organization's steadfast dedication to conducting business in a responsible manner. This policy acts as a vital framework to ensure that ethical and responsible decisions are prioritized for the mutual benefit of all stakeholders involved.

By adhering to this policy, the Bank aims to foster a culture of transparency, trust, and accountability throughout all levels of the organization.

The policy can be readily accessed at Weblink:

<https://www.cityunionbank.com/filemanager/PDF/ANTI%20BRIBERY%20AND%20CORRUPTION%20POLICY.pdf>



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

Particulars	FY 2022 - 23 (Current Financial Year)	FY 2021 - 22 (Previous Financial Year)
Directors	Nil	Nil
KMPs	Nil	Nil
Employees	Nil	Nil
Workers	Nil	Nil

ESG  
Report

Statutory  
Reports

6. Details of complaints with regard to conflict of interest:

Particulars	FY 2022 - 23 (Current Financial Year)		FY 2021 - 22 (Previous Financial Year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	Nil	Nil	Nil
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	Nil	Nil	Nil	Nil

Financial  
Statements

List of  
Branches

7. Corrective Actions:

Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest	This section is not applicable to the Bank as there were no fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.
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Basel III

**PRINCIPLE 2: BUSINESSES SHOULD PROVIDE GOODS AND SERVICES IN A MANNER THAT IS SUSTAINABLE AND SAFE**



**A) ESSENTIAL INDICATORS:**

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

	<b>FY 2022 - 23 (Current Financial Year)</b>	<b>FY 2021 - 22 (Previous Financial Year)</b>	<b>Details of improvements in environmental and social impacts</b>
<b>R&amp;D</b>	Nil	Nil	-
<b>Capex</b>	Nil	Nil	-

Considering the nature of the Bank's operations, the relevance of this particular section primarily applies to the Bank's information technology (IT) capital expenditures. The Bank's increased utilization of digital platforms has led to enhanced operational efficiencies and

significantly reduced reliance on paper-based processes.

The Bank recognizes the impact of digitalization on its operations and is continually exploring ways to leverage technology to drive operational excellence and enhance customer experiences.

- Sustainable sourcing:**

Does the entity have procedures in place for sustainable sourcing? (Yes/No)

If yes, what percentage of inputs were sourced sustainably?

The Bank maintains a positive working relationship with its vendors, depositors, and other service providers, and incorporates them into its business practices.

Moreover, as an organization operating within the Financial Services sector, the significance of material purchases for operational purposes is paper, computer, laptops, air conditioners etc. However, when procuring equipment, the Bank places great emphasis on considering energy efficiency standards. Specifically, electronic equipment such as computers, laptops, lighting devices, and air conditioning units are selected based on their compliance with these standards. This approach aligns with the Bank's commitment to promoting sustainable practices and minimizing its environmental impact.

**3. Processes in place to reclaim products for reuse, recycle and safe disposal of products at the end of life:**

Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

Due to the specific characteristics of our business operations, the potential for reclamation of products for reuse, recycling, or disposal is limited. Nevertheless, we entrust the collection of e-waste generated by our data centre to a reputable vendor who replaces it with new products.

**4. Extended Producer Responsibility (EPR) plan:**

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

Given that the banking industry is predominantly service-oriented, Extended Producer Responsibility (EPR) is not applicable.

ESG  
Report

Statutory  
Reports

Financial  
Statements

List of  
Branches

Basel III

**PRINCIPLE 3: BUSINESSES SHOULD RESPECT AND PROMOTE THE WELL-BEING OF ALL EMPLOYEES, INCLUDING THOSE IN THEIR VALUE CHAINS**



**A) ESSENTIAL INDICATORS:**

**1. A) Details of measures for the well-being of employees:**

Category	% of employees covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity benefits		Paternity Benefits		Day Care Facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent employees											
Male	4330	4168	96.25%	4330	100%	-	-	0	-	0	-
Female	1689	1631	96.56%	1689	100%	1631	96.56%	0	-	0	-
Total	6019	5799	96.34%	6019	100%	1631	27.09%	0	-	0	-
Other than Permanent employees											
Male	71	0	-	0	-	0	-	0	-	0	-
Female	1	0	-	0	-	0	-	0	-	0	-
Total	72	0	-	0	-	0	-	0	-	0	-

**B) Details of measures for the well-being of workers:**

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

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

Benefits	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A)
PF	100	NA	Yes	100	NA	Yes
Gratuity	100	NA	Yes	100	NA	Yes
ESI	NA	NA	NA	NA	NA	NA
Others: Pension	100	NA	Yes	NA	NA	NA

ESG Report

Statutory Reports

3. Accessibility of workplaces:

<p>Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.</p>	<p>The Bank has made sure that all its branch and office premises are designed to enable easy access for employees with disabilities. In order to facilitate this, the bank has provided ramps &amp; lifts wherever possible at their branches and ATMs.</p>
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Financial Statements

List of Branches

4. Equal Opportunity Policy:

<p>Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.</p>	<p>Yes. The Bank has adopted an Equal Opportunity Policy and ensures that individuals of all age, religion, race, gender, etc. work collectively in an environment that flourishes on originality.</p> <p>The policy can be readily accessed at:</p> <p><a href="https://www.cityunionbank.com/filemanager/PDF/EQUAL%20OPPORTUNITY%20POLICY.pdf">https://www.cityunionbank.com/filemanager/PDF/EQUAL%20OPPORTUNITY%20POLICY.pdf</a></p>
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Basel III

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

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	Nil	Nil	Nil	Nil
Female	78%	81%	Nil	Nil
Total	78%	81%	Nil	Nil



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

	Yes/No (If yes, then give details of the mechanism in brief)
Permanent Workers Other than Permanent Workers	Not Applicable
Permanent Employees Other than Permanent Employees	<p>Yes, the Bank has established a mechanism to receive and redress grievances for the following categories of employees.</p> <ul style="list-style-type: none"> <li>The Bank has implemented a comprehensive Whistle Blower policy that enables employees to confidentially report any grievances they may have. This policy ensures that their concerns are promptly addressed, and appropriate action is taken.</li> <li>In addition, the Bank has also implemented a Protection of Sexual Harassment (POSH) policy. This policy is designed to prevent, prohibit, and redress instances of sexual harassment in the workplace, with a specific focus on creating a safe and inclusive environment for women. It provides a framework for reporting and investigating any incidents of sexual harassment and ensures that necessary actions are taken to address such grievances.</li> <li>The employee in the capacity of customer has access to approach internal Ombudsman to address any grievances.</li> <li>The Whistle Blower policy and the POSH policy are integral part of the Bank's commitment to maintaining a respectful and supportive work environment, where every employee's rights are protected, and grievances are handled with utmost sensitivity and fairness.</li> </ul>

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

Category	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees / workers in respective category (C)	No. of employees/ workers in respective category, who are part of association(s) or Union (D)	% (D/C)
Total Permanent Employees	6019	4308	71.57%	5367	4473	83.34%
Male	4330	3202	73.95%	3937	3334	84.04%
Female	1689	1106	65.48%	1430	1139	79.65%
Total Permanent Workers	NA	NA	NA	NA	NA	NA
Male	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA

8. Details of training given to employees and workers:

Category	FY 2022-23 (Current Financial Year)					FY 2021-22 (Previous Financial Year)				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (A)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Male	4401	541	12.29 %	2072	47.08%	4012	166	4.13%	1239	30.88%
Female	1690	247	14.62%	751	44.46%	1430	33	2.30%	429	30.00%
Total	6091	788	13.09%	2823	46.34%	5442	199	3.65%	1668	30.65%
Workers										
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Total	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

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

Category	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees						
Male	4330	4330	100%	4012	3936	98.10%
Female	1689	1689	100%	1430	1430	100%
Total	6019	6019	100%	5442	5366	98.60%
Workers						
Male	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA
Total	NA	NA	NA	NA	NA	NA

\*\* For the purpose of performance and career development reviews of employees, only permanent employees are considered.

10. Health and safety management system:

S.No	Particulars	Response
a)	Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?	<p>Yes, the Bank has implemented an occupational health and safety management system. Our organization is committed to ensuring the well-being and safety of our employees. As part of this commitment, we have implemented a Master health check-up reimbursement program.</p> <p>For employees excluding executives, they are eligible to receive reimbursement of up to ₹ 8,000/- for a Master health check-up. The eligibility is as follows:</p> <p>Age between 30 - 45: Once every two years.</p> <p>Age above 45: Once every year.</p> <p>Executives of our organization (Assistant General Manager and above) are eligible to receive reimbursement of up to ₹12,000/- for a Master health check-up, and this can be availed once every year.</p> <p>These measures reflect our dedication to promoting the health and welfare of our employees by providing them with access to necessary health check-ups. By supporting regular health assessments, we aim to proactively address any potential health concerns and ensure a safe working environment for our workforce.</p>
b)	What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?	<p>Given the nature of the Business, the Bank does not have any work-related hazards. However, we place significant emphasis on fostering a safe and healthy working environment for our employees. Our commitment to their well-being is reflected in the comprehensive measures we have implemented to mitigate risks and promote a culture of safety within the organization.</p>
c)	Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)	<p>Through proactive policies and procedures, we ensure compliance with relevant occupational health and safety regulations. Our ongoing efforts include regular assessments and audits to identify and address any potential risks that may arise. Additionally, we provide appropriate training and awareness programs to equip our employees with the necessary knowledge and skills to maintain a safe working environment.</p> <p>Furthermore, we actively encourage open communication channels to facilitate the reporting of any concerns or incidents related to safety. Our aim is to promptly investigate and take corrective actions as necessary to ensure the continued well-being of our employees.</p> <p>By maintaining a vigilant approach to occupational health and safety, we demonstrate our unwavering commitment to providing a workplace that prioritizes the welfare of our employees, even in the absence of work-related hazards.</p>

S.No	Particulars	Response
d)	Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)	<p>Yes, the Bank provides access to non-occupational medical and healthcare services for its employees and workers. We have implemented a comprehensive health insurance program in collaboration with M/s Star Health insurance company. This insurance coverage extends to all employees across different cadres within the Bank.</p> <p>Through this program, our employees have access to a wide range of healthcare services beyond those directly related to their occupational health. This includes coverage for medical consultations, hospitalization, diagnostic tests, and other necessary healthcare treatments. By offering this comprehensive health insurance coverage, we aim to ensure that our employees have the necessary support to address their healthcare needs effectively.</p> <p>Our commitment to providing access to non-occupational medical and healthcare services reflects our dedication to the overall well-being of our employees. We believe that by prioritizing their health and providing the necessary resources, we create a conducive work environment that fosters their overall physical and mental well-being.</p>

ESG  
Report

Statutory  
Reports

Financial  
Statements

List of  
Branches

Basel III

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

Safety Incident/Number	Category	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	Nil	Nil
	Workers	Nil	Nil
Total recordable work-related injuries	Employees	Nil	Nil
	Workers	Nil	Nil
No. of fatalities	Employees	Nil	Nil
	Workers	Nil	Nil
High consequence work-related injury or ill-health (excluding fatalities)	Employees	Nil	Nil
	Workers	Nil	Nil

Our utmost commitment lies in the establishment and maintenance of a secure and conducive workplace environment for all employees and workers. We firmly believe that the provision of a safe and healthy work setting is of paramount importance, as it significantly contributes to the well-being and productivity of our workforce.

Furthermore, our organization is diligent in its efforts to mitigate potential safety concerns and proactively address any existing risks.

**12. Measures to ensure a safe and healthy workplace:**

Describe the measures taken by the entity to ensure a safe and healthy workplace.

The Bank has implemented various measures to ensure a safe and healthy workplace environment.

In terms of security, the banking company has implemented robust protocols, including access control systems, surveillance cameras, and security personnel, to safeguard the well-being of employees, customers, and assets within the premises. These security measures contribute to a secure working environment.

Ergonomic considerations are also a priority for the bank. By adhering to ergonomic design principles, the bank ensures that workstations and office furniture are designed in a manner that promotes employee comfort and reduces the risk of musculoskeletal issues. This focus on ergonomics enhances the overall well-being and productivity of employees.

The Bank has established comprehensive health and safety measures, which serve as guidelines and procedures for various aspects of workplace safety. The office includes three way emergency exit. Proper framework has been established for addressing potential safety risks and ensuring a prepared and responsive approach to workplace emergencies.

Additionally, although the bank is not involved in manufacturing, it still prioritizes occupational health services. These services include regular health check-ups, wellness programs, and access to medical professionals. By offering these services, the bank demonstrates its commitment to supporting the overall well-being of employees, even in the absence of inherent occupational hazards.

Through the implementation of these measures, the bank strives to provide a safe and healthy working environment for its employees, ensuring their well-being and fostering a productive atmosphere.

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

	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	Nil	Nil	-	Nil	Nil	-
Health & Safety	Nil	Nil	-	Nil	Nil	-

**14. Assessments for the year:**

	<b>% of your plants and offices that were assessed (by entity or statutory authorities or third parties)</b>
Health and safety practices	100%
Working Conditions	100%

The Bank is committed to ensuring the well-being and safety of its employees and stakeholders. As part of this commitment, the organization conducts regular assessments of its offices to evaluate the implementation of health and safety practices and working conditions. These assessments serve as a proactive measure to identify areas for improvement and to maintain a conducive and secure working environment for everyone associated with the organization. CUB recognizes that a healthy and safe workplace is essential for promoting productivity, employee satisfaction, and overall organizational success.

**15. Corrective Actions:**

Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.	The Bank has not identified any instances necessitating corrective action or identified significant risks or concerns resulting from the assessments of health and safety practices and working conditions.
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ESG Report

Statutory Reports

Financial Statements

List of Branches

Basel III



**PRINCIPLE 4: BUSINESSES SHOULD RESPECT THE INTERESTS OF AND BE RESPONSIVE TO ALL ITS STAKEHOLDERS**



**A) ESSENTIAL INDICATORS:**

**1. Identification of stakeholders group:**

<p>Describe the processes for identifying key stakeholder groups of the entity</p>	<p>The Bank periodically identifies and recognizes key stakeholders, both internal and external, to ensure the organization operates effectively and delivers services efficiently.</p> <p>Stakeholders are identified based on their role and Banking relationships, whether as customers, vendors, contractors, or in other capacities.</p>
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**2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group:**

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others - please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Shareholders/ Investors	No	Annual General Meeting, Shareholder meets, email, Stock Exchange (SE) intimations, investor/analysts meet/ conference calls, annual report, quarterly results, media releases and Company / SE website E-mail, Notice, Website, Investor Calls & Newspaper advertisements.	Quarterly, Half yearly and annually.  Routine shareholder visit at Central Office.	<p>1) <b>Share price appreciation, dividends, profitability and financial stability:</b></p> <p>a) <b>Purpose:</b> Evaluate financial performance and stability for potential growth.</p> <p>b) <b>Key topics raised:</b> Share price trends, dividend history,</p>

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others - please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
				<p>profitability ratios, financial statements, and market conditions</p> <p>c) <b>Concerns raised:</b> Volatility in share prices, fluctuating dividends, low profitability, and financial risks.</p> <p>2) <b>Queries/ suggestions/assurance / complaints etc:</b></p> <p>a) <b>Purpose:</b> Address shareholder queries, suggestions, complaints, and provide assurance.</p> <p>b) <b>Key topics raised:</b> Shareholder queries, suggestions, assurances, and concerns.</p> <p>c) <b>Concerns raised:</b> Poor communication, unresolved issues, lack of transparency, and declining investor confidence.</p>

ESG Report

Statutory Reports

Financial Statements

List of Branches

Basel III

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others - please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
				<p>3) <b>Understanding shareholder expectations:</b></p> <p>a) <b>Purpose:</b> Identify shareholder expectations and align operations and strategies.</p> <p>b) <b>Key topics raised:</b> Shareholder demographics, voting patterns, engagement, and feedback mechanisms.</p> <p>c) <b>Concerns raised:</b> Divergent expectations, lack of engagement, and inadequate feedback mechanisms.</p>

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others - please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Government/ Regulatory Authorities	No	<ul style="list-style-type: none"> <li>● E-mails and letters.</li> <li>● Conferences.</li> <li>● Industry forums.</li> <li>● Regulatory filings.</li> <li>● Meetings with officials.</li> <li>● Representations.</li> </ul>	On periodical basis as provided under relevant legislations	<p><b>In relation to Compliances with applicable laws, changes in regulatory frameworks, skill and capacity building, employment:</b></p> <p>a) <b>Purpose:</b> Ensure compliance with applicable laws, adapt to regulatory changes, stay informed of industry concerns.</p> <p>b) <b>Key topics:</b> Regulatory and statutory compliance and industry trends.</p>
Customers (other than Weaker rural Section)	No	<ul style="list-style-type: none"> <li>● Email</li> <li>● SMS</li> <li>● Newspaper (local and national)</li> <li>● Pamphlets (distributed in branches and public areas)</li> <li>● Advertisement (print, and online platforms)</li> <li>● Notice Board (at branches and public areas)</li> <li>● Website (accessible and user-friendly for all customers)</li> </ul>	Frequent and need basis	<p><b>Purpose and scope of engagement including key topics during such engagement:</b></p> <p>1. <b>Product and service updates:</b></p> <p>a) <b>Purpose:</b> Inform customers about new products, features, and improvements to existing services.</p>

ESG Report

Statutory Reports

Financial Statements

List of Branches

Basel III



Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others - please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
				<p>b) <b>Key topics raised:</b> New account options, loan products, digital banking enhancements, and service enhancements.</p> <p>2. <b>Customer feedback and satisfaction:</b></p> <p>a) <b>Purpose:</b> Gather feedback on customer experience, satisfaction levels, and suggestions for improvement.</p> <p>b) <b>Key topics raised:</b> Overall satisfaction with services, feedback on specific transactions or interactions, and suggestions for service enhancements.</p> <p>c) <b>Concerns raised:</b> Service quality, wait times, responsiveness, and any concerns or issues faced during interactions with the bank.</p>

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others - please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
				<p>3. <b>Financial education and tips:</b></p> <p>a) <b>Purpose:</b> Provide customers with relevant financial education and tips to help them manage their finances effectively.</p> <p>b) <b>Key topics raised:</b> Budgeting, savings strategies and investment options.</p>
Customers- Weaker Rural Section	Yes	<ul style="list-style-type: none"> <li>● Pamphlets (distributed in areas where they reside)</li> <li>● Advertisement (in local newspapers and magazines)</li> <li>● Community</li> <li>● Notice Board (at local branches and community centres)</li> <li>● Website (accessible and user-friendly for all customers, including marginalized and vulnerable groups)</li> <li>● Business correspondents</li> <li>● Fixed business correspondents</li> <li>● Branch banking outlet</li> <li>● Financial Inclusion and literacy programmes.</li> </ul>	Frequent basis	<p><b>Purpose and scope of engagement including key topics and concerns raised during such engagement:</b></p> <p>1. <b>Banking services accessibility and affordability:</b></p> <p>a) <b>Purpose:</b> Ensure access to banking services for marginalized and vulnerable customers, and address affordability concerns.</p> <p>b) <b>Key topics raised:</b> Accessibility of branches and ATMs.</p>

ESG Report

Statutory Reports

Financial Statements

List of Branches

Basel III



Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others - please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
				<p>c) <b>Concerns raised:</b> Awareness about available services, and difficulties in navigating banking processes.</p> <p>2. <b>Financial education and empowerment:</b></p> <p>a) <b>Purpose:</b> Provide financial literacy programs and empower marginalized and vulnerable customers to make informed financial decisions.</p> <p>b) <b>Key topics raised:</b> Savings and thrift.</p> <p>c) <b>Concerns raised:</b> Lack of financial knowledge and skills, limited understanding of banking products and services, and challenges in accessing credit.</p>

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others - please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
				<p>3. <b>Customer service and complaint resolution:</b></p> <p>a) <b>Purpose:</b> Improve customer service experience and resolve complaints in a timely and satisfactory manner.</p> <p>b) <b>Key topics raised:</b> Quality of customer service, responsiveness, complaint handling procedures, and accessibility to customer support.</p>
Employees	No	<ul style="list-style-type: none"> <li>● Personalised Learning Management System</li> <li>● Regular performance review and feedback</li> <li>● CUB News Magazine</li> <li>● Staff Training College for on-the-job training</li> <li>● Review meetings</li> <li>● CUB intranet</li> </ul>	Daily	<p><b>Purpose and scope of engagement including key topics during such engagement:</b></p> <p>1. <b>Internal communication and company updates:</b></p> <p>a) <b>Purpose:</b> Keep employees informed about company news,</p>

ESG Report

Statutory Reports

Financial Statements

List of Branches

Basel III

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others - please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
				<p>updates, and strategic initiatives.</p> <p>b) <b>Key topics raised:</b> Company performance, organizational changes, new policies or procedures, and departmental updates, growth prospects and employee well-being.</p> <p>2. <b>Training and development opportunities:</b></p> <p>a) <b>Purpose:</b> Identify employee training and development needs and provide relevant learning opportunities.</p> <p>b) <b>Key topics raised:</b> Skills enhancement, training programs, career advancement, and professional development opportunities.</p>

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others - please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Community	Yes	<ul style="list-style-type: none"> <li>CSR and sustainability initiatives.</li> </ul>	Periodically	<p>a) <b>Purpose:</b> Develop and implement sustainable CSR initiatives including but not limited to water and natural resource management, community development, education/skill development, and livelihood support.</p> <p>b) <b>Key topics:</b> Over social development, better irrigation and improvement in ground water table.</p>

ESG Report

Statutory Reports

Financial Statements

List of Branches

Basel III

**PRINCIPLE 5: BUSINESSES SHOULD RESPECT  
AND PROMOTE HUMAN RIGHTS**



**A) ESSENTIAL INDICATORS:**

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (A)	No. of employees / workers covered (B)	% (B / A)
<b>Employees</b>						
Permanent	6019	3940	65.45%	5367	3150	58.69%
Other than permanent	72	0	-	75	0	-
<b>Total Employees</b>	<b>6091</b>	<b>3940</b>	<b>65.45%</b>	<b>5442</b>	<b>3150</b>	<b>57.88%</b>
<b>Workers</b>						
Permanent	NA	NA	NA	NA	NA	NA
Other than permanent	NA	NA	NA	NA	NA	NA
<b>Total Workers</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>

2. Details of training given to employees and workers, in the following format

Category	FY 2022-23 (Current Financial Year)					FY 2021-22 (Previous Financial Year)				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
<b>Employees</b>										
Permanent	6019	Nil	-	6019	100%	5367	Nil	-	5367	100%
Male	4330	Nil	-	4330	100%	3937	Nil	-	3937	100%
Female	1689	Nil	-	1689	100%	1430	Nil	-	1430	100%
Other than Permanent	72	Nil	-	72	100%	75	Nil	-	75	100%
Male	71	Nil	-	71	100%	75	Nil	-	75	100%
Female	1	Nil	-	1	100%	0	Nil	-	0	100%

Category	FY 2022-23 (Current Financial Year)					FY 2021-22 (Previous Financial Year)				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Workers										
Permanent	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Other than Permanent	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

**3. Details of remuneration/salary/wages, in the following format:**

Category	Male		Female	
	Number	Median remuneration/ salary / wages of respective category	Number	Median remuneration/ salary / wages of respective category
Board of Directors (BoD)*	2	6676471	1	-
Key Managerial Personnel**	3	3101100	0	-
Employees other than BoD and KMP	4330	659122	1689	506967
Workers	Nil	-	Nil	-

\*Comprising of Chairman and Managing Director & CEO

\*\*Comprising of Chief Executive Officer, Chief Financial Officer and Company Secretary.

**4. Focal point for addressing human rights:**

Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes, the responsibility for overseeing and addressing all matters pertaining to human rights vests with the Vigilance Department of the Bank.

ESG  
Report

Statutory  
Reports

Financial  
Statements

List of  
Branches

Basel III



**5. Internal mechanisms in place to redress grievances related to human rights issues:**

Describe the internal mechanisms in place to redress grievances related to human rights issues.

The Bank acknowledges the importance of addressing grievances related to human rights issues and has implemented robust internal mechanisms for this purpose. We have established a comprehensive Whistle-blower Policy and a dedicated Protection of Sexual Harassment (POSH) policy to effectively redress such grievances.

To facilitate this process, we have provided all our employees with intranet access, where we have created a distinct menu specifically dedicated to Whistle-blower and Women Welfare concerns. This platform allows our employees to securely report any violations or concerns related to human rights / employee issues. We assure utmost confidentiality in handling the inputs received through this menu, and the information is promptly forwarded to the appropriate officials for further action.

We are committed to maintaining a safe and respectful working environment for all our employees, and these internal mechanisms serves as vital channel for addressing and resolving any grievances related to human rights violations.

**6. Number of Complaints on the following made by employees and workers:**

Category	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	Nil	Nil	-	3	Nil	The complaint received by CUB has been successfully resolved, addressing all parties' interests before the end of the financial year.
Discrimination at workplace	Nil	Nil	-	Nil	Nil	-
Child Labour	Nil	Nil	-	Nil	Nil	-
Forced Labour/ Involuntary Labour	Nil	Nil	-	Nil	Nil	-
Wages	Nil	Nil	-	Nil	Nil	-
Other human rights related issues	Nil	Nil	-	Nil	Nil	-

**7. Prevention of discrimination and harassment cases:**

**Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases**

The Bank has instituted a comprehensive mechanism to prevent workplace harassment. The Bank has a code of conduct which sets out the Bank's expectations for appropriate workplace behaviour and addresses instances of harassment.

ESG  
Report

**8. Human rights requirements forming part of your business agreements and contracts:**

**Do human rights requirements form part of your business agreements and contracts? (Yes/No)**

Considering the nature of the Bank's operations, the scope of human rights requirements within our business agreements and contracts is comparatively less. It is important to note that the Bank does not have a specific policy solely focused on Human Rights but it indirectly addresses through POSH, Whistle Blower Mechanism, Customer Right Policy etc.

Statutory  
Reports

Financial  
Statements

**9. Assessments for the year:**

Category	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100%
Forced/involuntary labour	100%
Sexual harassment	100%
Discrimination at workplace	100%
Wages	100%
Others - please specify	NA

List of  
Branches

Basel III

**10. Corrective Actions to address significant risks / concerns arising from the assessments:**

**Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.**

The Bank's policies and practices are designed to address and manage all aspects of sexual harassment and discrimination at the workplace. The Bank has not identified any specific instances or significant risks that would require corrective actions. However, we remain committed to maintaining a safe and inclusive work environment and our policies are regularly reviewed and updated as necessary to ensure compliance with best practices and legal requirements.

## PRINCIPLE 6: BUSINESSES SHOULD RESPECT AND MAKE EFFORTS TO PROTECT AND RESTORE THE ENVIRONMENT



### A) ESSENTIAL INDICATORS:

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format: (Energy Consumption is quantified in terms of the monetary value spent in INR)

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total electricity consumption (A)	₹2121.02 Lakhs**	₹1803.14 Lakhs**
Total fuel consumption (B)	₹128.50 Lakhs**	₹101.67 Lakhs**
Energy consumption through other sources (C)	Nil	Nil
Total energy consumption (A+B+C)	₹2,249.52 Lakhs**	₹1,904.81 lakhs**
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees)	Not available, please refer the below note**	Not available, please refer the below note**

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

\*\* During the financial years under review, the Bank encountered difficulty in quantifying its electricity and fuel consumption in terms of units. Nonetheless, we have diligently maintained precise records of the expenses incurred on energy consumption during this duration.

We further wish to inform you that the expenditure data cannot be converted from Rupees to respective units due to the varying tariffs of electricity per KVH and fuel per litre in different states. Furthermore, some of our bank branches function on a lease and rental basis, and thus receive shared billed amounts instead of units.

We acknowledge this constraint and are presently in the process of establishing a system to accurately document energy consumption from the forthcoming financial years.

During the FY 2022-2023, the Bank's total energy expenditure saw an increase of 18.10% and an increase of 13.58% in total turnover. No independent assessment/evaluation was carried out by an external agency.

2. Designated Consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India:

This section is not applicable to the Bank.

3. Provide details of the following disclosures related to water, in the following format: (Water Consumption is provided in INR)

Parameter	FY 2022-23	FY 2021-22
Water withdrawal by source (in kilolitres) (i) Surface water (ii) Groundwater (iii) Third party water (iv) Seawater / desalinated water (v) Others Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	City Union Bank Limited is in banking industry and the nature of business makes it difficult to collate the information from all the branches. Please refer to the note provided below for further details	
Total volume of water consumption (in kilolitres) Water consumption is quantified in terms of the monetary value spent in INR.	₹63.11 Lakhs**	₹56.45 Lakhs**
Water intensity per rupee of turnover (Water consumed / turnover)	Not available, please refer the below note**	Not available, please refer the below note**
Water intensity (optional) - the relevant metric may be selected by the entity	-	-

\*\* During the financial years under review, the Bank encountered difficulty in quantifying its water consumption in terms of units. Nonetheless, we have diligently maintained precise records of the expenses incurred on Water consumption during this duration.

We acknowledge this constraint and shall possibly establish a system to accurately document water consumption from the forthcoming financial years.

Furthermore, considering the fact that Bank is not into manufacturing / factory related activities the water consumption is restricted to individual /personal usages of employees only. Water is not consumed for any commercial operations.

Note: Indicate if any independent assessment / evaluation / assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No independent assessment/evaluation was carried out by an external agency.

4. Mechanism for Zero Liquid Discharge:

Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.	Considering the nature of the Business, our operating locations do not presently have any mandate for the adoption of a Zero Liquid Discharge mechanism. Nevertheless, as a socially responsible institution, we have taken efforts to make efficient use of waste water from RO plants for various purposes thus promoting better water management and minimizing water usage to the best of our abilities.
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ESG  
Report

Statutory  
Reports

Financial  
Statements

List of  
Branches

Basel III

5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please Specify unit	FY 2022-23	FY 2021-22
NOx	-	Not Applicable	
SOx	-		
Particulate matter (PM)	-		
Persistent organic pollutants (POP)	-		
Volatile organic compounds (VOC)	-		
Hazardous air pollutants (HAP)	-		
Others - please specify	-		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

The operations of banks primarily involve indoor activities that are not related to industrial processes, which are typically associated with significant air emissions. Therefore, the level of air emissions from our operations is considerably low. Additionally, as a responsible corporate citizen, we adopt environmentally conscious practices and comply with all applicable regulations to further minimize any potential air emissions. Further, no independent assessment/evaluation was carried out by an external agency.

6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Unit	FY 2022-23	FY 2021-22
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	Being a banking entity and not engaged in any manufacturing or factory related activities, the emission of effluent gases is not significantly.	
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent		
Total Scope 1 and Scope 2 emissions per rupee of turnover	Metric tonnes of CO2 equivalent		
Total Scope 1 and Scope 2 emission intensity (optional) - the relevant metric may be selected by the entity	Metric tonnes of CO2 equivalent		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

The Bank 's operations at different outlets do not involve production activities, eliminating the possibility of emitting effluent gases. However, some branch offices are equipped with diesel generators that may emit certain gases. To address this issue, the Bank has implemented measures to mitigate emissions. These measures include regular servicing of diesel generators through Annual Maintenance Contracts (AMCs) and the utilization of mostly star-rated equipment. Further, no external agency conducted an independent assessment or evaluation in this regard.

**7. Project related to reducing Green House Gas emission:**

<p>Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details.</p>	<p>Considering the nature of CUB's business activity, the Bank does not generate significant emissions that contribute to greenhouse gas emissions. As of now, the Bank does not have any specific projects dedicated to reducing greenhouse gas emissions.</p>
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ESG Report

**8. Provide details related to waste management by the entity, in the following format:**

Parameter	FY 2022-23	FY 2021-22
Total Waste generated (in metric tonnes)		
Plastic waste (A)		<p>The Bank operates its branches across multiple locations, and waste management is carried out through varied methods ranging from captive disposal to collaborations with local vendors. E-waste is returned to the respective vendors, while battery waste materials are exchanged with third-party vendors in exchange for new batteries. Furthermore, the nature of our business precludes the generation of any hazardous or radioactive waste.</p>
E-waste (B)		
Bio-medical waste (C)		
Construction and demolition waste (D)		
Battery waste (E)		
Radioactive waste (F)		
Other Hazardous waste. Please specify, if any. (G)		
Total (A+ B + C + D + E + F + G + H)		
<p>For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)</p>		
Category of waste		<p>As a banking services company, our operations primarily focus on providing financial services to our customers. Due to the nature of our business, we do not generate significant waste or engage in activities that require waste recovery through recycling, reusing, or other recovery operations. Therefore, there is no relevant data available in this regard. Our commitment lies in adhering to responsible and sustainable practices within the scope of our operations to minimize any potential environmental impact. We continuously strive to promote environmental consciousness and encourage our employees and stakeholders to adopt eco-friendly practices in their day-to-day activities</p>
(i) Recycled		
(ii) Re-used		
(iii) Other recovery operations		
Total		

Statutory Reports

Financial Statements

List of Branches

Basel III



For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)	
Category of waste	As a banking services company, our operations primarily focus on providing financial services to our customers. Given the nature of our business, we do not generate significant waste that requires specific disposal methods such as incineration, landfilling, or other disposal operations.
(i) Recycled	
(ii) Re-used	
(iii) Other recovery operations	
Total	

**Note:** Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

The Bank has not conducted any independent assessment/ evaluation by an external agency.

**9. Waste management practices adopted in the establishment:**

<p>Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.</p>	<p>Given that the Bank is solely engaged in financial services, it does not partake in any manufacturing processes. However, the Bank upholds sustainable waste management practices to ensure proper disposal of generated waste.</p> <p><b>a) E-waste, Plastic and Battery waste-</b> The Bank facilitates the transportation of plastic waste to local vendors for processing and disposal. Ensuring the proper handling of E-Waste is crucial, both for security purposes and environmental considerations. Consequently, computers and associated accessories are delivered to vendors or certified disposal agencies. To track the quantity of battery waste collected, disposed of, and recycled, the Bank has implemented a reporting and monitoring system</p> <p><b>b) Hazardous Waste -</b> As a Banking Company, our operations do not involve the use of hazardous or toxic chemicals, and as a result, we do not generate any such waste.</p> <p><b>c) Other waste -</b> Given the nature of the Bank's business, other forms of waste are not applicable.</p>
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10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

S. No	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
The Bank does not possess any facilities in or near ecologically sensitive areas, and therefore, no special environmental clearances are mandated.			

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Considering the nature of the Bank's operations, the requirement of conducting an Environmental Impact Assessment (EIA) as mandated by The Ministry of Environment, Forests and Climate Change (MoEFCC) does not apply to the Bank. Nevertheless, the Bank actively engages in environmental initiatives aligned with Corporate Social Responsibility (CSR) assessments. The main objective revolves around the preservation of water bodies, revitalization of lakes, and recognition of their ecological consequences. These endeavours entail the desilting of ancient temples, lakes, and ponds to ensure optimal water levels, thereby benefiting rural areas. As a result, the Bank has effectively increased the groundwater table, providing significant advantages to local farmers. Additionally, they contribute to the restoration of heritage structures by clearing overgrown vegetation and undertaking desilting activities.

Moreover, it is important to note that the Bank is firmly committed to promoting sustainable practices and generating a positive societal impact. As part of our ongoing transparency initiatives, the Bank has extended financial assistance to Sastra University in Thanjavur for a research project titled "Green & Sustainable Environment." This project focuses on developing a prototype unit aimed at mitigating air pollution. Through our CSR endeavours, we aim to assess the progress achieved, the social and environmental impact made, and the efficacy of our endeavours in contributing to a greener and more sustainable future.

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India, such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

Yes, to the extent it is relevant for a Banking Industry

**PRINCIPLE 7: BUSINESSES, WHEN ENGAGING IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A MANNER THAT IS RESPONSIBLE AND TRANSPARENT**



**A) ESSENTIAL INDICATORS:**

**1. A) Affiliations with trade and industry chambers/ associations:**

**Number of affiliations with trade and industry chambers/ associations.**

The Bank is affiliated with 2 trade and industry chambers/associations.

**B) List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to:**

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1.	Merchant's Chamber of Commerce & Industry (MCCI)	National
2.	Foreign Exchange Dealers Association of India	National
3.	Forex Association of India (FAI)	National
4.	Fixed Income Money Market and Derivative Association of India	National
5.	Indian Financial Technology & Allied Services	National

**2. Provide details of corrective action taken or underway on any issues related to anticompetitive conduct by the entity, based on adverse orders from regulatory authorities:**

Name of authority	Brief of the case	Corrective action taken
-	-	-

The Bank has not engaged in any anti-competitive conduct.

## PRINCIPLE 8: BUSINESSES SHOULD PROMOTE INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT



ESG  
Report

Statutory  
Reports

Financial  
Statements

List of  
Branches

Basel III

### A) ESSENTIAL INDICATORS:

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
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This section is not applicable to the Bank as there were no projects that required SIA to be undertaken under Law

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

Sl No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
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This section is not applicable to the Bank as there were no projects that required Rehabilitation and Resettlement (R&R).

3. Community redressal mechanism:

#### Describe the mechanisms to receive and redress grievances of the community.

The Bank works in close collaboration with the community in specific areas of cleanliness & Swachh Bharat Mission, Literacy & Rural Sports, Health Care, Restoration & Renovation of sites of Historical Importance, Environment Sustainability, Social Community Development and Animal Welfare.

To evaluate the effectiveness of projects in achieving their objectives, the Bank employs comprehensive strategies that involve consultations with beneficiaries both individually and in groups. The Company is dedicated to providing adequate opportunities for intended beneficiaries to report grievances, and the grievance redressal mechanism involves working closely with the CSR team. The Bank has a remarkable history of addressing any complaints received from the community, and as of now, there have been no significant grievances reported.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

Category	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Directly sourced from MSMEs/ small producers	Nil	Nil
Sourced directly from within the district and neighbouring districts	Nil	Nil

The Bank's business activities and operational scope necessitate a different focus in relation to the specific requirement mentioned in this section. However, it is important to highlight that the Bank actively seeks to engage the services of individuals residing in the surrounding areas whenever possible. In line with its commitment to supporting local and small vendors, the Bank regularly procures goods such as stationery and housekeeping items from these vendors. Additionally, the Bank extends job orders to local vendors for various services. These initiatives exemplify the Bank's dedication to promoting local economic development and fostering a mutually beneficial relationship with the community.

## PRINCIPLE 9: BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CONSUMERS IN A RESPONSIBLE MANNER



ESG  
Report

Statutory  
Reports

Financial  
Statements

List of  
Branches

Basel III

### A) ESSENTIAL INDICATORS:

#### 1. Consumer Complaints and feedback:

**Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**

In accordance with guidelines set forth by the Reserve Bank of India (RBI), the Bank has established a three-tiered structure for addressing customer complaints. Typically, customers first approach their local branch to resolve any grievances they may have. If a complaint is within the authority of the branch manager, it is handled at the branch level. Any unresolved/unsatisfied cases are escalated to the Ombudsman seated at the Administrative Office for resolution. The Inspection Department at the Administrative Office follows up with branches and departments to ensure timely resolution and closure of complaints. Customers have an option to reach out to the Bank's Call Centre or Customer Care number to register their grievances.

Periodically branch level customer service committee meetings are held to collect direct feedback and suggestions from customers about various products. Actionable suggestions for service and product improvements are implemented. The Customer Service Committee of the Board is also conducted on a periodical basis to invite customer grievances and suggestions to improve the services.

To ensure effective management of customer complaints, the Bank has appointed a Principal Nodal Officer for Grievances, a Nodal Officer for Complaints. Additionally, an Internal Ombudsman as stated aforesaid has been appointed under the Banking Ombudsman Scheme.

#### 2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

Category	As a percentage to total turnover
Environmental and social parameters relevant to the product	This aspect is not relevant to the Bank as it is not engaged in manufacturing activities. However, the Bank ensures compliance with disclosure requirements pertaining to its products and services to the extent applicable.
Safe and responsible usage	
Recycling and/or safe disposal	



3. Number of consumer complaints in respect of the following:

Category	FY 2022-23 (Current Financial Year)		Remarks	FY 2021-22 (Current Financial Year)		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	0	0	-	0	0	-
Advertising	0	0	-	0	0	-
Cyber-security	0	0	-	0	0	-
Delivery of essential services	0	0	-	0	0	-
Restrictive Trade Practices	0	0	-	0	0	-
Unfair Trade Practices	0	0	-	0	0	-
Other	0	0	-	0	0	-

4. Details of instances of product recalls on account of safety issues:

Particulars	Number	Reasons for recall
Voluntary recalls	Nil	Not Applicable
Forced recalls	Nil	Not Applicable

5. Cyber security policy:

**Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.**

The Bank has established a comprehensive Cyber Security measure that has been duly approved by the Board. CUB places Cyber Security as its top priority and has created a robust IT infrastructure to detect frauds and respond immediately. Strong Cyber Security measures guard its customer transactions end to end.

The Bank takes its customers' privacy seriously and has a well-defined privacy policy that is prominently displayed on its corporate website.

The Policy can be accessed at: <https://www.cityunionbank.com/privacy-policy>

6. **Corrective Actions:**

**Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services**

The Bank endeavours to maintain a positive relationship with its customers and strives to resolve any disputes in an amicable manner. Legal action is pursued only in exceptional cases where a mutual settlement is not feasible. It is worth noting that no incidence was received concerning cyber security and data privacy during reporting year. Other categories are not relevant, given the nature of the Bank's business.

ESG  
Report

Statutory  
Reports

Financial  
Statements

List of  
Branches

Basel III

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## REPORT ON CORPORATE GOVERNANCE

(Forming part of the Directors' Report for the year ended 31<sup>st</sup> March, 2023)

Corporate Governance is the system of rules, best practices and processes by which an Institution is operated, directed and governed. The main principles of good corporate governance is conducting the business with integrity, being transparent in all transactions, making all the necessary disclosures and complying with the applicable laws, accountability and responsibility towards all the stakeholders and commitment to conduct the business in an ethical manner.

This Report on Corporate Governance is set out pursuant to the provisions of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (the "Listing Regulations") and forms part of the Directors Report for the Financial Year ended March 31, 2023.

### 1. BANK'S PHILOSOPHY ON CORPORATE GOVERNANCE

City Union Bank Limited, (herein after called the "Bank") believes that a good Corporate Governance structure is the one which directs and controls the affairs of the Bank to sustain and improve value creation for all stakeholders. Bank's governance framework recognizes Transparency, Integrity, Honesty and Accountability as core values, and the management believes that the practice of each of these creates the right corporate culture fulfilling the purpose of Corporate Governance.

The Bank's governance code is available on the Bank's website [www.cityunionbank.com](http://www.cityunionbank.com) for general information to all stakeholders. However it is to be recognized that Corporate Governance is not just a destination but a consistent journey to consolidate and enhance sustainable value creation to the Bank by adhering to the core values.

The Bank continues to believe strongly in adopting and adhering to the best governance practices. The Bank always endeavours to achieve the highest levels of governance as a part of its accountability and responsibility towards the shareholder and all other stakeholders. Transparency, Fairness, Responsibility and Integrity continue to be at the epicentre in achievement of good Corporate Governance and the Bank is strongly committed to adhering to the principles for enhancing the stakeholders' values.

The Bank has a governance structure in place to besto high standard of transparency, fairness and accountability for performance at all levels and to ensure and achieve excellence through professionalism, social responsiveness, sound business practices and optimum efficiency. This intern enable the Bank to maintain a high level of business ethics to maximise the shareholders value and to protect their interest.

The governance practices of the Bank aims to:

- a) enhance the long term interest of its stakeholders, provide good management standards, adopt prudent risk management techniques and comply with the required benchmark of capital adequacy, thereby safeguarding the interest of all its stakeholders such as shareholders, investors, depositors, creditors, customers, suppliers and employees to maximise benefits to all.
- b) identify and recognise the Board of Directors and the Management of the Bank as the principal instruments through which good Corporate Governance principles are articulated and implemented. The main objective is to identify and recognise accountability, transparency and equal treatment for all its stakeholders.

The Bank continues to achieve Corporate Excellence by imbibing the following principles:-

- a) Adhere to the Laws and Regulations both in letter and spirit.
- b) Total commitment to follow ethical practices in all facets of Banking to ensure efficiency in operations so as to maximise value and benefit to all stakeholders.
- c) To make employees accountable and take responsibility for completion of work within specified time lines, while adhering to risk controls and policy framework.
- d) Strict adherence to prudent Banking norms and values in the conduct of day to day Banking operations.

ESG  
ReportStatutory  
ReportsFinancial  
StatementsList of  
Branches

Basel III

## 2. BOARD OF DIRECTORS

The Board of Directors of the Bank is constituted in accordance with the Clause 17 of Articles of Association of the Bank, the Banking Regulation Act, 1949, Section 149 of the Companies Act, 2013 and Regulation 17 of SEBI Listing Regulations, 2015, as amended from time to time.

### A. COMPOSITION

As per SEBI Listing Regulations where the Chairperson of the Board of Directors is a Non-Executive Director, at least one third of the Board should comprise of Independent Directors. As on March 31, 2023, the Board comprised of ten members consisting of Independent Non-Executive Part-Time Chairman, Managing Director & CEO and Eight Independent Directors. The Independent Directors constitute 90% of the Board strength which is more than the requirements of the Companies Act, 2013 and SEBI Listing Regulations, 2015. The Listing Regulations also mandate that Board of Directors of the top 500 listed entities should have atleast one Independent Woman Director. The Bank has One Woman Director who is Independent. None of the Directors of the Bank have any relationships inter-se as on March 31, 2023.

The Board has identified the following core skills / expertise / competence for effective and dynamic Board composition which is in line with Section 10A(2) of Banking Regulation Act, 1949 and relevant circular issued by RBI.

1. Accountancy
2. Agriculture and Rural Economy
3. Banking
4. Co-operation
5. Economics
6. Finance
7. Law
8. Small-scale Industry
9. Human Resource
10. Information Technology
11. Risk Management
12. Payment and Settlement Systems
13. Business Management



The majority of Directors on the Board as on March 31, 2023 have rich and varied expertise, knowledge and business acumen in Banking and other related fields. The details on the skill sets/ expertise the Directors bring in to the Board of the Bank to facilitate effective decision making together with other disclosures are mentioned below

Name of the Director Sarvashri	Expertise/Core Skills/ Sector Representation	Category	Total No. of other Directorships held	No. of shares
M. Narayanan (DIN:00682297)	Accountancy, Agriculture & Rural Economy and Information Technology	Non-Executive Part-time Chairman (Independent)	Nil	21589
Dr. N. Kamakodi (DIN:02039618)	Banking	Managing Director & CEO	Nil	2418650
Narayanan Subramaniam (DIN:00166621)	Accountancy and Finance, Payment & Settlement System, Treasury, Risk Management, Information Technology and Business Management	Independent Director	4	Nil
V. N. Shivashankar (DIN: 00929256)	Law, Accountancy and Risk Management	Independent Director	5	726122
Dr. T. S. Sridhar (DIN : 01681108)	Agriculture & Rural Economy, SSI, Co-operation, Human Resource and Economics	Independent Director	Nil	210
K. Vaidyanathan (DIN : 07120706)	Accountancy, Finance, Information Technology and Business Management	Independent Director	Nil	100
T. K. Ramkumar (DIN : 02688194)	Law	Independent Director	Nil	164310
Prof. V. Kamakoti (DIN : 03537382)	Agriculture & Rural Economy and Information Technology	Independent Director	4	1512
G. Mahalingam (DIN : 09660723)	Accountancy, Finance, Banking, Economics and Business Management	Independent Director	8	Nil
Smt.Lalitha Rameswaran ** (DIN : 02326309)	Accountancy, Finance, Banking and Information Technology	Independent Director	1	35028

\* Except Shri G. Mahalingam who is a Director in Listed entities viz. LIC of India, Infrastructure Leasing & Financial Services Limited and CARE Ratings Limited, none of the other Directors on the Board of the Bank holds Directorship in any other listed entity.

\*\* Appointed as Independent Women Director w.e.f. 04<sup>th</sup> November 2022. For more details, kindly read the Appointments section in the Directors' Report.

ESG Report

Statutory Reports

Financial Statements

List of Branches

Basel III

**B. ATTENDANCE AT BOARD MEETINGS AND PREVIOUS ANNUAL GENERAL MEETING, NUMBER OF OTHER DIRECTORSHIPS AND COMMITTEE MEMBERSHIP(S) / CHAIRMANSHIP(S) OF EACH DIRECTOR IS AS UNDER:**

Name of the Director Sarvashri	Board Meetings		Attendance at AGM held on 18.08.2022	Directorship in other Public Ltd., entities	Directorship in other Listed entities	Memberships in ACB & SRC of other companies and (Chairmanships)
	Held during the Tenure	Meeting Attended				
R. Mohan*	2	2	NA*	Nil	Nil	Nil
Dr. N. Kamakodi	12	12	Yes	Nil	Nil	Nil
Smt. Abarna Bhaskar#	6	6	Yes	Nil	Nil	Nil
M. Narayanan	12	12	Yes	Nil	Nil	Nil
Narayanan Subramaniam	12	11	Yes	1	Nil	1(1)
V. N. Shivashankar	12	12	Yes	3	Nil	Nil
Dr. T. S. Sridhar	12	12	Yes	Nil	Nil	Nil
K. Vaidyanathan	12	12	Yes	Nil	Nil	Nil
T. K. Ramkumar	12	12	Yes	Nil	Nil	Nil
Prof. V. Kamakoti	11	11	Yes	Nil	Nil	Nil
G. Mahalingam	10	10	Yes	8	3	4(2)
Smt. Lalitha Rameswaran	6	6	NA	1	Nil	1(1)

**Meeting Date:** 02.05.2022, 27.05.2022, 06.07.2022, 08.08.2022, 29.08.2022, 26.09.2022, 04.11.2022, 05.12.2022, 23.12.2022, 11.02.2023, 04.03.2023 and 27.03.2023

\* Retired on June 27, 2022 but present in AGM in capacity of Member # Retired on October 24, 2022.  
ACB - Audit Committee of Board, SRC - Stakeholders Relationship Committee

Note: As per Regulation 26 of SEBI Listing Regulations, 2015, the Directorship and Committee positions held by the Directors in other Public Limited Companies (including unlisted entities) only have been considered and also, only Audit and Stakeholders Relationship Committee have been considered for reckoning Committee positions. Further, none of the Directors of the Bank were members of more than 10 Committees or acted as Chairman of more than 5 committees across all Public Limited Companies.

The meetings of the Board and its Committees were conducted in line with the provisions of Companies Act, 2013, SEBI Listing Regulations, 2015 and the Secretarial Standards on Board Meetings issued by the Institute of Company Secretaries of India (ICSI). All meetings were conducted with proper quorum and without any adjournments. The date and place of the meeting as well as the agenda papers were circulated to all the Directors well in advance to enable the Board members schedule and prepare for the meeting. The Directors had access to all additional information on the agendas to facilitate meaningful, informed and focussed discussions at the meetings. The Executives of the Bank were also invited to attend the Board meetings wherever required, to provide necessary clarifications.

**C. FAMILIARISATION PROGRAMMES**

The Bank in compliance with the requirement of the SEBI Listing Regulations conducts familiarization programmes for Independent Directors to enable them familiarize with the Bank, its management, their roles, responsibilities, nature of the Banking Industry, Business model, Risk management, System and Technology of the Bank etc. The Directors are also encouraged to attend programmes organised by various Institutions to familiarise them with latest business / industry trends.

The complete details are available in the Bank's website under Investor's Section. web link :

<https://www.cityunionbank.com/assets/frontend/pdf/FAMILIARISATION-FY2023.pdf>



**D. DIRECTORS' REMUNERATION****i. REMUNERATION POLICY****Remuneration to Executive Director / Whole Time Director / Managing Director & CEO**

There exists a Board approved Compensation Policy which also deals with the remuneration and other corporate benefits to the Whole Time / Executive Director. Such Compensation Policy is framed in accordance with the guidelines issued by the Reserve Bank of India. The remuneration of MD & CEO is recommended by the Compensation and Remuneration Committee to the Board of Directors for its approval. However, the remuneration or revision in remuneration is subject to the prior approval by the Reserve Bank of India in terms of the Banking Regulation Act, 1949 and also the Shareholders.

Further, as per the extant guidelines issued by the Reserve Bank of India in respect of compensation to Whole Time Directors of Private Sector Banks applicable w.e.f. 01<sup>st</sup> April, 2020, all fixed items of compensation, including the perquisites will be treated as part of fixed pay. Perquisites that are reimbursable would also be included in the fixed pay so long as there are monetary ceilings on these reimbursements. The contribution towards superannuation / retiral benefits will also be treated as part of fixed pay.

The variable compensation for Whole Time Directors / MD & CEO is fixed based on the assessment of performance under QUALITATIVE factors viz. organization performance, leadership, employee development, supervisory observation(s) if any, Stakeholder management etc., and under QUANTITATIVE factors viz., financial parameters based on ICAAP (Internal Capital Adequacy Assessment Process) approved for each financial year by the Board. Such variable compensation shall be paid in the form of Cash, Stock Options and / or Share linked instruments as may be recommended by the Compensation & Remuneration Committee, Board and approved by RBI for each financial year.

**Remuneration to Non-Executive Directors**

All Non-Executive Directors of the Bank are paid sitting fees of ₹75,000/- and ₹25,000/- for attending Board and Committee meetings respectively, for each such meeting as per the provisions of the Companies Act, 2013. Further, except Shri. M Narayanan, Independent Part-Time Chairman

of the Bank whose remuneration is determined by the RBI pursuant to the provisions of the Banking Regulation Act, 1949, all other Non-Executive Directors are eligible for profit linked commission pursuant to the RBI guidelines on "Compensation of Non-Executive Directors of Private Sector Banks", the Companies Act, 2013 and the Compensation Policy of the Bank.

The shareholders of the Bank at their meeting held on September 1, 2018, have passed a resolution with requisite majority, for payment of such commission to Non-Executive Directors for every financial year commencing from April 1, 2017 in line with RBI guidelines on Compensation of Non Executive Directors of Private Sector Banks and the provisions of Companies Act, 2013. The Compensation and Remuneration Committee based on overall performance of the Bank and of the Director, recommends such commission, if any, for each financial year to the Board for its approval.

Besides above, the Bank does not pay any other form of remuneration to Non-Executive Directors of the Bank.

**Remuneration to Key Managerial Personnel (KMP) and Other Employees**

The Bank has Three KMPs as on March 31, 2023 viz. Dr. N. Kamakodi, Managing Director & CEO, Shri. J Sadagopan, Chief Financial Officer and Shri. S Venkataramanan, Company Secretary. The KMPs (except MD & CEO) and other employees are remunerated pursuant to a separate memorandum of understanding entered into with the Officers Association, Staff Union and Executives.

**ii. REMUNERATION PAID DURING FY 2022-23**

The Bank remunerates the Chairman and the Managing Director & CEO in accordance with the terms and conditions as approved by the Reserve Bank of India and Shareholders. The RBI vide its letter no.DOR.GOV.No.S3229/08.42.001/2021-22 dated 30-12-2021 had conveyed its approval for grant of ₹84,76,435/- (₹42,38,217/- as cash component and ₹42,38,217/- as non-cash component) as Variable Pay to Dr. N. Kamakodi, MD & CEO of the Bank for the FY 2020-21. Against the same, 26,950 stock options (non-cash component not exceeding the maximum amount sanctioned by RBI) has been granted to the MD & CEO of the Bank during the year under CUB ESOS 2017 Scheme - Series IV.

ESG  
ReportStatutory  
ReportsFinancial  
StatementsList of  
Branches

Basel III

During FY 2023, all Independent Non-Executive Directors were paid Profit Linked Commission for FY 2022 (except for Shri. R. Mohan, the then Part-Time Chairman for FY 2022) in addition to sitting fees for attending Board and Committee meetings. Further, Shri. M. Narayanan, (present Chairman w.e.f May 4, 2022) was paid

commission for FY 2022 in capacity of Independent Director.

Further, there are no instances of service contracts, notice period and severance fees between the Bank and its Directors during FY 2023.

The details of remuneration paid to Directors are furnished below:

(in ₹)

Name of Director (Sarvashri)	Salary/ Fixed Pay / HRA	Variable pay	Perquisites	Sitting Fees	*Profit linked commission	Total Remuneration
<b>EXECUTIVE DIRECTOR</b>						
Dr. N. Kamakodi	1,15,80,000	-	5,72,941	-	-	1,21,52,941
<b>NON-EXECUTIVE INDEPENDENT DIRECTORS</b>						
R. Mohan (upto 27.06.2022)	1,09,677	-	-	2,75,000	-	3,84,677
Abarna Bhaskar (upto 24.10.2022)	-	-	-	7,75,000	8,00,000	15,75,000
M. Narayanan	10,90,323	-	-	14,25,000	8,00,000	33,15,323
Narayanan Subramaniam	-	-	-	16,25,000	8,00,000	24,25,000
V. N. Shiva Shankar	-	-	-	16,00,000	8,00,000	24,00,000
Dr. T. S. Sridhar	-	-	-	15,50,000	8,00,000	23,50,000
K. Vaidyanathan	-	-	-	15,75,000	8,00,000	23,75,000
T.K. Ramkumar	-	-	-	15,75,000	8,00,000	23,75,000
Prof. V. Kamakoti (since 27.05.2022)	-	-	-	13,00,000	-	13,00,000
G. Mahalingam (since 06.07.2022)	-	-	-	14,25,000	-	14,25,000
Lalitha Rameswaran (since 04.11.2022)	-	-	-	6,25,000	-	6,25,000

\* Profit linked commission for FY2021-22 has been paid during FY2023.

It is hereby confirmed that no single Non-Executive Director has been remunerated exceeding 50% of total annual remuneration paid to all Non-Executive Directors.

**E. PERFORMANCE EVALUATION****i. PROCESS**

In line with the provisions of the Companies Act, 2013 and Regulation 17 & 19 of SEBI Listing Regulations, 2015, the Bank on an annual basis conducts a formal annual evaluation process for assessing the performance of the Board, Board Level Committees, Part-time Chairman, Non-Independent and Independent Directors. The evaluation is conducted through a structured questionnaire covering various aspects of Board Governance, Composition, Competencies, Guidance etc., as approved by the Nomination Committee of the Board. The Nomination Committee reviews the performance evaluation criteria from time to time as per requirement.

The Board carries out an annual evaluation of its own performance, all individual Directors including Independent Directors (excluding the Director being evaluated) and of its Committees.

The Independent Directors in their separate meeting conducts the evaluation of Board, Chairman and Managing Director and also, the timeliness of flow of information between Board & Management.

**ii. PERFORMANCE EVALUATION CRITERIA****Individual Directors and Chairperson (Including MD & CEO and Independent Directors)**

An annual internal assessment of all Directors on the Board of the Bank is carried out by the entire Board of Directors based on criteria's as approved by the Nomination Committee viz. Qualification, Experience, Knowledge & Competency, Availability & Attendance, Contribution, Integrity, Independent views and judgement.

In addition to above criteria, the fulfilment of Independence criteria by Independent Directors were also taken on record.

In respect of evaluation of Chairperson, additional criteria such as leadership capabilities, Board level working relationships were taken into account.

The Managing Director & CEO was assessed on additional criteria viz., Business Conduct, Bank's overall performance, updates, Management tact, Strategic Planning, Compliance and Governance areas.

While undertaking the evaluation process, the Director being evaluated did not participate.

**iii. Board as Whole**

Assessment is done based on structure of the Board including Directors' competency & Diverse Expertise, Frequency of Meetings, quality of information supplied, Agenda, effectiveness of discussions, Action Taken Reports, implementation and monitoring of Strategy(s), Investor grievance Redressal, Risk Management, Management of conflict of interests, understanding of Regulatory, statutory and industry environment, Corporate Governance.

**iv. Board Level Committees**

The evaluation is done based on parameters viz., composition of the committee, Terms of reference, Meetings, recommendation of agenda item by Chairman, structure of Committee meetings, Reconstitution, Rotation of members etc.

**v. Outcome of Evaluation**

The reports of all evaluations conducted as aforesaid were placed before the Board and it was agreed by all Directors that the overall performance of the Board, Board Committees and individual Directors was satisfactory for the financial year 2022-23.

**F. CRITERIA FOR APPOINTMENT OF INDEPENDENT DIRECTORS**

The detailed criteria for appointment of Independent Directors are mentioned under the Directors Report forming part of this Annual Report. The terms of appointment of Independent Directors is hosted in the website of the Bank as per Regulation 46 of SEBI Listing Regulations.

All Independent Directors on the Board have confirmed that they meet the criteria of Independence under the Companies Act 2013 and SEBI Listing Regulations. Further, the Board confirms that all Independent Directors fulfils the conditions specified under SEBI Listing Regulations and are Independent of the management.

**G. DIRECTORS AND OFFICERS INSURANCE**

The Bank has undertaken Directors and Officers insurance (D and O Insurance) for all its Directors, including independent Directors for a specific quantum and coverage of risks as determined by the Board Directors of the Bank.

**H. COMPLIANCE OF LAWS**

The Board periodically reviews the compliance reports of all laws applicable to the Bank.

ESG  
ReportStatutory  
ReportsFinancial  
StatementsList of  
Branches

Basel III

### 3. COMPOSITION OF COMMITTEES OF THE DIRECTOR AND THEIR ATTENDANCE AT THE MEETINGS AS ON MARCH 31, 2023

The Bank, in order to facilitate informed decision making in the best of its interests, has constituted certain Committees with pre-defined terms of reference and have delegated specific powers for effective functioning. These Committees monitor the activities falling within their terms of reference as duly approved by the Board.

The Bank has following Committees as of March 31, 2023. The details on composition and attendance of members in various Committees along with terms and reference are detailed hereunder:

#### I. Audit Committee

The Terms and reference of the Audit Committee are in consonance with the RBI guidelines, SEBI Listing Regulations and in accordance with Section 177 of the Companies Act, 2013 and the same is detailed herein below:

- a. Oversight of the Bank's financial Reporting Process and the Disclosure of its Financial Information to ensure that the financial statements are correct, sufficient and credible.
- b. Recommend to the Board the appointment, re-appointment or if required, the replacement or removal of the statutory auditor together with the terms of appointment of the auditor, fixation of audit fees and approval of payment for any other services rendered by the statutory auditors.
- c. Discuss with Statutory Auditors, before the commencement of audit, the nature and scope of audit and also conduct post audit discussion to ascertain any area of concern.
- d. Review the performance of Concurrent Auditors.
- e. Review with the management, the quarterly Financial Statements before submission to the Board for approval and secure the certificate from CFO in terms of requirements under the SEBI Listing Regulations, 2015.
- f. Review, with the management, the Annual Financial Statements and Auditor's Report thereon before submission to the Board for approval with particular reference to matters required to be included in Directors' Responsibility Statement as per Companies Act, 2013, accounting policies and practices, compliance with accounting standards, qualifications in draft audit report and other legal requirements relating to financial statements.
- g. Discuss significant Audit findings including those of Concurrent Audit and follow up thereon.
- h. Review the adequacy of the Audit and compliance functions, including their policies, procedures, techniques and other regulatory requirements.
- i. Review the findings of any internal investigations conducted by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- j. Review of all reports as per the Calendar of Reviews stipulated by the RBI.
- k. Review of Compliance Report on Corporate Governance.
- l. Review of Risk Management, Internal Financial controls and Independent evaluation of Operational Risk Management Function.
- m. Review compliance functions in the Bank and monitor compliance in respect of Annual Financial Inspection by RBI.
- n. Review the functioning of the Whistle Blower mechanism.
- o. Any other function as may be stipulated by SEBI, Companies Act, RBI, Stock Exchanges and any other regulatory authorities from time to time.

Composition and meeting details:

Name of the Member Sarvashri	Category	No. of Meetings held during the tenure	Attendance
Smt. Lalitha Rameswaran (Chairperson) (Since 05.12.2022)	Independent	05	05
M. Narayanan (Upto 02.05.2022)	Independent	01	01
Smt. Abarna Bhaskar (Upto 26.09.2022)	Independent	06	06
V N. Shivashankar	Independent	12	12
K. Vaidyanathan	Independent	12	12
G. Mahalingam (Since 08.08.2022)	Independent	09	09
<b>Meeting Date:</b> 02.05.2022, 27.05.2022, 06.07.2022, 08.08.2022, 29.08.2022, 26.09.2022, 04.11.2022, 05.12.2022, 23.12.2022, 11.02.2023, 04.03.2023 and 27.03.2023			

The Company Secretary of the Bank acted as the Secretary of the Committee in all the meetings.

## II. Stakeholders Relationship Committee

The Committee has been constituted in accordance with the provisions of Companies Act, 2013 and SEBI Listing Regulations, 2015. The Committee meets to attend the following matters as detailed below:

- To review and redress grievances / complaints received from shareholders and any other security holders of the Bank for non-receipt of dividends / dividend warrant, interest, annual reports, share certificates, transfer / transmission of shares, issue of duplicate share certificates, general meetings etc.
- Noting of the Memorandum of Transfers approved by the "Executive Committee for Investor grievances and Complaints" which approves the Share Transmission,

transposition, dematerializations, rematerialization, name change, issue of duplicate share certificates etc.

- To review the performance and service standards adopted by the Registrar and Transfer Agents of the Bank.
- Review the measures undertaken to reduce the quantum of Unclaimed Dividend and receipt of warrants / annual reports/ statutory notices by shareholders of the Bank.
- Any other matters concerning Investors, as may be stipulated by SEBI, Companies Act, RBI, Stock Exchanges and any other regulatory authorities from time to time.

Composition and meeting details:

Name of the Member Sarvashri	Category	No. of Meetings held during the tenure	Attendance
G. Mahalingam (Chairperson) (Since 08.08.2022)	Independent	03	03
Dr. N. Kamakodi (Since 08.08.2022)	Executive	03	03
Narayanan Subramaniam	Independent	04	04
V.N. Shivashankar (Upto 27.05.2022)	Independent	01	01
Dr. T.S. Sridhar	Independent	04	04
<b>Meeting Date:</b> 27.05.2022, 08.08.2022, 04.11.2022 and 11.02.2023			

ESG  
Report

Statutory  
Reports

Financial  
Statements

List of  
Branches

Basel III

Name and Designation of the Compliance Officer : Shri. S. Venkataramanan, Company Secretary

The Investors complaints received during the Financial year under review is as follows:

Pending at the beginning of the year	:	0
Received during the year	:	0
Disposed off during the year	:	0
Pending at the end of the year	:	0

All complaints received from investors during the year have been attended to and redressed to the satisfaction of the shareholders within the statutory time limits.

Composition and meeting details:

Name of the Member Sarvashri	Category	No. of Meetings held during the tenure	Attendance
M Narayanan (Chairperson)(Since 06.07.2022)	Independent	10	10
R. Mohan (Chairperson upto 27.05.2022)	Independent	02	02
Dr. N. Kamakodi	Executive	12	12
Smt. Abarna Bhaskar(Upto 27.05.2022)	Independent	02	02
Narayanan Subramaniam	Independent	12	12
G. Mahalingam (Since 08.08.2022)	Independent	09	09
<b>Meeting Date:</b> 02.05.2022, 27.05.2022, 06.07.2022, 08.08.2022, 29.08.2022, 26.09.2022, 04.11.2022, 05.12.2022, 23.12.2022, 11.02.2023, 04.03.2023 and 27.03.2023			

### III. Credit Committee of the Board

Terms of reference:

- Consider and sanction credit proposals falling beyond the sanctioning powers of MD & CEO and within the specified limit as prescribed by the Board from time to time.
- Review the performance of Credit Appraisal Committee (CRAPCO) which scrutinize the credit proposals above ₹1 crore & above.
- Reviewing any other matters relating to credit sanction as and when recommended by the Board.

### IV. Committee of the Board for Reviewing NPA and Suit accounts

Terms of reference - To review

- To review statement of breakup of NPAs in respect of domestic and forex credits covered under the quarterly review
- To review statement of closed / regularized accounts with outstanding balance of ₹1.00 crore and above and recovery of ₹25.00 lakh and above in NPA accounts
- To review of large NPA accounts of more than ₹500.00 lakh
  - NPA addition with outstanding balance ₹500.00 lakh and above.
  - NPA accounts with outstanding balance ₹500.00 lakh and above "excluding 1 above".
- To review consolidated statement of NPA accounts sold to Asset Reconstruction companies
- To review fresh slippages during the quarter including quick mortality cases.



Composition and meeting details:

Name of the Member Sarvashri	Category	No. of Meetings held during the tenure	Attendance
V.N. Shivashankar (Chairperson)	Independent	04	04
Dr. N. Kamakodi	Executive	04	04
Dr. T. S. Sridhar	Independent	04	04
T. K. Ramkumar	Independent	04	04
<b>Meeting Date:</b> 06.07.2022, 26.09.2022, 23.12.2022, 27.03.2023			

ESG  
Report

Statutory  
Reports

Financial  
Statements

List of  
Branches

Basel III

#### V. Risk Management Committee

The terms and reference of the Risk Management Committee of the Board of Directors is detailed herein below:

- a. To formulate and review the policies / procedures on Risk Management practices followed by the Bank.
- b. To oversee the risk management practices followed by the Bank.
- c. To define/ review the risk appetite of the Bank in all areas and to give suitable directions to the line management.
- d. To monitor risk limits on a regular basis in all risk areas and to approve the actions initiated for risk management.
- e. To establish a minimum risk management standard and operating principles.
- f. To ensure effective and robust system, models, controls and practices are in place to monitor control, measure and manage all risks.
- g. To review the directions given earlier and the action taken with regard to the directions.
- h. To review the Risk Management functions of the Bank every quarter and also the Capital Adequacy Framework.
- i. To review the Asset Liability Management system every quarter.
- j. To review the country risk, unhedged forex exposure and other Pillar II risks.
- k. To formulate and review ICAAP annually.
- l. To review Stress Tests conducted in respect Credit Risk (impact on CRAR, NPA, Gold Value, Credit Concentration, and Industrial Exposure), Liquidity risk, Interest Rate Risk, as well as the Scenario Analysis and conduct any other stress test by assuming other relevant scenario, whenever warranted.

Composition and meeting details:

Name of the Member Sarvashri	Category	No. of Meetings held during the tenure	Attendance
Narayanan Subramaniam (Chairperson)	Independent	04	04
Dr. N. Kamakodi	Executive	04	04
Prof. V.Kamakoti	Independent	04	04
G. Mahalingam (Since 29.08.2022)	Independent	03	03
<b>Meeting Date:</b> 06.07.2022, 29.08.2022, 05.12.2022 and 04.03.2023			

## VI. Customer Service Committee

In accordance with BCSBI guidelines, the Bank is having an effective Customer Service Committee for monitoring the quality of services rendered to its customers and ensuring regulatory compliances in this regard. To ensure effectiveness, the Bank has constituted a Standing Committee on Customer Service at the executive level which reviews the suggestions / complaints of customers. The Customer Service Committee of the Board based on the feedback and recommendations made by Standing Committee takes necessary actions aiming at enhanced customer centric Banking.

- a. Bring about ongoing improvements in the quality of customer service provided by the Bank and exploring innovative measures towards enhancing the quality of customer service and improving the level of customer satisfaction of all categories of the Bank's clientele.
- b. Provide guidance in improving the customer service level.

- c. Comply with the recommendations of the Committee on Procedures and Performance Audit on Public Services (CPPAPS) constituted by RBI under the Chairmanship of Dr. S. S. Tarapore, former Deputy Governor of RBI.
- d. Ensure that the Bank provides and continues to provide, best in class service across all categories of customers which will help the Bank in protecting and enhancing its brand equity.
- e. Examine any other issues having a bearing on the quality of customer service rendered.
- f. Ensure implementation of directives received from RBI with respect to rendering services to customers of the Bank.
- g. Review the details and basis of awards, if any, passed by the Banking Ombudsmen on the Bank.

Composition and meeting details:

Name of the Member Sarvashri	Category	No. of Meetings held during the tenure	Attendance
Dr. T. S. Sridhar (Chairperson)	Independent	02	02
Dr. N. Kamakodi	Executive	02	02
Smt. Abarna Bhaskar (Upto 26.09.2022)	Independent	01	01
Narayanan Subramaniam	Independent	02	02
Lalitha Rameswaran (Since 04.03.2023)	Independent	01	01
<b>Meeting Date:</b> 26.09.2022 and 04.03.2023			

## VII. Nomination Committee

The Nomination Committee is constituted as per Section 178 of the Companies Act, 2013 & SEBI Listing Regulations, 2015. The terms of reference of which are as follows:

- a. To undertake the process of due diligence to determine the suitability of any person for appointment / continuing to hold appointment as a Director on the Board, based upon qualification,

expertise, track record, integrity and other 'fit and proper' criteria as may be prescribed under the Companies Act, 2013, Banking Regulation Act, 1949, SEBI Regulations and RBI guidelines.

- b. To carry out the performance evaluation of every Director.
- c. To examine the vacancies that will come up at the Board on account of retirement or otherwise i.e., succession planning.

- d. To formulate / review the criteria for the performance evaluation of Independent Directors and the Board of Directors and to determine the continuance of an Independent Director(s) based on the report of evaluation of Independent Directors.
- e. Identifying persons who may be appointed in senior management and recommend to the Board of Directors as to their appointment and removal.
- f. To ensure the Board diversity in terms of the Banking Regulation Act 1949, the Reserve Bank of India guidelines, the Companies Act 2013, SEBI Listing Regulations etc., at all times.
- g. Any other functions as may be stipulated by SEBI, MCA, RBI, Stock Exchanges and any other Regulatory / Statutory authorities from time to time.

Composition and meeting details:

Name of the Member Sarvashri	Category	No. of Meetings held during the tenure	Attendance
K. Vaidyanathan (Chairperson)	Independent	06	06
R. Mohan (Upto 27.05.2022)	Independent	02	02
M. Narayanan	Independent	06	06
Smt. Abarna Bhaskar (Upto 26.09.2022)	Independent	04	04
Prof. V. Kamakoti (Since 06.07.2022)	Independent	04	04
Smt. Lalitha Rameswaran (Since 11.02.2023)	Independent	01	01

**Meeting Date:** 02.05.2022, 27.05.2022, 06.07.2022, 26.09.2022, 04.11.2022 and 11.02.2023

### VIII. Committee of the Board for Monitoring and Follow up of Frauds

As per the directions of the Reserve Bank of India, the Board has constituted a Special Committee exclusively to monitor and follow up cases of fraud involving ₹ 1 crore and above.

- a. Identify the lacunae, if any, in the systems that facilitated perpetration of the fraud including cyber frauds and put in place measures to plug the same.
- b. Identify the reasons for delay in detection, if any, reporting to top management of the Bank and Reserve Bank of India.
- c. Monitor the progress of Police investigation and recovery position.
- d. Ensure that staff accountability is examined at all levels in all the cases of frauds and staff side action, if required, is completed quickly without loss of time.
- e. Review the efficacy of the remedial action taken to prevent recurrence of frauds, such as strengthening of internal controls.
- f. Put in place additional measures as may be desired to strengthen preventive measures against frauds.

ESG  
Report

Statutory  
Reports

Financial  
Statements

List of  
Branches

Basel III

Composition and meeting details:

Name of the Member Sarvashri	Category	No. of Meetings held during the tenure	Attendance
T. K. Ramkumar (Chairperson)	Independent	06	06
Dr. N. Kamakodi	Executive	06	06
M. Narayanan (Upto 02.05.2022)	Independent	01	01
V.N. Shivashankar (Since 06.07.2022)	Independent	05	05
Dr. T. S. Sridhar	Independent	06	06
K. Vaidyanathan	Independent	06	06
<b>Meeting Date:</b> 02.05.2022, 06.07.2022, 26.09.2022, 05.12.2022, 11.02.2023 and 04.03.2023			

### IX. Compensation & Remuneration Committee

The Committee is constituted in accordance with SEBI Regulations and RBI guidelines. The terms of reference of Compensation and Remuneration Committee of the Board of Directors are as follows:

- The committee shall formulate and review the remuneration / compensation policy of the Bank as per the directions of RBI.
- To administer the Employee Stock Option Scheme of the Bank.
- Review of compensation to employees and executives including the Managing Director & CEO of the Bank.
- Recommendation of Variable Pay to MD & CEO / Material Risk Takers of the Bank.
- Compensation to the Non-Executive Directors subject to the limits contained under the Companies Act 2013 and the Reserve Bank of India guidelines.
- Any other functions as may be stipulated by SEBI, MCA, RBI, Stock Exchanges and any other Regulatory / Statutory authorities from time to time.

Composition and meeting details:

Name of the Member Sarvashri	Category	No. of Meetings held during the tenure	Attendance
Dr. T. S. Sridhar (Chairperson)	Independent	07	07
Narayanan Subramaniam	Independent	07	07
T. K. Ramkumar	Independent	07	07
Prof. V. Kamakoti	Independent	07	07
<b>Meeting Date:</b> 06.07.2022, 08.08.2022, 26.09.2022, 04.11.2022, 05.12.2022, 04.03.2023 and 27.03.2023			

### X. Information Technology Strategy Committee

The Board of the Bank, pursuant to the recommendation of the Gopalakrishna Committee has constituted Information Technology Strategy Committee with the objective to perform the functions as mentioned below.

- Approving IT strategy and policy documents;
- Ensuring that the management has put an effective strategic planning process in place;
- Ensuring that the IT strategy is aligned with business strategy;
- Ensuring that the IT organizational structure serves business requirements and direction;

- e. Supervising the implementation of the processes and practices that ensures IT delivers value to the businesses;
- f. Ensuring IT investments represent a balance of risks and benefits and that budgets are acceptable;
- g. Determining the IT resources needed to achieve strategic goals and provide direction for sourcing and use of IT resources;
- h. Ensuring proper balance of IT investments for sustaining Bank's growth;
- i. Assessing the exposure towards IT risks and its controls and evaluating effectiveness of management's monitoring of IT risks;
- j. Assessing Senior Management's performance in implementing IT strategies;
- k. Any other terms of reference as may be included from time to time by the Board or in compliance with RBI Guidelines.

Composition and meeting details:

Name of the Member Sarvashri	Category	No. of Meetings held during the tenure	Attendance
Prof. V. Kamakoti (Chairperson)	Independent	04	04
Dr. N. Kamakodi	Executive	04	04
Narayanan Subramaniam	Independent	04	03
T.K. Ramkumar	Independent	04	04
<b>Meeting date:</b> 06.07.2022, 26.09.2022, 23.12.2022 and 04.03.2023			

## XI. Corporate Social Responsibility Committee

In accordance with the provision of Section 135 of the Companies Act, 2013 r/w the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board has constituted a Corporate Social Responsibility Committee consisting of majority of Independent Directors.

The committee frequently meets to develop CSR strategies in line with the statutory guidelines and suitably recommends to the Board for its consideration. Detailed terms of reference of CSR Committee are as follows:

- a. To formulate and recommend to the Board, a CSR Policy, which shall indicate the activities to be undertaken by the Bank as specified in Schedule VII of the Companies Act, 2013, as may be amended from time to time.
- b. To recommend the amount of expenditure to be incurred on activities specified in clause(a)
- c. To monitor and review the CSR Policy of the Bank from time to time.
- d. To institute a transparent monitoring mechanism for implementation of CSR projects or programs or activities undertaken by the Bank and
- e. To perform any other function or duty as stipulated by the Ministry of Corporate Affairs, Reserve Bank of India, SEBI, Stock Exchanges and other regulatory authority or under any applicable laws, as may be prescribed from time to time.

ESG  
Report

Statutory  
Reports

Financial  
Statements

List of  
Branches

Basel III

Composition and meeting details:

Name of the Member Sarvashri	Category	No. of Meetings held during the tenure	Attendance
Dr. N. Kamakodi (Chairperson)	Executive	03	03
R. Mohan (Upto 02.05.2022)	Independent	01	01
V.N. Shivashankar	Independent	03	03
Dr. T.S. Sridhar	Independent	03	03
K Vaidyanathan	Independent	03	03
T. K. Ramkumar	Independent	03	03
Meeting date: 02.05.2022, 08.08.2022 and 11.02.2023			

## XII. Premises Committee

The Premises Committee was constituted to decide on the purchase of new premises / vacant building / flats for accommodation of branch and staff members, construction / renovation of premises etc.

Composition and meeting details:

Name of the Member Sarvashri	Category	No. of Meetings held during the tenure	Attendance
T.K. Ramkumar (Chairperson)	Independent	Nil	
Dr. N. Kamakodi	Executive		
M. Narayanan	Independent		
Dr. T.S. Sridhar	Independent		
<b>Meeting date:</b> The members did not meet during the year.			

## XIII. Committee for Assignment of NPA's to ARC's

During the year the Board constituted a Committee to facilitate the Bank in exploring avenues for sale of NPA's to ARC's and reduction of NPAs.

The terms of reference are as follows:

- To review the policy on sale of NPA's to ARC's in line with the relevant RBI guidelines from time to time.
- To review the NPA accounts identified by the Bank for sale to ARCs
- To review the various quotes such as quotes on cash basis, cash cum SR basis received from ARCs.
- Review non-binding offers submitted by ARCs.
- To authorize the executives of the Bank for completion of the assignment procedures as required.



Composition and meeting details:

Name of the Member Sarvashri	Category	No. of Meetings held during the tenure	Attendance
M. Narayanan (Chairperson)	Independent	03	03
V.N. Shivashankar	Independent	03	03
T.K. Ramkumar	Independent	03	03
G. Mahalingam	Independent	03	03
<b>Meeting date:</b> 23.12.2022, 04.02.2023 and 27.03.2023			

ESG  
Report

Statutory  
Reports

Financial  
Statements

List of  
Branches

Basel III

### Meeting of Independent Directors

The Independent Directors of the Bank met on March 4, 2023, to discuss and review the following for the FY 2022-23:

- The Board as a whole;
- the performance of the Chairman of the Bank taking into account the views of Executive and Non-Executive Directors, and;

- the quality, quantity and timeliness of flow of information between the Bank management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors were present at the meeting.

#### 4. GENERAL BODY MEETINGS

The particulars of Annual General Meetings held during the last three years and the Special Resolutions passed there at are as under:

Sl.No.	Date	Time	Venue	Special Resolutions considered there at
1.	18.08.2022	11:00 a.m.	As per MCA notifications dt. 05.05.2022 read with other connected circulars alongwith relevant SEBI circulars, meeting was conducted through Video Conferencing from CUB, Administrative Office, Kumbakonam - 612001, Tamil Nadu.	<p><b>Resolution No. 6</b> Re-appointment of Shri. Narayanan Subramaniam as Independent Director.</p> <p><b>Resolution No. 7</b> Appointment of Prof. Veezhinathan Kamakoti as an Independent Director.</p> <p><b>Resolution No. 8</b> Appointment of Shri. G Mahalingam as an Independent Director.</p> <p><b>Resolution No. 9</b> Issue of shares under Qualified Institutions Placement (QIP) route.</p>
2.	19.08.2021	11:00 a.m.	Video Conferencing	<p><b>Resolution No.7</b> Re-appointment of Shri. M Narayanan as Independent Director.</p> <p><b>Resolution No.8</b> Issue of shares under Qualified Institutions Placement (QIP) route.</p> <p><b>Resolution No.9</b> Amendment to Memorandum of Association of the Bank.</p>
3.	14.08.2020	10:15 a.m.	Video Conferencing	<p><b>Resolution No.6</b> Issue of shares under Qualified Institutions Placement (QIP) route.</p> <p><b>Resolution No.7</b> To Issue Unsecured Perpetual Debt Instruments, Tier II Debt Capital Instruments on a Private Placement basis.</p>

Whether any Special Resolution passed last year through Postal Ballot & Voting pattern details: Yes, on January 31, 2023 for **Appointment of Smt. Lalitha Rameswaran as an Independent Women Director on the Board of the Bank**

Mode of Voting	No of Members	Voted for	% of Votes	Voted Against	% of Votes
E-voting	1110	409518511	99.84	653382	0.16

Person who conducted Postal Ballot exercise - B Kalyanasundaram, M/s B. K. Sundaram & Associates, Practising Company Secretaries, Tiruchirapalli

Whether any Special Resolution is proposed to be conducted through Postal Ballot - No

Procedure for Postal Ballot - NA

In terms of Regulation 44 of the SEBI Listing Regulations, 2015 remote e-voting facility is being provided to all members to exercise their votes in respect of all shareholders' resolutions intended to be moved at the ensuing e-AGM of the Bank. The detailed procedure for such voting is prescribed under Notice calling this e-AGM forming part of this Annual Report.

## 5. OTHER DISCLOSURES

### A. RELATED PARTY TRANSACTIONS

The Board of Directors of the Bank has formulated a policy on Related Party transactions pursuant to the provisions of the Companies Act, 2013 and Listing Regulations. There were no significant "Related Party Transactions" of any material, financial & commercial nature with the Bank by the Directors and their relatives that would have potential conflict with the interest of the Bank at large. A detailed policy on the Related Party Transaction is available at the Bank's website.

<https://www.cityunionbank.com/filemanager/PDF/RPT-policy-26%20June-2023.pdf>

### B. STRICTURES AND PENALTIES

The Bank has complied with all the requirements regarding capital market related matters and has not been imposed with any penalty or stricture by RBI, SEBI / other regulatory authorities on any such matter during last three years. However during the reporting year, a fine of ₹ 41,300 /- was imposed by each of the Stock Exchanges viz. BSE Limited and The National Stock Exchange of India Limited for delayed filing of disclosures under Reg.23(9) of SEBI Listing Regulations, 2015.

### C. WHISTLE BLOWER / VIGIL MECHANISM

The Bank promotes ethical practices in all its

business activities and has put in place a well defined whistle blower mechanism as per the requirements of RBI, the Companies Act, 2013 and the SEBI Listing Regulations, for Directors and employees to report concerns about unethical behaviour, actual or suspected fraud or violation of Bank's Code of Conduct or Ethics Policy.

In this regard, the Bank affirms that no employee has been denied access to the Managing Director / Audit Committee of the Board under the Whistle Blower Mechanism of the Bank. There exists an online forum for all employees in the intranet server of the Bank to report genuine concerns under the mechanism. No application / complaint was received in this regard during FY 2023.

### D. SUBSIDIARIES

The Bank does not have any Subsidiaries and hence relevant disclosures regarding material subsidiaries prescribed under Listing Regulations do not arise.

### E. IMPLEMENTATION OF NON-MANDATORY REQUIREMENTS

- a. The Chairman's Office of the Bank is held by Part-time Independent Chairman at the Bank's Administrative Office situated at Kumbakonam. The terms of his remuneration is approved by the Reserve Bank of India.
- b. Unmodified Audit Opinion / Reporting: The Auditors have expressed an unmodified opinion on the Financial Statements of the Bank for FY 2023 and the same has been reported to concerned stock exchanges within due timelines.
- c. There exists a separate post for Chairman and Managing Director & CEO and also, Chairman is a Non-Executive Independent Director and not related to Managing Director & CEO or any of the Directors.

### F. COMPLIANCE WITH MANDATORY REQUIREMENTS

The Bank has complied with the Corporate Governance requirements specified in Regulation 17 to 27 and Clauses (b) to (i) of Sub-Regulation (2) of Regulation 46 of SEBI Listing Regulations, 2015.

**G. COMMODITY PRICE RISK OR FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES**

For managing foreign exchange risk, the Bank has Integrated Treasury Policy duly approved by the board where, Intraday Limit, Overnight Limit, Per Deal Limit, Stop Loss and Book Profit Limits have been stipulated. The Bank offers only forward contract for hedging and is not running books for any other derivative products.

The Bank has no exposure in commodity and hence there is no commodity price risk.

**H. UTILISATION OF FUNDS RAISED THROUGH QIP / PREFERENTIAL ALLOTMENT**

During FY 2023 the Bank has not raised any funds either through Preferential Allotment or Qualified Institutions Placement (QIP).

**I. CERTIFICATE UNDER REGULATION 34(3) OF SEBI LISTING REGULATIONS**

The Bank has obtained a certificate pursuant to Regulation 34(3) read with Schedule V of Listing Regulations, from M/s B.K. Sundaram & Associates, Practicing Company Secretaries, Tiruchirapalli, confirming that none of the Directors on the Board of the Bank have been debarred or discontinued from being appointed or continuing as Directors of the Bank either by Securities and Exchange Board of India or the Ministry of Corporate Affairs or any other Statutory Authorities. The said certificate is set out at the end of this report.

**J. REMUNERATION TO STATUTORY CENTRAL AUDITORS**

The Statutory Central Auditors were paid a remuneration of ₹ 70 lakhs towards Audit services for FY 2023 (including certification fee) besides a remuneration of ₹ 6.76 lakhs towards branch audit and ₹ 7.45 lakhs as reimbursement of out of pocket expenses.

**K. DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

No. of Complaints pending at the beginning of financial year : Nil

No. of Complaints received during the financial year : Nil

No. of Complaints disposed during the financial year : Nil

No. of Complaints pending as on the end of financial year : Nil

**6. CERTIFICATION BY MD & CEO and CFO**

Pursuant to provisions of Regulation 17(8) read with Schedule II Part B of Listing Regulations, the Managing Director & CEO and Chief Financial Officer of the Bank have given a certificate which is set out at the end of this report.

**7. ADHERENCE TO CODE OF CORPORATE GOVERNANCE**

The Bank has in place a comprehensive Code of Conduct applicable to all members of the Board and Senior Management of the Bank ("the Code") depending on their roles and responsibilities. The code gives guidance and support needed for ethical conduct of business and compliance of law. The copy of the code is available in the Bank's website and the compliance of the same is affirmed by all Directors and Senior Management heads annually. A declaration to this effect signed by the Bank's MD & CEO of the Bank is set out at the end of this report. The weblink of the code is given below.

[https://www.cityunionbank.com/assets/frontend/pdf/others/CUB\\_Code\\_of\\_Conduct.pdf](https://www.cityunionbank.com/assets/frontend/pdf/others/CUB_Code_of_Conduct.pdf)

Further, the Bank has complied with all the applicable requirements as prescribed under the SEBI Listing Regulations, 2015. A certificate to this effect obtained from the Bank's Statutory Central Auditors M/s. Jagannathan & Sarabeswaran, Chartered Accountants, Chennai, is furnished at the end of this report.

## 8. MEANS OF COMMUNICATION

### A. QUARTERLY RESULTS

The quarterly results of the Bank duly approved by the Board are disseminated to the Stock Exchanges within the prescribed time through NEAPS (National Electronic Application Processing System) to National Stock Exchange of India Ltd., and through BSE Corporate Compliance & Listing Centre to BSE Ltd. The results are also displayed on the Bank's website (www.cityunionbank.com).

### B. NEWSPAPERS WHEREIN RESULTS ARE NORMALLY PUBLISHED

In compliance with Regulation 47 of the SEBI Listing Regulations, the financial results are mandated to be published in atleast one English Language national daily newspaper circulating in whole of India and also in one daily newspaper published in the language of the region where registered office is situated. Accordingly, the Bank normally furnishes the same in:

<b>Tamil Newspapers</b>	: Dinamalar / Dinakaran
<b>National English Newspapers</b>	: Business Line / Economic Times / Financial Express / Business Standard / New Indian Express

## C. NEWS RELEASES AND PRESENTATIONS TO INSTITUTIONAL INVESTORS / ANALYST

Official news releases and presentations are submitted to stock exchanges. The detailed presentations are made to Institutional Investors and Financial Analysts on the Bank's unaudited quarterly and audited financial results. The presentations and conference call transcripts are also uploaded on the Bank's website.

### D. WEBSITE

The Bank's website contains a separate section "Investors" wherein all shareholder informations and disclosures along with Annual Report for previous financial years are available.

## 9. GREEN INITIATIVE

The Bank has promoted and administered the "Green Initiative" proposed by the Ministry of Corporate Affairs and is effecting the electronic delivery of notice of Annual General Meeting and Annual Report to the shareholders whose e-mail ID's are registered with the respective Depository Participant. The Companies Act, 2013 and SEBI Listing Regulations provide for circulation of Financial Statements electronically to shareholders. As per Regulation 36 of Listing Regulations, the Bank sends soft copies of Annual Report to all shareholders who have registered their e-mail addresses either with the Bank or Depository.

ESG  
Report

Statutory  
Reports

Financial  
Statements

List of  
Branches

Basel III

## 10. GENERAL SHAREHOLDER INFORMATION

<b>Date, Time and Venue of AGM</b>	<p>Wednesday, 23<sup>rd</sup> August, 2023 10:00 a.m.</p> <p>The meeting will be held through Video Conferencing (VC) / Other Audio Visual Means (OAVM) as per relevant MCA notification dt. December 28, 2022 together with relevant circulars issued earlier. Further details are set out in the Notice calling this AGM.</p>
<b>Financial Year</b>	1 <sup>st</sup> April, 2022 to 31 <sup>st</sup> March, 2023
<b>Dividend Payment Date (FY 2023)</b>	On or after 24 <sup>th</sup> August, 2023
<b>Registrar and Transfer Agent</b>	<p>Integrated Registry Management Services Private Limited, (Unit: CUB) II Floor, "Kences Towers" No.1 Ramakrishna Street, Off North Usman Road, T. Nagar, Chennai - 600 017, Tamil Nadu, India. Ph:044-28140801-803, Fax: 044-28142479 e-mail:corpserv@integratedindia.in</p>
<b>Bank's Address for Correspondence</b>	<p><b>CITY UNION BANK LIMITED</b> Shares Department, Administrative Office, 'NARAYANA', 24B, Gandhi Nagar, Kumbakonam - 612 001, Tamil Nadu, India Ph: 0435 - 2402322, Fax: 0435 - 2431746 E-mail: shares@cityunionbank.in Website: www.cityunionbank.com</p>
<b>Company Secretary &amp; Compliance Officer</b>	Shri. Venkataramanan S
<b>Joint Statutory Central Auditors</b>	M/s. Jagannathan & Sarabeswaran, Chartered Accountants, Chennai and M/s. K Gopal Rao & Co., Chartered Accountants, Chennai
<b>Listing on Stock Exchange and ISIN</b>	<p>The shares of the Bank are listed at:</p> <ol style="list-style-type: none"> <li>1. BSE Ltd., Scrip Code - 532210 Address : Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001</li> <li>2. National Stock Exchange of India Ltd., Scrip Code - CUB Address : Exchange Plaza, Plot C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051.</li> </ol> <p>The annual listing fees payable to the Stock Exchanges for the Financial Year 2022-23 have been paid.</p> <p>ISIN : INE491A01021</p>



<p><b>Commodity Price Risk or Foreign Exchange Risk and Hedging Activities</b></p>	<p>The details are given under "Other disclosures" Sl. No.5 of this report.</p>
<p><b>Plant Operations</b></p>	<p>The Company being a Banking entity, disclosure on plant operations is not applicable.</p>
<p><b>Credit Rating</b></p>	<p>a. [ICRA]A1+ (ICRA A One Plus) rating from ICRA to the Certificate of Deposit programme of the Bank. Further, issuer rating has been provided by ICRA as [ICRA]AA- (ICRA Double A Minus) rating to the Bank.</p> <p>b. CRISIL A1+" (CRISIL A One Plus) rating from CRISIL to the Certificate of Deposit Programme of the Bank</p>

- i. During the year the Bank has not issued any Global Depository Receipts (GDRs) or American Depository Receipts (ADRs) or warrants or any convertible instruments.

ESG  
Report

Statutory  
Reports

Financial  
Statements

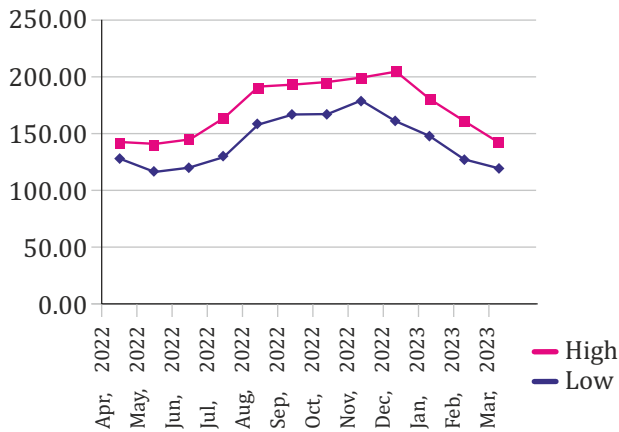
List of  
Branches

Basel III

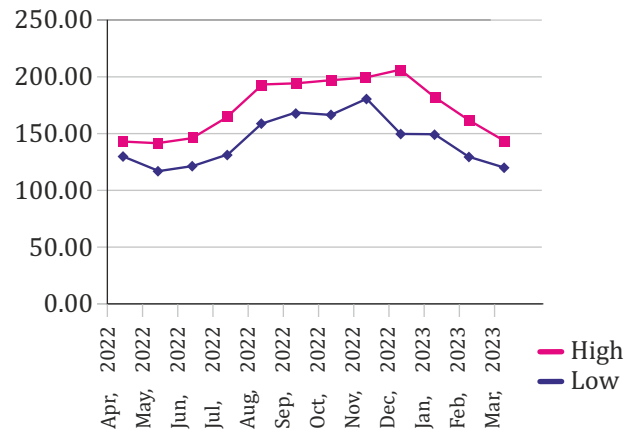
ii. Market Price Data : Low / High during each month of the Financial Year 1<sup>st</sup> April, 2022 to 31<sup>st</sup> March, 2023

Month	BSE		NSE	
	Low	High	Low	High
Apr, 2022	129.05	143.60	129.05	143.55
May, 2022	117.60	141.50	117.55	141.50
Jun, 2022	120.65	146.40	120.70	146.50
Jul, 2022	130.90	164.90	130.95	165.00
Aug, 2022	157.75	191.80	157.90	191.95
Sep, 2022	168.05	194.10	168.05	194.35
Oct, 2022	167.40	196.50	165.45	196.60
Nov, 2022	179.80	200.00	179.00	199.95
Dec, 2022	161.75	204.95	149.00	205.00
Jan, 2023	148.50	181.70	148.50	182.40
Feb, 2023	128.70	162.00	129.00	161.90
Mar, 2023	120.45	143.45	120.35	143.50

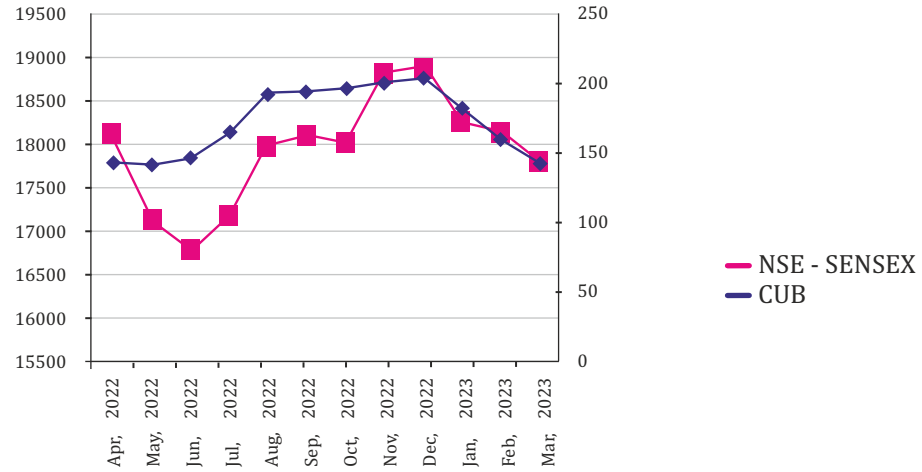
NSE - Market Price movements



BSE - Market Price movements



iii. a. Performance of the Bank's Equity shares as compared with NSE Nifty Indices during FY 2022-23



ESG Report

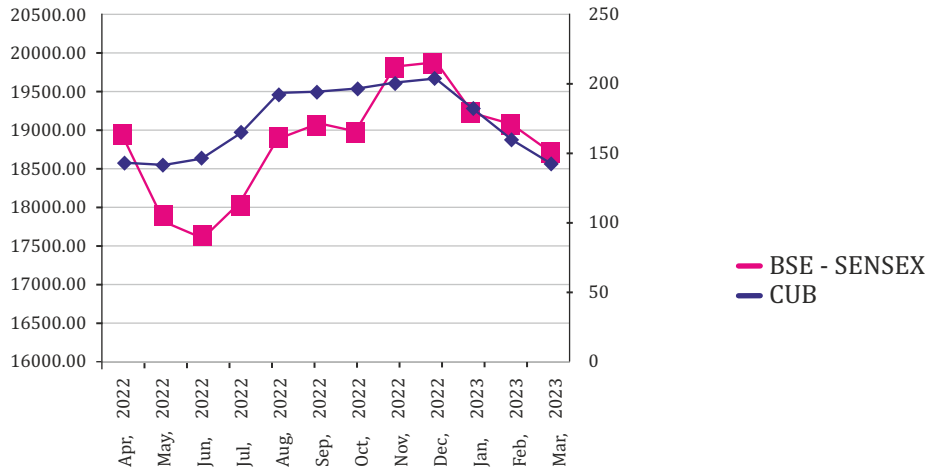
Statutory Reports

Financial Statements

List of Branches

Basel III

b. Performance of the Bank's Equity shares as compared with BSE Sensex indices during FY 2022-23



## 11. DISTRIBUTION OF SHAREHOLDING

(a) Share Distribution Schedule as on 31<sup>st</sup> March, 2023

Sl. No.	Category (No. of shares)	No. of Holders	% of Holders	No. of Shares	% to Share Capital
1.	1 - 500	1,21,119	79.43	1,15,43,540	1.56
2.	501 - 1000	10,129	6.64	76,19,275	1.03
3.	1001 - 2000	9,372	6.15	1,38,60,194	1.87
4.	2001 - 3000	2,754	1.81	68,01,988	0.92
5.	3001 - 4000	1,953	1.28	68,27,012	0.92
6.	4001 - 5000	1,181	0.77	54,15,031	0.73
7.	5001 - 10000	2,616	1.72	1,87,67,740	2.53
8.	10001 & above	3,354	2.20	66,95,81,605	90.43
	<b>TOTAL</b>	<b>1,52,478</b>	<b>100.00</b>	<b>74,04,16,385</b>	<b>100.00</b>

(b) Shareholding Pattern as on 31<sup>st</sup> March, 2023

Sl. No.	Category	No. of Shares	% of Shares
1	MUTUAL FUND	21,31,20,292	28.78
2	FOREIGN PORT FOLIO INVESTORS	18,47,53,222	24.95
3	INSURANCE COMPANY	2,67,96,304	3.62
4	TRUST	2,03,027	0.03
5	ALTERNATIVE INVESTMENT FUND	1,80,11,739	2.43
6	NON RESIDENT INDIAN NON REPATRIABLE	38,18,458	0.52
7	NON RESIDENT INDIANS	28,59,059	0.39
8	CLEARING MEMBER	13,52,448	0.18
9	INDIAN FINANCIAL INSTITUTIONS	1,00,30,777	1.35
10	BANK	6,145	0.00
11	BODIES CORPORATE	21960092	2.97
12	DIRECTORS	33,67,521	0.45
13	RELATIVES OF DIRECTORS	1,80,12,082	2.43
14	RESIDENT INDIAN & HUF	23,26,34,403	31.42
15	NBFC	6,771	0.00
16	IEPF	23,80,640	0.32
17	LIMITED LIABILITY PARTNERSHIP	11,03,405	0.15
	<b>Total</b>	<b>74,04,16,385</b>	<b>100.00</b>

\*Disclosed in line with SEBI circular HO/CFD/CMD/CIR/P/2017/128 dated 19/12/2017 on holding of specified securities.

## 12. SHARE TRANSFER SYSTEM AND RELATED MATTERS

### Shares Transfers

M/s. Integrated Registry Management Services Private Limited, Chennai, the Registrar and Share Transfer Agents (RTA) of the Bank monitors the share transfer process. As per SEBI circular all share transfers shall only take place in demat mode with effect from April 1, 2019. Now, the shares of the Bank are traded only in demat mode. Further, to enhance ease of dealing in securities markets by investors, SEBI vide its circular no. SEBI/HO/MIRSD\_RTAMB/P/CIR/2022/8 dated 25.01.2022 has directed all listed entities to issue securities in demat mode only while processing the services requests viz. issue of duplicate securities certificate, claim from unclaimed suspense account, renewal / exchange of securities certificate, endorsement, sub-division / splitting of securities certificate, consolidation, transposition and transmission.

The Bank obtains from a Company Secretary in practice, yearly certificate of compliance with the share transfer formalities as required under Regulation 40(9) of the SEBI Listing Regulations and files a copy of the certificate with the Stock Exchanges. In addition, a yearly compliance certificate signed by the Compliance Officer of the Bank and Authorised

Signatory of the Bank's RTA is being submitted to the Stock Exchanges certifying compliance with Regulation 7(2) of SEBI Listing Regulations, 2015.

Also, as required under Regulation 76 of the SEBI (Depositories and Participants) Regulations, 2018, a Reconciliation of Share Capital Audit is conducted on a quarterly basis by a Practising Company Secretary and certificate issued in this regard are forwarded to the Stock Exchanges.

As regards shareholders grievance matters viz. Transmission of shares, issuance of duplicate share certificate, share certificate split, name change etc., the RTA periodically submits a memorandum to the Bank containing the grievances redressed and pending / rejection report, which is approved by Executive Level Committee formed for the purpose. Such Executive Level Committee reports the transfer of securities to the Board of Directors in their monthly meetings. A quarterly report on summary of all Investor Grievances and information as received from the Bank's RTA are placed before the Stakeholders Relationship Committee for information and noting, which includes complaints received through SEBI Complaints Redress System "SCORES", if any.

ESG  
Report

Statutory  
Reports

Financial  
Statements

List of  
Branches

Basel III

## 13. DETAILS OF SHARES KEPT UNDER UNCLAIMED SHARE SUSPENSE ACCOUNT

### DISCLOSURE UNDER SCHEDULE V(F) OF SEBI LISTING REGULATIONS, 2015

Sl.No.	Particulars	No. of shareholders	No. of shares
1.	Aggregate number of shareholders and the outstanding shares in the unclaimed suspense a/c as on 1 <sup>st</sup> April, 2022	5	3048
2.	No. of shareholders who approached the issuer for transfer of shares from the unclaimed suspense a/c during FY 2022-23	0	0
3.	No. of shareholders to whom shares were transferred from the unclaimed suspense a/c during FY 2022-23	0	0
4.	Aggregate No. of shareholders and the outstanding shares lying in the unclaimed suspense a/c at 31 <sup>st</sup> March, 2023	5	3048

*Note : Earlier, the Bank had maintained unclaimed suspense account with Karvy Stock Broking Limited (KSBL). During the year 2021, the National Stock Exchange of India Ltd suspended the license of KSBL for non compliance of regulatory provisions and subsequently all the above accounts were transferred to IIFL Securities Limited by court order. The Bank has submitted the documents / statements to IIFL to transfer the shares to the respective shareholders and the same is pending with IIFL for further process.*



#### 14. TRANSFER OF UNCLAIMED / UNPAID AMOUNTS TO THE INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

Pursuant to Sections 124 and 125 of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules") dividend, if not claimed for a consecutive period of 7 years from the date of transfer to the Unpaid Dividend Account of the company, are liable to be transferred to the Investors Education and Protection Fund ("IEPF").

Further, all shares in respect of which dividend has remained unclaimed for seven consecutive years or more from the date of transfer to unpaid dividend

account shall also be transferred to IEPF Authority. The said requirement does not apply to shares in respect of which there is specific order of Court, Tribunal or Statutory Authority, restraining any transfer of shares.

In the interest of shareholders, the Bank sends periodical reminders to the shareholders to claim their dividends in order to avoid transfer of dividends / shares to IEPF Authority. Notices in this regard are also published in the newspapers and the details of unclaimed dividend & shareholders whose shares are liable to be transferred to the IEPF Authority, are uploaded on the Bank's website. Weblink:

<https://www.cityunionbank.com/investor-relations>

In light of the aforesaid provisions, the details of unclaimed dividends and shares transferred to IEPF during FY 2023 are as follows:

Financial Year	Amount of unclaimed dividend transferred	Number of shares transferred
2014 - 15	49,03,683.00	2,05,172

The members who have claim on the above dividends and shares may claim the same from IEPF Authority by submitting an online application in the prescribed Form IEPF - 5 available on the website: [www.iepf.gov.in](http://www.iepf.gov.in) and send a physical copy of the same, duly signed to the Bank

along with requisite documents enumerated in such form. No claims shall lie against the Bank in respect of dividends / shares so transferred. The members / claimants can file only one consolidated claim in a financial year pursuant to IEPF Rules as amended from time to time.

Set-out below details on outstanding dividends and the dates by which it can be claimed by the shareholders from the Bank / RTA:

Financial Year	Outstanding Dividend as on 31.03.2022 (in ₹)	Date of declaration	Last Date for claiming unclaimed dividend
2021-22	48,34,283.00	18.08.2022	22.09.2029
2020-21 (F)	12,33,074.00	19.08.2021	23.09.2028
2020-21 (I)	18,88,256.50	28.05.2021	03.07.2028
2019-20 (I)	44,04,432.50	19.03.2020	24.04.2027
2018-19	27,93,724.50	29.08.2019	04.10.2026
2017-18	24,34,259.40	01.09.2018	06.10.2025
2016-17	21,50,425.00	23.08.2017	28.09.2024
2015-16 (F)	15,75,430.00	22.08.2016	27.09.2023
2015-16 (I)	58,26,125.00	12.03.2016	17.04.2023



## 15. DEMATERIALISATION OF SHARES

The paid up capital of the Bank as on March 31, 2023 is 74,04,16,385 which is duly listed in the stock exchanges NSE and BSE. Out of this 72,97,78,949 shares (98.56%) are held in De-mat mode and 1,06,37,436 shares (1.44%) in physical form.

Norms for furnishing of PAN, KYC, Bank details and Nomination

SEBI vide circular No.SEBI / HO / MIRSD / MIRSD-

PoD-1 / P / CIR / 2023 / 37 dated 16.03.2023 has instructed to mandatorily furnish PAN, Nomination, Contact details, Bank A/c details and Specimen signature for their corresponding folio numbers.

Pursuant to above SEBI circular, the shareholders are requested to furnish valid PAN, email address mobile number, Bank account details and nomination details immediately in the below mentioned forms to the RTA:

Sl.No.	Form	Purpose
1	Form ISR - 1	To register / update PAN, KYC details
2	Form ISR - 2	To confirm signature of securities holder by the Bank
3	Form ISR - 3	Declaration form for opting out of Nomination
4	Form SH -13	Nomination Form
5	Form SH -14	Cancellation or Variation of Nomination (if any)

All above forms [ISR-1, ISR-2, ISR-3, SH-13, SH-14] and the said SEBI circular are available on our website [www.cityunionbank.com](http://www.cityunionbank.com) Folios wherein any one of the cited details / documents (i.e PAN, KYC, Bank Details and Nomination) are not available with us, on or after October 1, 2023, shall be frozen as per such SEBI circular.

In view of the above, we request the shareholders to submit the duly filled in Investor Service Request forms along with the supporting documents to Bank's RTA.

### Freezing of Folios without PAN, KYC details and Nomination

1. The folios wherein any one of the cited document / details as in para above are not available on or after October 1, 2023, shall be frozen by the RTA.
2. The security holder(s) whose folio(s) have been frozen shall be eligible
  - a. To lodge grievance or avail any service request

from the RTA only after furnishing the complete documents / details as mentioned in para above.

- b. For any payment including dividend, interest or redemption payment in respect of such frozen folios, only through electronic mode with effect from April 01, 2024. An intimation shall be sent by the Bank to the security holder that such payment is due and shall be made electronically only upon complying with the requirements stated in SEBI circular.
- c. Frozen folios shall be referred by the RTA / listed company to the Administering Authority under the Benami Transactions (Prohibitions) Act, 1988 and / or Prevention of Money Laundering Act, 2002, if they continue to remain frozen as on December 31, 2025.
- d. The RTA shall revert the frozen folios to normal status upon receipt of all the documents/details as in para above.

ESG  
Report

Statutory  
Reports

Financial  
Statements

List of  
Branches

Basel III

**DECLARATION UNDER REGULATION 34(3) READ WITH SCHEDULE V OF  
SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

I confirm that all the Directors and the Senior Management Personnel have affirmed compliance with the Code of Conduct of the Bank as applicable to them for the year ended 31<sup>st</sup> March, 2023.

Date: 25<sup>th</sup> April, 2023  
Place: Chennai

Sd/-  
**Dr. N. Kamakodi**  
DIN: 02039618  
Managing Director & CEO

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

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

1. We have examined the relevant registers, records, forms, returns and disclosures received during the financial year 2022-2023 from the Directors of M/s. City Union Bank Limited having CIN: L65110TN1904PLC001287 and having registered office at 149, T.S.R. (Big) Street, Kumbakonam – 612 001 (hereinafter referred to as 'the listed entity'), produced to us by 'the listed entity' for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
2. In our opinion and to the best of our information and according to the verifications of documents including Directors Identification Number (DIN) status at the portal www.mca.gov.in as considered necessary and explanations furnished to us by 'the listed entity' & its officers, we hereby certify that none of the Directors on the Board of 'the listed entity' as stated below have been debarred or disqualified from being appointed or continuing as Directors of 'the listed entity', by the Securities and Exchange Board of India and/or the Registrar of Companies or such other authorities under the Ministry of Corporate Affairs, New Delhi as on 31<sup>st</sup> March, 2023

Sl. No.	Name of the Director as per DIN	DIN	Date of appointment in 'the listed entity'	Designation and remarks if any
1.	SRI. MAHALINGAM NARAYANAN	00682297	03-05-2016	Independent Director. and Part-time chairman wef 04-05-2022
2.	SRI.NARAYANAN KAMAKODI	02039618	01-05-2011	Managing Director
3.	SRI. NARAYANAN SUBRAMANIAM	00166621	20-06-2017	Independent Director
4.	SRI. SHIVASHANKAR NARAYANAN VELLUR	00929256	07-02-2018	Independent Director
5.	SRI. THIRUVALLIANGUDI SRINIVASAN SRIDHAR	01681108	07-02-2018	Independent Director
6.	SRI. VAIDYANATHAN KALYANASUNDARAM	07120706	03-05-2019	Independent Director
7.	SRI. TIRUKKARUGAVUR KRISHNAMOORTHY RAMKUMAR	02688194	17-06-2019	Independent Director

ESG  
ReportStatutory  
ReportsFinancial  
StatementsList of  
Branches

Basel III

Sl. No.	Name of the Director as per DIN Sarvashri	DIN	Date of Appointment in the Company	Designation and remarks if any
8.	SRI. VEEZHINATHAN KAMAKOTI	03537382	27-05-2022	Independent Director
9.	SRI.MAHALINGAM G	09660723	06-07-2022	Independent Director
10.	SMT. LALITHA RAMESWARAN	02326309	04-11-2022	Independent Director - Women Director

3. It is the responsibility of the Board of Directors of 'the listed entity' to ensure the eligibility for the appointments of Directors and their continuance as

Directors on the Board. Our responsibility is to express only an opinion on the matter of non-disqualification of Directors in the Board.

For **M/s. B.K. Sundaram & Associates**  
Company Secretaries

Sd/-

**B. Kalyanasundaram**

Company Secretary

ACS.No. : A672 CP No. 2209

UDIN: A000672D000391667

Peer Review Cert No. 1215/2021

ICSI Unique Code: S1994TN013100

Date : 26-06-2023  
Place: Tiruchirappalli

**CERTIFICATION BY  
THE CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER**

We hereby certify that for the financial year ended March 31, 2023, on the basis of the review of the financial statements and the cash flow statement and to the best of our knowledge and belief,

1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
2. These statements together present a true and fair view of the Bank's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
3. There are, to the best of our knowledge and belief, no transactions entered into by the Bank for the financial year ended March 31, 2023 which are fraudulent, illegal or violative of the Bank's code of conduct.
4. We accept responsibility for establishing and maintaining internal controls for financial reporting.

Date : 26<sup>th</sup> May, 2023  
Place: Kumbakonam

We have evaluated the effectiveness of the internal control systems of the Bank pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee those deficiencies, of which we are aware, in the design or operation of the internal control systems and that we have taken the required steps to rectify these deficiencies.

5. We further certify that:-
  - (a) there have been no significant changes in internal control over financial reporting during the year.
  - (b) there have been no significant changes in accounting policies during the year and the same have been disclosed in the notes to the financial statements.
  - (c) there have been no instances of significant fraud of which we have become aware and the involvement therein, if any of management or an employee having a significant role in the Bank's internal control system over financial reporting.

Sd/-  
**Dr. N. Kamakodi**  
Managing Director & CEO

Sd/-  
**J. Sadagopan**  
Chief Financial Officer

ESG  
Report

Statutory  
Reports

Financial  
Statements

List of  
Branches

Basel III

**AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE**

To the Members of **CITY UNION BANK LIMITED**

We have examined the compliance of conditions of Corporate Governance by City Union Bank Limited ("the Bank"), for the year ended on 31<sup>st</sup> March, 2023, as stipulated in Regulations 17 to 27 and Clauses (b) to (i) of Sub Regulation (2) of Regulation 46, paras C, D, E and F of Schedule V of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 (collectively referred to as SEBI Listing Regulations, 2015).

The compliance of conditions of Corporate Governance is the responsibility of the Bank's Management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Bank has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations, 2015.

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

For **M/s. Jagannathan & Sarabeswaran**  
Chartered Accountants  
(Firm No. 001204S)

Sd/-  
**CA Vivek Sarabeswaran**  
Partner

M.No. : 206383  
UDIN : 23206383BGPZKG5515

Date : 26<sup>th</sup> May, 2023  
Place: Kumbakonam

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### ECONOMIC SCENARIO

#### Global

In the beginning of the year 2023 the Global economic activity remained subdued amidst turmoil in the banking system in some advanced economies, tight financial conditions and lingering geopolitical hostilities, supply chain disruptions and inflation in food, energy and commodities. The Central Banks across the globe remained cautious and continued to withdraw their accommodative stance in a calibrated manner which led to tight liquidity conditions across world markets accompanied by an increase in interest rates. The Financial Year FY 2023 towards the end was badly affected by the Global Banking crisis such as the collapse of Silicon Valley Bank ("SVB") and Signature Bank in US and Credit Suisse of Switzerland which was caused by a rapidly rising interest rates, high levels of uninsured deposits and regulatory rollbacks in the US and elsewhere and the negative impact of the prolonged Russia Ukraine war. These macroeconomic and geopolitical factors had significant ramifications on global growth. Weakening external demand, spillovers from the banking crisis in some Advanced Economies, volatile capital flows and debt distress in certain vulnerable economies weigh on growth prospects. Going forward, weak external demand, elevated debt levels and geo economic disintegration amidst tighter external financial conditions pose risks to growth prospects for several Emerging Market Economies ("EMEs") although capital flows in such economies are slowly returning on renewed risk appetite.

#### Indian

In India, the real GDP recorded a growth of 7.2 per cent in 2022-23 surpassing the previous estimate of 7.0 per cent primarily aided by fixed investment and higher net exports. On the supply side, the GVA (real gross value added) increased from 4.7 per cent in third quarter to 6.5 per cent in fourth quarter due to increase in manufacturing activity which has moved into expansion territory after two quarters of contraction. Fixed investment by manufacturing companies expanded in 2022-23, reversing the contraction seen in 2021-22. The contraction in merchandise imports towards the latter

half of 2022-23 outpaced that of merchandise exports resulting in a narrowing of the trade deficit. The headline CPI Inflation came down to 4.7 per cent in March 2023, the lowest since November 2021, primarily due to Monetary policy tightening and supply side measures. The easing of inflation was observed across food, fuel, and core categories (CPI excluding food and fuel).

For 2023-24 so far, domestic demand conditions remain supportive of growth on the back of improving household consumption and investment activity. Urban demand remains resilient with indicators such as passenger vehicle sales, domestic air passenger traffic and credit cards outstanding posing double digit expansion and rural demand is also on a revival path with an increase in two-wheeler and three-wheeler sales although tractor sales remained subdued. Growth in steel consumption, cement output and production and import of capital goods reflects buoyancy in investment activity. Higher rabi crop production backed by a normal monsoon should augment household consumption. Robust Government capital expenditure is also expected to nurture investment and manufacturing process. Taking all these factors into reckoning, the real GDP growth for 2023-24 is projected at 6.5 per cent with Q1: 2023-24 at 8.0 per cent; Q2 at 6.5 per cent; Q3 at 6.0 per cent and Q4 at 5.7 per cent with the risks evenly balanced.

### MONETARY POLICY AND INTEREST RATES

The Monetary Policy Committee ("MPC") of the Reserve Bank of India (RBI) noted that the pace of global economic activity is expected to decelerate in 2023 primarily due to elevated inflation, tight financial conditions and geopolitical tensions. However it is observed that the Indian economy and the financial sector stood strong and resilient amidst the uncertainty prevalent on the global horizon. Retrenchment in trade, technology and capital flows caused by geopolitical turmoil and economic fragmentation has further exacerbated the situation.

In these challenging times confronting the global order, the Reserve Bank of India (RBI) has continued to focus on preserving price and financial stability, and ensuring adequate flow of financial resources to all the productive sectors of the economy.

ESG  
Report

Statutory  
Reports

Financial  
Statements

List of  
Branches

Basel III



Following measures were taken by the MPC at its meeting held on June 08, 2023 based on the assessment of the macroeconomic situation and the outlook.

- Policy rate kept unchanged at 6.50 per cent
- Bank rate and Marginal Standing Facility rate kept unchanged at 6.75 per cent
- Standing Deposit Facility rate kept at 6.25 per cent

The MPC decided to remain focused on gradual withdrawal of accommodation to ensure that inflation remains within the target going ahead and at the same time supporting and augmenting growth.

#### NOTABLE UPDATES IN BANKING INDUSTRY

The RBI through its Statement on Developmental and Regulatory Policies initiated various measures. The notable among them are as follows:

- Introduction of Securities Lending and Borrowing in Government Securities thereby providing investors an avenue to deploy idle securities and enhance portfolio returns ensuring wider participation.
- Unified Payments Interface (UPI), an ubiquitous payment instrument for real electronic payments in India has been made available to all Inbound Travelers and non - resident Indians who have international mobile numbers linked to their NRE / NRO accounts for their merchant payments (P2M) while in India. To begin with, the facility has been offered for travelers from G-20 countries at select international airports.
- Unified Payments Interface has transformed retail payments in India. Recently even RuPay credit cards were permitted to be linked to UPI in addition to linkage of UPI with deposit accounts. The scope of UPI has been further expanded by permitting operation of pre-sanctioned credit lines at banks.
- QR Code based Coin Vending machine (QCVM) a pilot project has been initiated by RBI to improve distribution of coins among members of the public in collaboration with a few leading banks. The pilot project shall be rolled out at 19 locations in 12 cities across India at public places such as railway stations, malls, markets etc., to enhance ease and accessibility.
- PRAVAAH (Platform for Regulatory Application, Validation and Authorization) has been initiated by

RBI for Enhancing Efficiency and Regulatory processes and to reduce cost of compliance for all regulatory approvals.

- Bharat Bill Payment System (BBPS) an interoperable platform operated by NPCI Bharat Bill Pay Ltd., has been facilitating the bill payment needs of consumers and billers alike. Its scope has been expanded to include all categories of payments and collections, both recurring and non-recurring in nature, making it accessible to wider set of individuals and businesses.
- A centralized common Web Portal would be developed to enable the depositors to search for Unclaimed Deposits of multiple banks. This will enable the depositors to locate such deposits at ease.
- Credit Information Companies (CICs) has been included within the purview of Reserve Bank Integrated Ombudsman Scheme (RBI-IOS), wherein compensation mechanism for delayed updation /rectification of credit information reports has been provided for along with disclosures on customer complaints received by CICs.
- RBI had issued Master Direction on Acquisition and Holding of Shares/Voting Rights in Banking Companies on January 16, 2023.
- Framework for acceptance of Green Deposits was launched by RBI to develop a green finance ecosystem in India, as Climate change has been recognized as the most important challenge confronting the Global economy in 21st century.
- In pursuance of Clean Note Policy, the RBI on May 19, 2023 decided to withdraw ₹ 2,000/- denomination bank notes from circulation.

#### YOUR BANK'S PERFORMANCE

The negative impact of the prolonged Russia Ukraine war continued throughout the Financial Year FY 2022-23 and the last quarter was further badly affected by the Global Banking crisis such as the collapse of Silicon Valley Bank (SVB) and Signature Bank which was caused by a rapidly rising interest rates, high levels of uninsured deposits and regulatory rollbacks in the US. Amidst this, your Bank followed a cautious approach and recorded a reasonable growth rate during the year. Despite the various challenges, your Bank was able to post 8% growth in its

total business with Deposits growing by 10% to ₹ 52,398 crore and Advances growing by 7% to ₹ 43,971 crore. The total business of the Bank as on March 31, 2023 stood at ₹ 96,369 crore.

### Financial Performance

The performance of the Bank during the financial year ended March 31, 2023 remained stable with the Total Income of the Bank at ₹ 5,524.70 crore as compared to ₹ 4,863.86 crore last year recording a growth of 14%. The Net Interest Income stood at ₹ 2,162.80 crore as compared to ₹ 1,916.49 crore during the previous year recording a growth of 13%.

As on March 31, 2023, the Deposits of the Bank increased to ₹ 52,397.86 crores as compared to ₹ 47,689.67 crores as at March 31, 2022 registering a growth of 10%. The total CASA deposits stood at ₹ 15,656.89 crores against ₹ 15,529.36 crores last year recording a marginal growth of 1%. The proportion of CASA to total deposits was at 30% as on March 31, 2023. The cost of deposits marginally decreased to 4.66% in FY 2023 against 4.68% for FY 2022.

The Gross Advances of the Bank increased by ₹ 2,814.79 crores to ₹ 43,970.80 crores from ₹ 41,156.01 crores, posting a growth of 7% in FY 2022-23. The Net Interest Margin (NIM) of the Bank stood at 3.89% for the year ended March 31, 2023 as against 3.98% in the previous year. The yield on advances declined to 9.23% from 9.36% during the financial year. Other income earned for the financial year ended March 31, 2023 has improved to

₹ 810.36 crore from ₹ 759.08 crore last year registering a growth of 7% mainly on account of recovery from Technical Write off accounts.

The investment of the bank rose to ₹ 14,360.18 crores in FY 2023 as against ₹ 12,294.26 crores in FY 2022 recording a growth of 17%. During FY 2023, operating expenses increased by 7% to ₹ 1,155.18 crores from ₹ 1,080.26 crores in FY 2022. The other operating expenses increased from ₹ 576.66 crores to ₹ 624.81 crores. The cost to Income ratio decreased to 38.85% for the year ended March 31, 2023 as against 40.37% in the previous year ended March 31, 2022. The staff expenses increased from ₹ 503.60 crore last year to ₹ 530.37 crore in FY 2023.

The Bank has recorded a growth of 14% in Operating Profit from ₹ 1,595.31 crores in FY 2021-22 to ₹ 1,817.98 crores in FY 2022-23. The operating profit to NII constitutes 84.06%. The total provisions for FY 2023 stood at ₹ 880.50 crore against ₹ 835.15 crore in FY 2022. Tax provision increased to ₹ 240 crores in FY 2023 as against ₹ 225 crores last year. The provision for NPA increased to ₹ 690.00 crore in FY 2023 as against ₹ 553.50 crore in FY 2022. The Bank recorded a Net Profit of ₹ 937.48 crores as on March 31, 2023 as against ₹ 760.16 crore in March 31, 2022 registering a growth of 23%.

Return on Assets of the Bank for the FY 2023 stands at 1.46% as against 1.35% last year and Return on Equity was at 13.42% for FY 2023 as against 12.31% for FY 2022. The basic earnings per share stood at ₹ 12.67 per share as compared to ₹ 10.29 per share last year.

### Operational Performance

The incremental growth in the operational performance of the Bank and certain key percentages are as follows:

Particulars	FY 2023	FY 2022
Deposits (₹ in cr)	4708.19	3,152.31
Gross advances (₹ in cr)	2814.79	4,135.46
Net Interest Income (₹ in cr)	246.31	86.83
Number of Branches (in Nos.)	25	25
Cost of Deposits (%)	4.66%	4.68%
Yield on Advances (%)	9.23%	9.36%
Total Yield on Investments (%)	5.89%	5.71%

ESG  
ReportStatutory  
ReportsFinancial  
StatementsList of  
Branches

Basel III

### Segmentwise Performance

#### A. Deposits of the Bank comprise of the following :

Sl. No.	Particulars	FY 2022-23		FY 2021-22	
		Amount (₹ in crore)	Percentage to total (%)	Amount (₹ in crore)	Percentage to total (%)
1.	Demand Deposit	4,763.70	9.09	4,619.26	9.69
2.	Savings Deposit	10,893.19	20.79	10,910.10	22.88
3.	Term Deposit	36,740.97	70.12	32,160.31	67.43
	<b>Total</b>	<b>52,397.86</b>	<b>100.00</b>	<b>47,689.67</b>	<b>100.00</b>

#### B. Investments of the Bank consist of the following :

Sl. No.	Particulars	Amount (₹ in crore)	Percentage to total (%)
	<b>Investments in India</b>		
1.	Government Securities	14,267.83	99.35
2.	Other Approved Securities	NIL	NIL
3.	Shares, Debentures / Bonds and Mutual funds	90.75	0.63
4.	Security Receipts	1.38	0.01
	<b>Investments outside India</b>	<b>14,359.96</b>	<b>99.99</b>
5.	Investments in Equity Shares of SWIFT (Investment outside India)	0.22	0.01
	<b>Total Investments</b>	<b>14,360.18</b>	<b>100.00</b>

The total investments stood at ₹ 14,360.18 crores as at March 31<sup>st</sup>, 2023 against ₹ 12,294.26 crores as at March 31<sup>st</sup>, 2022.

**C. Performance of various Business Segments**

The Bank operates under four Business Segments namely Treasury, Corporate / Wholesale Banking, Retail Banking, and Other Banking Operations.

The segment wise contributions are as under :

Segments	Total Revenue (₹ in crore)		Gross Profit (₹ in crore)	Percentage to total (%)
	FY 2023	FY 2022		
Treasury	1,033.87	892.54	574.61	31.61
Corporate Banking	964.06	1,013.96	298.97	16.45
Retail Banking	3,470.48	2,917.35	895.07	49.23
Other Banking Operations	56.29	40.01	49.33	2.71
<b>Total</b>	<b>5,524.70</b>	<b>4,863.86</b>	<b>1817.98</b>	<b>100.00</b>

**ASSET QUALITY AND LOAN COMPOSITION****A. Asset Quality**

The Gross NPA as at March 31, 2023 decreased to ₹ 1,920 crore as against ₹ 1,933 crores in FY 2022. The percentage of Gross NPA has decreased from 4.70% in 2022 to 4.37% in FY 2023. The Net NPA decreased to ₹ 1,018 (2.36%) crore in FY 2023 as against ₹ 1,191 crore (2.95%) in FY 2022. The Provision coverage was 69% as at March 31, 2023 (Previous year 64%).

Priority Sector Advances increased to ₹28,029.47 crores as on March 31, 2023 as compared to previous year amount of ₹ 25,484.08 crores. The total agricultural advances increased to ₹ 8,540.97 crores as on March 31, 2023 against ₹ 7,500.41 crores as on March 31, 2022. During the year the bank had achieved

all its targets / sub-targets as specified by RBI on Priority Sector Lending.

**B. Loan Composition**

The Bank closely monitors the performance of various Industrial sectors periodically to assess the sector-wise potential risks for facilitating informed decision making regarding advances. As aforesaid, the Bank improved its Gross Advances to ₹ 43,970.80 crores as at March 31, 2023 of which ₹ 11,272.70 crores were directed to major industries and ₹ 32,698.10 crores to other sectors. There has been a greater emphasis on Advances to MSME Sector by RBI & Government of India. As of March 31, 2023 our total credit to MSMEs amounts to ₹ 18,854.03 crores which constitute around 43% of Total Advances.

ESG  
ReportStatutory  
ReportsFinancial  
StatementsList of  
Branches

Basel III

A comparative position of Bank's Industrial & Sectoral Deployment portfolio is set out here under:

Industry Name	Amount (₹ in cr.)		% to Total Advances	
	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022
<b>Major Industries</b>	<b>11,272.70</b>	9,818.48	26%	24%
Textile	4,649.24	4,205.64	11%	10%
Metal	1,968.27	1,698.06	4%	4%
Paper & Paper Products	662.95	585.76	2%	2%
Food Processing	620.65	472.43	1%	1%
Chemicals	498.37	433.44	1%	1%
Rubber & Plastics	410.26	395.35	1%	1%
Engineering	734.87	605.07	2%	2%
Automobiles	170.31	192.18	0%	0%
Other Industries	1,557.78	1,230.55	4%	3%
<b>All other Advances</b>				
(Agri., Trade Service, Gold Loan etc.)	32,698.10	31,337.53	74%	76%
<b>TOTAL</b>	<b>43,970.80</b>	<b>41,156.01</b>	<b>100%</b>	<b>100%</b>

Figures of the previous period have been regrouped/ reclassified wherever considered necessary.

#### Sectoral Deployment

Sector	Amount (₹ in cr.)		% to Total Advances	
	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022
Agriculture	8,540.97	7,300.41	19%	18%
MSME	18,854.03	17,305.91	43%	42%
Large Industries	668.70	656.33	2%	2%
Retail Traders	794.12	830.58	2%	2%
Wholesale Traders	1,569.42	2,856.97	4%	7%
Commercial Real Estate	3,091.29	3,035.50	7%	7%
JL Non Agriculture	4,027.72	3,174.96	9%	8%
Housing Loans	2,071.39	1,998.67	5%	5%
Personal Loan	947.34	934.49	2%	2%
Loans Collateralized by deposits	659.40	687.07	1%	1%
Infrastructure	319.75	348.41	1%	1%
NBFC	488.89	417.98	1%	1%
Others	1,937.78	1,608.73	4%	4%
<b>TOTAL</b>	<b>43,970.80</b>	<b>41,156.01</b>	<b>100%</b>	<b>100%</b>

Figures of the previous period have been regrouped/ reclassified wherever considered necessary.

## OPPORTUNITIES AND THREATS

The Retail Banking space has generated tough competition to capture new business due to plethora of banks vying for the same business space. The banking entities have to be constantly on an innovative path not only to capture new market share but even to retain its existing clientele. Unlike the past, the new generation customers do not patronize any particular bank and are quick to switch over their banking needs to a new bank which offer better rates or services tailor made to suit their individual requirements. The presence of various Small Finance Banks catering to niche segments have intensified the competition in Retail Banking space over the last few years especially with the RBI policy on "On Tap" licensing of Small Finance Banks. In addition Urban Co-operative Banks (UCBs) have been permitted to extend doorstep banking services to their customers on par with scheduled commercial banks. All these leads to lot of competition in the retail banking space demanding better customer service.

The presence of innumerable Co-operative Banks and NBFC's (Non-Banking Finance Companies) has been giving tough competition to Commercial banks. Regional Co-Operative Bank with their rural connect have been successful in garnering huge deposit base, especially by offering tailor made products catering to the rural profile.

Presently our bank has a network of 752 branches of which 669 branches are in Southern States which constitutes around 89% of the total branch network and 83 branches in other states. It has 519 branches in the State of Tamil Nadu constituting about 69% of its total branch network. The bank has also enlarged its presence in the Northern states in recent times. Further, considering the need to achieve a broader Pan India presence, the Bank is exploring avenues to expand its operations beyond southern states to seize potential opportunities elsewhere.

## AUTOMATION

Banking service now-a-days has moved from branch banking to palm of customer to do banking based on their convenience and comfort. The advent of digital payment due to advancement of information technology, availability of easy access of network through mobile banking has encouraged more cashless transactions. Thus digital banking becomes the order of the day. The concept of Digital Banking which has gained prominence in recent

years has been at the forefront in the bank's growth. In order to meet the Digital challenges and enhance customer service, our bank has launched various digital initiatives such as Wearable Keychain and CUBFit Watch, All in one mobile App., Setting up of Neo-Bank as digital front line so as to enable our customer to open banking relationship, UPI Payment solution for feature phones - 'CUB UPI 123PAY'. Customers of any bank can now do UPI transactions using feature phone / smart phone through CUB BHIM Voice IVR. The feature phone solution is expected to help in offering payment services to the unserved and underserved segment of the population.

During the financial year 2022-23, your Bank also tied up with M/s. 42 Card Solutions Pvt. Ltd., to issue CUB brand credit card 'Dhi' and your Bank is expanding the credit card network to our customers also in a big way. Your Bank developed a new functionality 'Voice-Biometric' in retail mobile banking for login to have new unique customer experience. Currently customers can log in to bank's retail mobile banking application via MPIN or Fingerprint / Face ID apart from the Voice Biometric. Your Bank has provided Digital Signature Certificate (DSC) Hard token and Soft token for our corporate customers for transaction approval. Similarly for retail customers also DSC Soft token is introduced for transaction approval. This will facilitate seamless process approvals and avoid delay due to SMS delivery and can be used even in locations outside India where SMS may not reach.

As a general rule, any technology always contains inherent risks and banking transactions through digital channels are no exception. New types of cyber frauds are emerging with the introduction of new digital channels. As the Bankers are the custodians of Depositors' money, your bank takes utmost care to ensure necessary security measures to protect public interest and necessary mitigation measures are implemented.

## RISK MANAGEMENT

The Bank is exposed to a variety of risks in the normal course of business, mainly, Credit Risk, Market Risk and Operational Risk. The main objective of risk management department is to strike a proper balance between risk and return. The department operates within the Board approved Risk Policy, which is communicated to all the departments. The identification, measurement, monitoring and management of risks remain the main



focus areas of our Bank. Business and revenues are to be weighed in the context of the risks implicit in the bank's growth.

### A. Framework

The Bank has in place, a sound Risk Management Architecture, established by the active involvement and supervision of Board of Directors. The Board of the Bank has constituted a Risk Management Committee of Directors which assesses the Bank's risk profile and key areas of risk in particular. Under the supervision of the Risk Management Committee of the Directors, the Risk Management Committee of Executives functions to ensure that the policy guidelines approved by the Board are duly implemented. It guides the policies, procedures and systems for managing and controlling various types of risks.

The Bank has a Risk Management team headed by the Chief Risk Officer, who reports directly to MD & CEO/ Risk Management Committee of Directors (RMCD) of the Board. The overall risks faced by the Bank and the risk appetite are evaluated by the team which frames policies and procedures. Risk Management practices have been aligned with the industry practices and are adaptable to the dynamic operating environment and market conditions.

### B. Compliance to Standards

**Capital Adequacy:** The Bank has implemented the BASEL III Capital Regulations from 1st April, 2013, by computing the Capital and Risk weighted Assets as per RBI guidelines dated 2nd May, 2012. The Bank presently has adopted Standardized Approach for Credit Risk, Standardized Duration Approach for Market Risk and Basic Indicator Approach for Operational Risk. Under the Basel III Capital Regulations, banks are required to maintain a minimum Pillar 1 Capital (Tier-1 + Tier-II) to Risk Weighted Assets Ratio (CRAR) of 9% on an on-going basis. Besides this minimum capital requirement, Basel III also provides for creation of capital conservation buffer (CCB) to be implemented in phases. The CCB requirement of 2.50% are to be fully implemented from 01.10.2021 as per RBI circular dated 05.02.2021 to the extent of 2.5% of RWA. The required CRAR is 11.50% (9% +2.50%). The Bank is well placed in complying with Basel III Capital

Regulation and has maintained a CRAR of 22.34% as on March 31 2023 which is more than the minimum 11.50% as prescribed by RBI. For more details on CRAR, shareholders may kindly refer to the "Capital Adequacy" para under the Directors Report.

The Bank has prepared "Internal Capital Adequacy Assessment Process" (ICAAP) document and implemented the same in line with the Basel III requirement commensurate with the Bank's size, level of complexity, risk profile and scope of operations. The ICAAP document includes the capital adequacy assessment and projections of capital requirement for the next three financial years from FY 2024, along with the plans and strategies for meeting the same. The purpose of the document is to inform the Board and the Reserve Bank of India about the Bank's internal capital adequacy assessment process and the Bank's approach to capital and risk management.

The document also endeavours to furnish detailed information on the Bank's assessment of the holistic risks, how the Bank intends to identify, assess, monitor, manage and control those underlying risks besides maintaining adequate capital necessary for its current and future internal capital requirements. Thus ICAAP is an important component of Supervisory Review Process (SRP) under Pillar 2 of Basel III framework.

The Pillar 3 Disclosures under Basel III framework are reported in the Bank's website on Quarterly basis and also in the Annual Report in the prescribed format as per the Disclosure Policy and RBI norm.

The Basel III leverage ratio is defined as the capital measure (the numerator) divided by the exposure measure (the denominator), with this ratio expressed as a percentage. Previously, the indicative benchmark Leverage Ratio prescribed was 4.50% (minimum), which has been reduced to 3.50% (minimum) as per the RBI circular dated 28.06.2019. For the year ended March 31, 2023, Leverage Ratio of our Bank stood at 10.40%, well above the prescribed norm of 3.50%, the computation of which is duly disclosed in Templates DF17 and DF18 of Basel III - Pillar 3 disclosure as per the extant guidelines of RBI.

RBI has introduced Liquidity Coverage Ratio (LCR) under Basel III guidelines from 1st January, 2015. The LCR promotes short-term resilience of banks to potential liquidity disruptions by ensuring that they



have sufficient High Quality Liquid Assets (HQLAs), which are unencumbered and can be converted into cash to meet its liquidity needs for a 30-calendar day time horizon under a significantly severe liquidity stress scenario. The Bank has been maintaining the LCR above 100% (which was the minimum requirement prescribed by RBI before 17.04.2020). The LCR for the position as of 31.03.2023 is arrived at 259.54%.

The final guidelines on "Net Stable Funding Ratio (NSFR)" under the Basel III Framework on Liquidity Standards was issued by RBI on May17, 2018. The NFSR promotes resilience over a longer-term time horizon by requiring banks to fund their activities with more stable sources of funding on an ongoing basis. It is defined as the amount of available stable funding relative to the amount of required stable funding. The Bank is maintaining NSFR of above 100 %, which is the minimum requirement prescribed by RBI. The NSFR for the position as of 31.03.2023 is arrived at 165.61%.

### C. Risk Management - Process

The overall risk of the Bank is being managed through three committee of executives viz.

1. Credit Risk Management Committee (CRMC)
2. Asset-Liability Committee (ALCO)
3. Operational Risk Management Committee (ORMC)
4. Risk Management Committee of Executives (RMCE)

The Bank has put in place the following policies / standards to manage various types of Risks apart from the overall Integrated Risk Management Policy to measure, monitor and control all the enterprise-wide risks and with the objective of integrating all the risks of the Bank.

1. Credit Risk Management Policy
2. Asset and Liability Management Policy
3. Operational Risk Management Policy
4. Stress Testing Policy
5. Pillar 3 Disclosure Policy
6. Business Continuity Plan Policy
7. Internal Capital Adequacy Assessment Process (ICAAP) Policy

8. Credit Risk Mitigation and Collateral Management Policy
9. Integrated Risk Management Policy
10. Loan Policy (Including Recovery Policy, MSME Policy, etc.)
11. Integrated Treasury Policy
12. Policy on Unhedged Foreign Currency exposures of corporates including SMEs
13. Market Risk Management Policy
14. New Product Assessment Policy
15. Risk & Control Self-Assessment standards (RCSA)
16. Pricing Policy
17. Risk Rating Framework
18. MCLR/EBLR Policy
19. Information Technology Risk Framework
20. Financing Framework for Green Deposits
21. Climate Risk Policy

These policies are subject to review on a periodical basis depending upon the guidelines / directions as given by RBI from time to time or whenever any situations warranting review.

On the advice of the four Committees as mentioned above and based on the above policy norms, the Bank is able to identify, predict, measure, monitor, analyze, control and mitigate the risks at every stage, prescribe and monitor prudential limits and manage them to face the changing risk environment.

Stress tests and scenario analysis are conducted on a periodical basis to gauge the level of risk in the assumed crisis situation and remedial / preventive steps have been taken to mitigate risks in all areas. Further, the results of Stress tests are being duly factored into, under Pillar 2 risks while preparing the Internal Capital Adequacy Assessment Process (ICAAP) document on an annual basis.

In order to further familiarize the operational staff with the various risk aspects Bank has formulated RCSA (Risk Control Self Assessment) standards. In order to minimize the Operational Risk the Bank has been conducting RCSA on various areas. In the past, workshops followed by questionnaires have been conducted for following products highlighting the operational risks involved in these areas:

1. Loan Against Deposit(LAD)
2. Jewel Loans
3. Cash Management and
4. KYC/AML

The Bank has planned to conduct more such workshops in the coming years covering other products.

**Summary** - The bank has, over the years, fine-tuned its approach to detect and control risk. In general controls are exercised closest to the point of risk origination - each department owner, through study of periodic data and MIS, proactively discuss potential risks.

This, we believe, will help establish a sound risk culture that enables prudent risk taking.

### INTERNAL CONTROL SYSTEMS

Our Bank has an exclusive Compliance Department headed by a Chief Compliance officer to ensure effective implementation and compliance of all the directives issued by various Regulators, its Board of Directors and its Own Internal Control Policy. Our Bank has always recognized the importance of good internal control mechanism which is pivotal to long term sustainability of any organization.

The Inspection Department ensures the adherences to the laid down systems and procedures of the Bank. Moreover there exists a system of periodical inspection of the branches, Credit Inspection, Jewel loan inspection and Concurrent audit. The system of regular KYC inspection is being carried out to ensure compliance of all KYC and AML Regulations. Periodic cash inspection is carried out at our Currency Chest to test the accuracy of chest transactions. Risk Based Internal Audit (RBIA) conducted at branches focuses on prioritizing the audit assignment and audit resources based on the level of control risks and inherent business risks. Management audit focuses on identifying the adequacy and effectiveness of processes adopted for decision making at various departments in Head office, Currency chests, Computer System Department, Business Development Centre, International Banking Division, Central Processing Centers (CPC's) etc. The Concurrent Audit serves as an early warning system to ensure detection of lapses, irregularities and as a tool to prevent frauds. The Information Systems Audit (ISA) focuses on the risks and assesses the adequacy of controls implemented for mitigating the risks.

The Audit Committee of the Board provides direction and reviews the adequacy of internal audit function, including its reporting structure, coverage and frequency of audits. Inspection and Audit is responsible for self-assessment of the bank's internal financial controls, by testing and validating the effectiveness of controls on an on-going basis. The Inspection Department organizes incognito visit to certain large and prominent branches on a yearly basis to ensure effective functioning of the branches and also to ensure adherence of RBI guidelines like display of information to public, issue of coins etc. Inspection and Audit independently evaluates the adequacy, operational effectiveness and efficiency of all internal controls, risk management, governance systems and processes of our bank.

Thus the Bank has in place adequate internal control systems and procedures and has taken into consideration the essential components of Internal Control as stated in the guidance note on Audit of Internal Financial Controls over Financial Reporting issued by The Institute of Chartered Accountants of India. A good system of Internal controls ensures that all the regulatory guidelines are strictly adhered to by all the departments of the bank which hugely helps the growth process of the bank mitigating the operational risk.

### HUMAN RESOURCE DEVELOPMENT / INDUSTRIAL RELATIONS

Human Resource Development and Industrial atmosphere plays a prominent role in an organization's growth and your Bank has always maintained cordial relations among its employees at all times. As a part of HR strategy, the Bank offers its employees various monetary and non-monetary benefits based on their performance in the form of ESOP, Performance Linked Pay (PLP) & Ex-gratia and ensures that each employee feels part of the Bank and strives to deliver to the best of his/her abilities.

In line with the Bank's expansion plans, 25 new branches were opened in various States for which the Human Resources Department provided adequate manpower. Specific efforts were made towards talent acquisition, skill development and manpower training. Employees are identified and imparted trainings at various areas of banking. Job rotation is being followed to ensure every employee gains experience in all the areas of banking.

In tune with the future expansion, the bank is constantly upgrading and revisiting its manpower requirements through developing a talent pool. The members of the talent pool are being groomed by giving trainings at various centers of excellence in our staff college at Chennai and Kumbakonam apart from SIBSTC, NIBM, CAFRAL, IRDBT etc. It is pertinent to note here that there has not been even a single occasion of employee unrest in the Banking history of CUB. Continuous efforts are being made to enhance the quality of existing personnel and to attract new talent.

As on March 31, 2023, the Bank has 6,019 on-roll employees, comprising of 66 employees in Executive cadre, 2,444 in Management cadre and 3,509 in Clerical and Subordinate cadre. The bank has a policy on Prevention of Sexual Harassment at workplace, which provides protection for Women employees working in the organization. An internal compliance committee has been set up to redress the complaints received under Sexual Harassment. Further, there exists a separate menu in the Bank's Intranet portal wherein all Women employees of the Bank can lodge their grievances under the POSH Act. In addition, a separate menu has been provided for all employees to report their genuine concerns under Whistle Blower / Vigil mechanism.

## OUTLOOK

The uncertainty caused by the evolving global scenario is weighing heavily on the outlook of major economies across the globe. However Indian economy continues to exhibit a positive outlook amidst the global uncertainties. The real GDP growth of India is projected at 6.5% in 2023-24. The prolonged conflict in Europe and a failure of few major banks in US, poses a new and overwhelming challenge to the old world order.

The Reserve Bank of India through its Monetary Policy has been fortifying the macroeconomic fundamentals, making the Indian financial markets and institutions

sound and resilient thus mitigating the impact of the turbulence in the global economy. The banking sector in India has responded in equal measures to the demand for credit. The Macro-stress tests conducted by RBI for credit risk reveals that Indian Banks are well- capitalized and would be able to comply with the minimum capital requirements even under adverse circumstances. Credit growth has been broad based across all the sectors mainly retail credit which has augmented the credit growth. Agricultural credit gained momentum due to higher agricultural credit target fixed by the Government. Positive benefits from the effective implementation of the Emergency Credit Line Guarantee scheme (ECLGS) along with the Production-Linked Incentive Scheme supported by the government.

The RBI Governor in his meeting with the Directors on the Boards of Public and Private Sector Banks acknowledged the important role played by the banking sector in supporting the economy and maintaining resilience along with improved financial performance in the face of several adverse scenarios in the global order. He emphasized the role played by the Board in the governance functions and emphasized on the need to further strengthen governance and assurance functions in banks such as risk management, compliance and internal audit. The Governor also asked the banks to ensure continued financial and operational resilience.

Domestic financial markets have moved broadly in sync with the accommodative monetary policy stance and remain conducive to growth as credit off -take is gaining momentum. The Banking sector being the pillar of economy has to play a role of catalyst in the development of the Indian economy if India has to become a developed nation by 2047 in line with the Government's vision of "Amrut Kaal". The Banking Sector in India at this juncture is financially sound and healthy and it is the best time for the sector to improve the governance frameworks, assurance functions and strategize for better times ahead.

## INDEPENDENT AUDITOR'S REPORT

*To the Members of*

### CITY UNION BANK LIMITED

#### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of City Union Bank Limited ('the Bank'), which comprise the Balance Sheet as at 31st March 2023, the Profit & Loss Account, and the Cash Flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and incorporated in these financial statements are the returns of 24 branches / offices audited by us and 733 branches / offices audited by other Branch Statutory Auditors. The branches audited by us and those audited by other auditors have been selected by the Bank in accordance with guidelines issued to the Bank by the Reserve Bank of India.

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 Regulations Act, 1949 as well as Companies Act, 2013 (the 'Act') in the manner so required for banking companies and give a true and fair view in conformity with the Accounting Standards prescribed under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2006, as amended ("Accounting Standards") as applicable to banks and other the accounting principles generally accepted in India, of the

state of affairs of the Bank as at 31st March, 2023, and Profit and its Cash Flows for the year ended on that date.

#### Basis of Opinion

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing ('SAs') specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements Section of our report. We are independent of the Bank in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the rules there under, 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 is sufficient and appropriate to provide a basis for our opinion on the financial statements.

#### 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 year ending March 31, 2023. 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. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matters	How our Audit procedures addressed the Key Audit Matters
<p><b>A. Income Recognition, Asset Classification and Provisioning (IRACP) on Loans &amp; Advances</b></p> <p>(Reference to Schedule 9 read with Statement of Accounting Policies Note C.3 - Schedule to the Financial Statements)</p> <p>Loans and Advances constitute the largest class of Assets forming 64.65% of the total assets of the Bank as on the year ended 31st March 2023. The income recognition, asset classification and provisioning on advances done by the bank is governed by the directives / regulations issued by</p>	<p>Our audit procedures were focused on ensuring compliance with the income recognition, asset classification and provisioning norms as stipulated by RBI. We have also obtained an understanding of the in-built controls in the IT systems including CBS, controls with respect to compliance with RBI guidelines, and the Bank's policies for identification and provisioning of non-performing loans &amp; advances, and planned our audit accordingly.</p> <p>We have performed audit procedures for income recognition, classification into performing and</p>

Key Audit Matters	How our Audit procedures addressed the Key Audit Matters
<p>the Reserve Bank of India (RBI). The loans and advances are accounted in the Core Banking Solution (CBS) and the identification of non-performing loans and advances is system driven and in accordance with IRACP norms. The management also relies on independent external valuations, legal advice, other professional inputs and makes estimates and judgments to determine the income recognition, asset classification and provisioning for losses on loans and advances.</p>	<p>non performing advances. We have considered the stressed accounts reported by the Bank and other banks as Special Mention Accounts ("SMA") in RBI's Central Repository of Information on Large Credits (CRILC).</p> <p>We have reviewed the controls over the timely recognition of non-performing advances (NPA). We have performed other procedures including substantive audit procedures including test checks on the identification and provisioning of non-performing advances in accordance with RBI guidelines.</p> <p>For NPAs identified, we have tested on a sample basis the asset classification dates, value of available security, income reversal and provisioning as per IRACP norms and recomputed the provision for NPA wherever required.</p> <p>Performed other substantive procedures including but not limited to the following:</p> <p>Selected samples of performing loans and assessed independently as to whether those should be classified as NPA. For the samples of performing loans selected, examined the security valuation, financial statements and other qualitative information.</p> <p>Performed inquiries with the credit and risk departments to ascertain if there were indicators of stress or an occurrence of an event of default in a particular loan account or any product category which needed to be considered as NPA.</p> <p>Reviewed credit committee and risk management committee minutes and held discussions and inquired with the credit and risk departments of the Bank to ascertain indicators of stress on loan accounts and sectors where there are indicators of stress and the steps taken to mitigate the risks.</p> <p>We have also relied on the work performed by the branch auditors, and also relied on the reports of internal audit, systems audit, concurrent audit, other audits, work done by lawyers, legal experts, independent valuers and other professionals, in accordance with SA 600 "Using the Work of Another Auditor and SA 620 "Using the Work of an Auditor's Expert".</p>

ESG Report

Statutory Reports

Financial Statements

List of Branches

Basel III



Key Audit Matters	How our Audit procedures addressed the Key Audit Matters
<p><b>B. Valuation of Financial Instruments (Investments)</b></p> <p>(Reference to Schedule 8 read with Statement of Accounting Policies Note C.2- Schedule to the Financial Statements)</p> <p>Investments are classified into 'Held for Trading' ('HFT'), 'Available for Sale' ('AFS') and 'Held to Maturity' ('HTM') categories at the time of purchase. Investments classified as HTM are carried at amortized cost and investments classified as AFS and HFT are marked-to-market on a periodic basis as per the RBI guidelines. Accordingly, our audit was focused on checking the valuation of investments as a key audit matter because of the management judgment involved in determining the value of investments based on the policy of the Bank, impairment assessment for HTM book and the overall impact on the financial statements of the Bank.</p>	<p>Our audit approach/procedures towards Investments with reference to the RBI Circulars/directives included the understanding of internal controls, Bank's Policies and substantive audit procedures in relation to valuation, classification, identification of non-performing investments (NPIs) and provisioning/depreciation related to Investments. In particular, the appropriateness of the valuation methodology and test checking the inputs used such as pricing, measure of volatility and discount factors. We assessed and evaluated the process adopted for collection of information from various sources for determining market value of the investments and examined the adequacy and appropriateness of depreciation and impairment of each category of Investment.</p> <p>We assessed and evaluated the process of identification of NPIs and recomputed the provision to ensure that it is in accordance with RBI circular. We tested the mapping of investments between the Treasury application software and the Core banking Solutions software to ensure compliance with the presentation and disclosure requirements as per the aforesaid RBI Circular/directions.</p>
<p><b>C. Information Technology ('IT') Systems and Controls for financial reporting</b></p> <p>The IT environment of the Bank is complex and involves a large number of, independent and interdependent IT systems used in the operations of the Bank for processing and recording a large volume of transactions at numerous locations. We have identified 'IT systems and controls' as key audit matter because of the level of process automation, large volume of automated transactions, level of cyber security established by the management and the complexity of the IT architecture of the Bank.</p>	<p>We have reviewed Bank's information technology policy, security policy, IT outsourcing policy for those outsourced services implemented by the Bank and the IT risk management framework. We have also reviewed the BCP/ DRP of the Bank, adequacy of the IT Policy and implementation of the same.</p> <p>We have tested the application controls and changes to applications and database, segregation of duties as per SOP, and also reviewed the mapping of interfaces between systems for generating financial information for reporting.</p> <p>We have tested the controls in the core banking solutions and treasury systems. This included testing the integrity of system interfaces, the completeness and accuracy of data feeds, system reconciliation controls and automated calculations. We have reviewed the automated</p>

Key Audit Matters	How our Audit procedures addressed the Key Audit Matters
	asset classification, interest computation, NPA identification, generation of EWS signals / red flags, and other related controls. We have also used various techniques such as inquiry, review of documentation, record, reports, observation and re-performance.

**Information Other than the Financial Statements and Auditors' Report Thereon**

The Bank's Board of Directors is responsible for the other information. The other information comprises the Chairman's Statement, CSR initiatives, Director's Report, Annexures to Director's Report, Shareholders Information, Business Responsibility Report, Corporate Governance Report, Management Discussions & Analysis Report, List of Branches, Basel III Disclosures, Decade of Progress included in the Bank's Annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and the Pillar 3 disclosure and the Basel III Disclosures, and accordingly, we do not express any form of assurance and 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 other information, including annexures in the annual report thereon, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance. We have nothing to report in this regard.

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

The Bank's Board of Directors is responsible for the matters stated in Section 134 (5) of the Act with respect to the preparation of these financial statements that give a

true and fair view of the financial position, financial performance and cash flows of the Bank in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 in so far as they apply to the Bank and provisions of Section 29 of the Banking Regulation Act, 1949 and the circulars and guidelines issued by Reserve Bank of India ("RBI") from time to time. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act and the RBI Guidelines 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, the Management and Board of Directors 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.

The respective Board of Directors are also responsible for overseeing the Bank's financial reporting process.

ESG Report

Statutory Reports

Financial Statements

List of Branches

Basel III



## Auditors' Responsibilities for the Audit of the 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(I) of the Act, we are also responsible for expressing our opinion on whether the Bank has adequate internal financial controls with reference to the financial statement and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' 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 Standalone Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our Audit work and evaluating the results of our work; and (ii) to evaluate the effect of identified misstatements in the Standalone 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 year ending March 31st 2023, and are therefore the key audit matters.

We describe these matters in our auditors' 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:

We did not audit the financial statements / information of 733 branches / offices included in the Standalone Financial Statements of the Bank whose Financial Statements / Financial Information were audited by other auditors specially appointed for this purpose.

These branches had total advances of ₹ 36,343.06 crores, total deposits of ₹42,946.10 crores and non-performing advances of ₹ 1,573.78 crores as at March 31, 2023. These branches cover 80% of advances, 82% of deposits and 82% of non-performing assets as at March 31, 2023.

The Financial Statements / Information of these branches have been audited by the Branch Auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of branches, is based solely on the report of such Branch Auditors.

Our opinion is not modified in respect of this matter.

#### Report on Other Legal and Regulatory Requirements

The Balance Sheet and the Profit and Loss Account have been drawn up in accordance with the provisions of Section 29 of the Banking Regulation Act, 1949 read with Section 133 of the Companies Act, 2013 read with the Rule 7 of the Companies (Accounts) Rules, 2014.

1. As required sub section (3) of section 30 of the Banking Regulation Act, 1949, we report that;
  - (a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit and have found them to be satisfactory;
  - (b) The transactions of the Bank, which have come to our notice, have been within the powers of the Bank; and
  - (c) The returns received from the offices and branches of the Bank have been found adequate for the purpose of our audit.
2. With respect to the matters to be included in the Auditor's Report under Section 197(16) of the Act: The Bank is a banking company as defined under Banking Regulation, 1949. Accordingly, the requirements prescribed under Section 197 of the Companies Act, 2013 do not apply by virtue of Section 35B(2A) of the Banking Regulation Act, 1949,
3. Further, as required by Section 143(3) of the Companies Act, 2013, we report that;

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b) In our opinion, proper books of 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 offices and branches not visited by us;
- c) The Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account and with the returns received from the offices and branches not visited by us;
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 to the extent they are not inconsistent with the Accounting Policies prescribed by Reserve Bank of India;
- e) On the basis of the written representations received from the directors as on 31st March, 2023 taken on record by the board of directors, none of the directors is disqualified as on 31st March, 2023 from being appointed as a director in terms of section 164 (2) of the Act;
- f) with respect to the adequacy of the internal financial controls over financial reporting of the Bank with reference to these Financial Statement and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" to this report; and
- g) In our opinion, the entity being a Banking Company, the remuneration to its Directors during the year ended March 31, 2023, has been paid/provided by the Bank in accordance with the provisions of Section 35B(1) of the Banking Regulation Act 1949, and;
- h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us;

- (i) The bank has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 18(11) to the financial statements;
- (ii) The bank has made provision, as required under the applicable law or accounting standards, for material foreseeable losses if any, on long-term contracts including derivative contracts- Refer Note 15(V) to the financial statements; and
- (iii) There has been no delay in transferring the funds to the Investor Education and Protection Fund Account by the Bank.
- (iv) 1. The Management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Bank to or in any other persons / entities, including foreign entities ('Intermediaries'), with the understanding, whether recorded in writing or otherwise, that the Intermediary has, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Bank ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
2. The Management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to accounts, no funds have been received by the Bank from any persons / entities, including foreign entities, that the company has directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
3. Based on the audit procedures which we have considered reasonable and appropriate in the circumstances and according to the information and explanations provided to us by the Management in this regard, nothing has come to our notice that has caused us to believe that the representations made by the Management under sub-clause (1) and (2) contain any material misstatement; and
- v. The Bank has paid dividend during the year which is in compliance with section 123 of the Act.

For **Jagannathan & Sarabeswaran**  
Chartered Accountants  
Firm Registration No: 001204S

For **K. Gopal Rao & Co**  
Chartered Accountants  
Firm Registration No:000956S

Date : 26<sup>th</sup> May, 2023  
Place: Kumbakonam

**CA Vivek Sarabeswaran**  
Partner  
Membership No: 206383  
UDIN -23206383BGPZKD9813

**CA B. Meera Gopalan**  
Partner  
Membership No:029471  
UDIN -23029471BGYVJI6717

## Annexure A

### *To the Independent Auditors' Report of even date on the financial statements of City Union Bank Limited [Refer paragraph 2(g)] Report on other legal and regulatory requirements in our Independent Auditors' Report] Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-Section 3 of Section 143 of the Companies Act 2013*

*To the Members of*

## CITY UNION BANK LIMITED

We have audited the Internal Financial Controls over Financial Reporting ("ICFR") with reference to the Financial Statement of City Union Bank Limited ("the Bank") as of 31st March 2023 in conjunction with our audit of the financial statements of the Bank for the year ended on that date.

### **Management's Responsibility for Internal Financial Controls over Financial Reporting**

The Bank's Management and Board of Directors are responsible for establishing and maintaining internal financial controls based on Internal Control over Financial Reporting criteria established by the Bank considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its Business, including adherence to the Bank's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Bank's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an Audit of Internal

Financial Controls and issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Banks' Internal Financial Controls System over financial reporting.

### **Meaning of Internal Financial Controls over Financial Reporting**

A Bank's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Bank's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records

ESG  
ReportStatutory  
ReportsFinancial  
StatementsList of  
Branches

Basel III

that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Bank; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Bank are being made only in accordance with authorizations of management and directors of the Bank; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Bank's assets that could have a material effect on the financial statements.

### **Inherent limitations of internal financial controls over financial Reporting**

Because of inherent limitations of internal financial controls over financial reporting, including the possibility of collusion improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or

that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Bank has, in all material respects, an adequate internal financial controls systems over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2023, based on the internal control over financial reporting criteria established by the Bank considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

### **Other Matters**

Our report, insofar as it relates to the operating effectiveness of internal financial controls with reference to financial statements of 733 branches/offices is based on the reports of the respective statutory branch auditors of those branches.

Our opinion is not modified in respect of this matter.

Date : 26<sup>th</sup> May, 2023  
Place: Kumbakonam

For **Jagannathan & Sarabeswaran**  
Chartered Accountants  
Firm Registration No: 001204S

Sd/-  
**CA Vivek Sarabeswaran**  
Partner  
Membership No: 206383  
UDIN -23206383BGPZKD9813

For **K. Gopal Rao & Co**  
Chartered Accountants  
Firm Registration No:000956S

Sd/-  
**CA B. Meera Gopalan**  
Partner  
Membership No:029471  
UDIN -23029471BGYVJI6717



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**BALANCE SHEET AS ON 31<sup>st</sup> MARCH, 2023**

(₹ in thousands)

	SCHEDULE No.	AS ON 31.03.2023	AS ON 31.03.2022
<b>CAPITAL AND LIABILITIES</b>			
Share Capital	1	74,04,16	73,95,85
Reserves and Surplus	2	7383,16,86	6511,74,69
Deposits	3	52397,85,80	47689,66,98
Borrowings	4	4688,09,49	5311,82,36
Other Liabilities & Provisions	5	2051,39,89	1943,71,59
<b>Total</b>		<b>66594,56,20</b>	<b>61530,91,47</b>
<b>ASSETS</b>			
Cash and Balances with Reserve Bank of India	6	3302,35,96	2965,09,68
Balances with Banks & Money at Call and Short Notice	7	3346,91,53	3721,83,31
Investments	8	14332,62,82	12221,22,47
Advances	9	43053,34,57	40358,46,82
Fixed Assets	10	239,32,52	214,65,46
Other Assets	11	2319,98,80	2049,63,73
<b>Total</b>		<b>66594,56,20</b>	<b>61530,91,47</b>
Contingent Liabilities	12	10263,65,89	9295,73,03
Bills for Collection		401,08,33	409,01,82

**K. JAYARAMAN**  
General Manager

**J. SADAGOPAN**  
Chief Financial Officer

**S.VENKATARAMANAN**  
Company Secretary

**Dr. N. KAMAKODI**  
MD & CEO

**NARAYANAN SUBRAMANIAM**  
**Dr. T.S. SRIDHAR**  
**T.K. RAMKUMAR**

**LALITHA RAMESWARAN**  
Directors

**M. NARAYANAN**  
Chairman

**V.N. SHIVASHANKAR**  
**K. VAIDYANATHAN**  
**G. MAHALINGAM**

For **Jagannathan & Sarabeswaran**  
Chartered Accountants  
(Firm No. 001204S)

**CA Vivek Sarabeswaran**  
Partner  
M.No. : 206383  
UDIN : 23206383BGPZKD9813

For **M/s. K. Gopal Rao & Co.,**  
Chartered Accountants  
(Firm No. 000956S)

**CA B. Meera Gopalan**  
Partner  
M.No. : 029471  
UDIN : 23029471BGYVJ16717

Kumbakonam  
26<sup>th</sup> May, 2023



**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2023**

(₹ in thousands)

	SCHEDULE No.	YEAR ENDED 31.03.2023	YEAR ENDED 31.03.2022
<b>I INCOME</b>			
Interest Earned	13	4714,33,71	4104,77,85
Other Income	14	810,35,93	759,08,44
<b>Total</b>		<b>5524,69,64</b>	<b>4863,86,29</b>
<b>II EXPENDITURE</b>			
Interest Expended	15	2551,54,07	2188,29,05
Operating Expenses	16	1155,17,62	1080,26,14
Provisions and Contingencies		880,50,00	835,14,59
<b>Total</b>		<b>4587,21,69</b>	<b>4103,69,78</b>
<b>III PROFIT / LOSS</b>			
Net Profit / loss(-) for the year		937,47,95	760,16,51
Profit / loss (-) brought forward		99,42,12	61,45,45
<b>Total</b>		<b>1036,90,07</b>	<b>821,61,96</b>
<b>IV APPROPRIATIONS</b>			
- Transfer to Statutory Reserves		250,00,00	200,00,00
- Transfer to Capital Reserve		3,86,41	4,25,73
- Transfer to General Reserve		480,00,00	405,00,00
- Investment Reserve Account		40,00,00	1,00,00
- Transfer to Special Reserve under IT Act, 1961		80,00,00	75,00,00
- Dividend paid		73,95,85	36,94,11
- Dividend Tax paid		0	0
- Balance carried over to Balance Sheet		109,07,81	99,42,12
<b>Total</b>		<b>1036,90,07</b>	<b>821,61,96</b>

ESG  
Report

Statutory  
Reports

Financial  
Statements

List of  
Branches

Basel III

**K. JAYARAMAN**  
General Manager

**J. SADAGOPAN**  
Chief Financial Officer

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MD & CEO

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**G. MAHALINGAM**

For **Jagannathan & Sarabeswaran**  
Chartered Accountants  
(Firm No. 001204S)

**CA Vivek Sarabeswaran**  
Partner  
M.No. : 206383  
UDIN : 23206383BGPZKD9813

For **M/s. K. Gopal Rao & Co.,**  
Chartered Accountants  
(Firm No. 000956S)

**CA B. Meera Gopalan**  
Partner  
M.No. : 029471  
UDIN : 23029471BGYVJ16717

Kumbakonam  
26<sup>th</sup> May, 2023



**SCHEDULES FORMING PART OF THE ACCOUNTS**

(₹ in thousands)

	AS ON 31.03.2023	AS ON 31.03.2022
<b>SCHEDULE - 1 CAPITAL</b>		
Authorised Capital (100,00,00,000 equity shares of ₹1/- each)	<u>100,00,00</u>	<u>100,00,00</u>
Issued Capital (74,04,16,385 / 73,95,84,913 equity shares of ₹1/- each)	<u>74,04,16</u>	<u>73,95,85</u>
Subscribed and Paid-up Capital (74,04,16,385 / 73,95,84,913 equity shares of ₹1/- each)	74,04,16	73,95,85
Called-Up-Capital (74,04,16,385 / 73,95,84,913 equity shares of ₹1/- each)	74,04,16	73,95,85
Less: Calls unpaid	Nil	Nil
Add: Forfeited shares	74,04,16	73,95,85
<b>Total</b>	<u>74,04,16</u>	<u>73,95,85</u>
<b>SCHEDULE - 2 RESERVES AND SURPLUS</b>		
I. Statutory Reserves		
Opening Balance	1776,00,00	1576,00,00
Additions during the year	250,00,00	200,00,00
Deductions during the year	Nil	Nil
	<u>2026,00,00</u>	<u>1776,00,00</u>
II. Capital Reserves		
Opening Balance	315,76,09	311,50,36
Additions during the year	3,86,41	4,25,73
Deductions during the year	Nil	Nil
	<u>319,62,50</u>	<u>315,76,09</u>
III. Share Premium		
Opening Balance	893,88,49	887,17,60
Additions during the year	7,90,07	6,70,89
Deductions during the year	Nil	Nil
	<u>901,78,56</u>	<u>893,88,49</u>
IV. Revenue and Other Reserves		
i) General Reserve		
Opening Balance	2836,50,00	2418,28,00
Additions during the year	480,00,00	418,22,00
Deductions during the year	Nil	Nil
	<u>3316,50,00</u>	<u>2836,50,00</u>
ii) Investment Reserve Account		
Opening Balance	34,17,99	33,17,99
Additions during the year	40,00,00	1,00,00
Deductions during the year	Nil	Nil
	<u>74,17,99</u>	<u>34,17,99</u>

**SCHEDULES FORMING PART OF THE ACCOUNTS (Contd.)**

(₹ in thousands)

	AS ON 31.03.2023	AS ON 31.03.2022
iii) Special Reserve u/s 36(1)(viii) of Income Tax Act, 1961		
Opening Balance	556,00,00	481,00,00
Additions during the year	80,00,00	75,00,00
Deductions during the year	Nil	Nil
	<b>636,00,00</b>	<b>556,00,00</b>
V. Balance in Profit and Loss Account	<b>109,07,81</b>	<b>99,42,12</b>
<b>Total</b>	<b>7383,16,86</b>	<b>6511,74,69</b>
<b>SCHEDULE - 3 DEPOSITS</b>		
A I. Demand Deposits		
i) From Banks	27,80	1,05,40
ii) From Others	<b>4763,42,59</b>	<b>4618,20,87</b>
II. Savings Bank Deposits	<b>10893,18,88</b>	10910,10,05
III. Term Deposits		
i) From Banks	209,31,83	47,08,50
ii) From Others	<b>36531,64,70</b>	<b>32113,22,16</b>
<b>Total (I, II &amp; III)</b>	<b>52397,85,80</b>	<b>47689,66,98</b>
B i) Deposits of Branches in India	<b>52397,85,80</b>	47689,66,98
ii) Deposits of Branches outside India	Nil	Nil
<b>Total</b>	<b>52397,85,80</b>	<b>47689,66,98</b>
<b>SCHEDULE - 4 BORROWINGS</b>		
I. Borrowings in India		
i) Reserve Bank of India	Nil	Nil
ii) Other Banks	Nil	Nil
iii) Other Institutions and Agencies	<b>4482,66,99</b>	5311,82,36
iv) Subordinated Debt	Nil	Nil
II. Borrowings from outside India	<b>205,42,50</b>	Nil
<b>Total (I &amp; II)</b>	<b>4688,09,49</b>	<b>5311,82,36</b>
III. Secured Borrowings included in (I & II) above	<b>2611,86,99</b>	2634,86,36

ESG  
Report

Statutory  
Reports

Financial  
Statements

List of  
Branches

Basel III

**SCHEDULES FORMING PART OF THE ACCOUNTS (Contd.)**

(₹ in thousands)

	AS ON 31.03.2023	AS ON 31.03.2022
<b>SCHEDULE - 5 OTHER LIABILITIES &amp; PROVISIONS</b>		
I. Bills Payable	372,14,28	474,97,84
II. Inter-Office Adjustments (Net)	Nil	Nil
III. Interest Accrued	283,01,30	218,44,57
IV. Others (including Provisions)	1396,24,31	1250,29,18
<b>Total</b>	<b>2051,39,89</b>	<b>1943,71,59</b>
<b>SCHEDULE - 6 CASH AND BALANCES WITH RESERVE BANK OF INDIA</b>		
I Cash in Hand (including Foreign Currency Notes)	691,31,84	822,98,14
II Balances with Reserve Bank of India		
i) In Current Accounts	2400,04,12	1900,11,54
ii) In Other Accounts	211,00,00	242,00,00
<b>Total (I and II)</b>	<b>3302,35,96</b>	<b>2965,09,68</b>
<b>SCHEDULE - 7 BALANCES WITH BANKS AND MONEY AT CALL AND SHORT NOTICE</b>		
I. In India		
i) Balances with Banks		
a) In Current Accounts	28,67,17	23,01,00
b) In Other Deposit Accounts	10,00,00	18,00,00
	38,67,17	41,01,00
ii) Money at Call and Short notice		
a) With Banks	Nil	Nil
b) With Other Institutions	Nil	Nil
<b>Total</b>	<b>38,67,17</b>	<b>41,01,00</b>
II. Outside India		
i) In Current Accounts	5,00,96	4,88,68
ii) In other Deposit Accounts	3303,23,40	3675,93,63
iii) Money at call and short notice	Nil	Nil
<b>Total</b>	<b>3308,24,36</b>	<b>3680,82,31</b>
<b>Grand Total (I and II)</b>	<b>3346,91,53</b>	<b>3721,83,31</b>

**SCHEDULES FORMING PART OF THE ACCOUNTS (Contd.)**

(₹ in thousands)

	AS ON 31.03.2023	AS ON 31.03.2022
<b>SCHEDULE - 8 INVESTMENTS</b>		
I. Investments in India in		
i) Government Securities	14246,49,36	12130,89,23
ii) Other Approved Securities	Nil	Nil
iii) Shares	5,28,44	3,43,51
iv) Debentures and Bonds	80,33,87	58,87,77
v) Subsidiaries / Joint Ventures	Nil	Nil
vi) Others (Security Receipts & Mutal Funds)	29,37	27,80,18
<b>Inside India Total</b>	<b>14332,41,04</b>	<b>12221,00,69</b>
Gross Investments in India	14359,96,07	12294,04,54
Less : Provision for Investment Depreciation	24,00,66	69,49,48
Less : Provision for Non Performing Investments	3,54,37	3,54,37
<b>Net Investments in India</b>	<b>14332,41,04</b>	<b>12221,00,69</b>
II. Investments outside India in		
i) Government Securities (Incl. local authorities)	Nil	Nil
ii) Subsidiaries and/ or joint ventures abroad	Nil	Nil
iii) Other Investments (SWIFT Share)	21,78	21,78
<b>Outside India Total</b>	<b>21,78</b>	<b>21,78</b>
<b>Grand Total (I +II)</b>	<b>14332,62,82</b>	<b>12221,22,47</b>
<b>SCHEDULE - 9 ADVANCES</b>		
A. i) Bills Purchased and Discounted	175,66,46	218,35,28
ii) Cash Credits,Overdrafts and Loans repayable on Demand	27383,85,65	24755,32,03
iii) Term Loans	15493,82,46	15384,79,51
<b>Total</b>	<b>43053,34,57</b>	<b>40358,46,82</b>
B. i) Secured by Tangible Assets (includes Advances against Book Debts)	42812,90,99	39971,65,24
ii) Covered by Bank / Government Guarantees	4	119,01,30
iii) Unsecured	240,43,54	267,80,28
<b>Total</b>	<b>43053,34,57</b>	<b>40358,46,82</b>

ESG  
Report

Statutory  
Reports

Financial  
Statements

List of  
Branches

Basel III



**SCHEDULES FORMING PART OF THE ACCOUNTS (Contd.)**

(₹ in thousands)

	AS ON 31.03.2023	AS ON 31.03.2022
C. I. Advances in India		
i) Priority Sector	28029,46,68	25484,07,94
ii) Public Sector	75,47,68	119,01,30
iii) Banks	25,00,52	Nil
iv) Others	14923,39,69	14755,37,58
<b>Total</b>	<b>43053,34,57</b>	<b>40358,46,82</b>
II. Advances outside India	Nil	Nil
<b>Grand Total</b>	<b>43053,34,57</b>	<b>40358,46,82</b>
<b>SCHEDULE - 10 FIXED ASSETS</b>		
I. Premises		
i) At Cost as at 31 <sup>st</sup> March of the preceding year	66,61,72	68,40,36
ii) Additions during the year	Nil	1,10,51
iii) Deductions during the year	Nil	2,89,15
<b>Total</b>	<b>66,61,72</b>	<b>66,61,72</b>
iv) Depreciation to date	14,48,03	13,85,00
<b>Total</b>	<b>52,13,69</b>	<b>52,76,72</b>
II. Other Fixed Assets (including Furniture and Fixtures)		
i) At Cost as at 31 <sup>st</sup> March of the preceding year	793,81,65	729,04,84
ii) Additions during the year	103,57,63	75,99,61
<b>Total</b>	<b>897,39,28</b>	<b>805,04,45</b>
iii) Deductions / Adjustments during the year	25,10,82	11,22,80
<b>Total</b>	<b>872,28,46</b>	<b>793,81,65</b>
iv) Depreciation to date	685,09,63	631,92,91
<b>Total</b>	<b>187,18,83</b>	<b>161,88,74</b>
<b>Grand Total</b>	<b>239,32,52</b>	<b>214,65,46</b>

**SCHEDULES FORMING PART OF THE ACCOUNTS (Contd.)**

(₹ in thousands)

	AS ON 31.03.2023	AS ON 31.03.2022
<b>SCHEDULE - 11 OTHER ASSETS</b>		
I. Inter office Adjustments	Nil	Nil
II. Interest accrued	166,01,40	141,23,35
III. Tax paid in advance / Tax deducted at source	1109,34,90	1045,01,46
IV. Stationery and Stamps	66,43	58,75
V. Non-Banking assets acquired in satisfaction of claims	Nil	Nil
VI. Others	1043,96,07	862,80,17
<b>Total</b>	<b>2319,98,80</b>	<b>2049,63,73</b>
<b>SCHEDULE - 12 CONTINGENT LIABILITIES</b>		
I. Claims against the Bank not acknowledged as Debts	5,59,68	8,24,40
II. Liability for Partly Paid Investments	Nil	Nil
III. Liability on account of outstanding Forward Exchange Contracts	8322,01,42	7444,77,76
IV. Guarantees given on behalf of Constituents		
- In India	1573,28,63	1413,49,48
- Outside India	13,14,23	15,39,34
V. Acceptances, endorsements and other obligations	274,01,15	350,78,28
VI. Other items for which the Bank is contingently liable	75,60,78	63,03,77
<b>Total</b>	<b>10263,65,89</b>	<b>9295,73,03</b>

ESG  
Report

Statutory  
Reports

Financial  
Statements

List of  
Branches

Basel III

(₹ in thousands)

	YEAR ENDED 31.03.2023	YEAR ENDED 31.03.2022
<b>SCHEDULE - 13 INTEREST EARNED</b>		
I. Interest / Discount on Advances / Bills	3800,90,30	3453,98,85
II. Income on Investments	835,13,93	630,50,72
III. Interest on Balances with Reserve Bank of India and other Inter-Bank funds	74,99,51	15,96,78
IV. Others	3,29,97	4,31,50
<b>Total</b>	<b>4714,33,71</b>	<b>4104,77,85</b>

**SCHEDULES FORMING PART OF THE ACCOUNTS (Contd.)**

(₹ in thousands)

	YEAR ENDED 31.03.2023	YEAR ENDED 31.03.2022
<b>SCHEDULE - 14 OTHER INCOME</b>		
I. Commission, Exchange and Brokerage	63,14,78	54,96,97
II. Profit on sale of Investments	9,46,97	63,97,67
Less: Loss on sale of Investments	(1,83,76)	(1,87,72)
<b>Net sale of Investments</b>	<b>7,63,21</b>	<b>62,09,95</b>
III. Profit on revaluation of investments	Nil	Nil
Less: Loss on revaluation of Investments	(35,50,00)	(10,77,67)
<b>Net Revaluation on Investments</b>	<b>(35,50,00)</b>	<b>(10,77,67)</b>
IV. Profit on sale of Land,Bldgs and other assets	1,12,28	86,92
Less : Loss on sale of Land, Bldgs and other assets	(99,63)	(72,76)
<b>Net sale of Land, Bldgs and other assets</b>	<b>12,65</b>	<b>14,16</b>
V. Profit on Exchange transactions	971,02,53	802,39,03
Less :Loss on Exchange transactions	(819,42,37)	(607,64,80)
<b>Net Exchange transactions</b>	<b>151,60,16</b>	<b>194,74,23</b>
VI. Income earned by way of dividends etc. from subsidiaries, companies and / or joint ventures abroad / in India	Nil	Nil
VII. Miscellaneous Income	623,35,13	457,90,80
<b>Total</b>	<b>810,35,93</b>	<b>759,08,44</b>
<b>SCHEDULE - 15 INTEREST EXPENDED</b>		
I. Interest on Deposits	2280,46,25	2119,69,20
II. Interest on RBI / Inter-Bank Borrowings	183,27,41	48,09,31
III. Others	87,80,41	20,50,54
<b>Total</b>	<b>2551,54,07</b>	<b>2188,29,05</b>
<b>SCHEDULE - 16 OPERATING EXPENSES</b>		
I. Payments to and Provision for Employees	530,37,28	503,59,51
II. Rent, Taxes and Lighting	142,03,48	125,67,77
III. Printing and Stationery	18,27,50	10,95,39
IV. Advertisement and Publicity	15,27,94	13,83,22
V. Depreciation on Bank's Property	72,85,22	85,02,11
VI. Directors' Fees, Allowances and Expenses	2,00,48	1,83,84
VII. Auditors' Fees and Expenses(including Branch Auditors fees & expenses)	3,13,76	2,29,92
VIII. Law Charges	52,59	56,90
IX. Postage, Telegrams, Telephone, etc.	26,34,00	28,93,99
X. Repairs and Maintenance	115,00,36	107,22,99
XI. Insurance	63,32,47	58,68,84
XII. Other Expenditure	166,02,54	141,61,66
<b>Total</b>	<b>1155,17,62</b>	<b>1080,26,14</b>

## NOTES ON ACCOUNTS

### 1. REGULATORY CAPITAL

#### a) Composition of Regulatory Capital:

(₹ in crore)

Sl. No.	Particulars	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2022
		Basel III	Basel III
i)	Common Equity Tier 1 capital (CET 1)	7180.72	6316.44
ii)	Additional Tier 1 capital/ Other Tier 1 capital	--	--
iii)	Tier 1 capital (i + ii)	7180.72	6316.44
iv)	Tier 2 capital	360.30	341.31
v)	Total capital (Tier 1+Tier 2)	7541.02	6657.75
vi)	Total Risk Weighted Assets (RWAs)	33749.83	31929.15
vii)	CET 1 Ratio (%)	21.27%	19.78%
viii)	Tier 1 Ratio (%)	21.27%	19.78%
ix)	Tier 2 Ratio (%)	1.07%	1.07%
x)	Capital to Risk Weighted Assets Ratio (CRAR) (%)	22.34%	20.85%
xi)	Leverage Ratio (%)	10.40%	9.93%
xii)	Percentage of the shareholding of		
	a) Government of India	NA	NA
	b) State Government		
	c) Sponsor Bank		
xiii)	Amount of paid-up equity capital raised during the year*	0.08	0.08
xiv)	Amount of non-equity Tier 1 capital raised during the year	0.00	0.00
xv)	Amount of Tier 2 capital raised during the year	0.00	0.00

\* During the year 2022-23, the Bank has allotted 8,31,472 (PY 7,62,802) equity shares aggregating to ₹ 7.98 cr (P.Y. ₹ 6.79 cr) pursuant to exercise of options under ESOP.

#### b) Drawn down from Reserves:

The Bank has not drawn any amount from Reserves during the year.

ESG  
Report

Statutory  
Reports

Financial  
Statements

List of  
Branches

Basel III

## 2. ASSET LIABILITY MANAGEMENT

### a. Maturity Pattern of certain items of Assets and Liabilities - 31<sup>st</sup> March, 2023

(₹ in crore)

Period	Deposits	Advances	Investments	Borrowings	Foreign Currency Assets	Foreign Currency Liabilities
1 Day	754.70	678.43	5747.13	0.00	7.54	9.43
2 to 7 days	1655.53	2371.86	657.08	2621.87	278.32	178.92
8 to 14 days	1578.09	1398.70	294.41	164.34	178.74	167.79
15 to 30 Days	602.00	835.48	126.22	1000.00	2387.80	2255.26
31 days to 60 days	1515.90	1274.28	336.39	41.08	160.90	62.12
61 days to 90 days	1756.79	1347.77	322.34	0.00	959.82	893.90
Over 3 months & upto 6 months	2820.65	3535.54	506.23	0.00	1584.18	1523.55
Over 6 months & upto 1 year	5016.54	6996.87	901.91	46.47	487.48	588.14
Over 1 year & upto 3 years	34248.19	18055.19	4938.59	814.33	159.84	255.46
Over 3 years & upto 5 years	1773.78	3633.30	326.56	0.00	266.71	528.57
Over 5 years	675.69	2925.93	175.77	0.00	15.69	0.00
<b>Total</b>	<b>52397.86</b>	<b>43053.35</b>	<b>14332.63</b>	<b>4688.09</b>	<b>6487.02</b>	<b>6463.14</b>

The above classification has been made on the basis of the guidelines of RBI and certain assumptions made by management and have been relied upon by auditors.

### b. Liquidity Coverage ratio (LCR)

Liquidity Coverage Ratio has been prescribed by RBI based on LCR Standards published by BCBS. The LCR promotes short term resilience of banks to potential liquidity disruptions by ensuring that they have sufficient High Quality Liquid Assets (HQLAs) to survive an acute stress scenario in the immediate 30 days period.

LCR is defined as

$$\frac{\text{Stock of High Quality Liquid Assets (HQLA)}}{\text{Total net cash outflows over the next 30 calendar days}} \geq 100\%$$

The LCR standard aims to ensure that a bank maintains an adequate level of unencumbered HQLAs that can be converted into cash to meet its liquidity needs for the next 30 days period under a significantly severe liquidity stress scenario specified by RBI.

While the BCBS specifies a ratio of minimum 100 % for all banks, RBI has made a graduated increase from 60 % to attain 100 % by 2019 as given in the schedule below:

Minimum LCR	January 1, 2015	January 1, 2016	January 1, 2017	January 1, 2018	January 1, 2019
	60%	70%	80%	90%	100%

As part of the COVID-19 financial measures by RBI, the LCR requirement for Scheduled Commercial Bank was brought down from 100% to 80% from 17.04.2020. The requirement was gradually restored back in two phases - back to 90% in October 1, 2020 and 100% with effect from April 1, 2021.

The main driver of the LCR is HQLA which consists of Cash in hand, Excess CRR balance as on that particular day, Government Securities in excess of minimum SLR requirement, Government Securities within the mandatory SLR requirement to the extent allowed by RBI under MSF (Presently to the extent of 2.00% of NDTL as allowed for MSF), Facility to avail liquidity for liquidity coverage ratio at 15.00% of NDTL, Marketable securities representing claims on or claims guaranteed by sovereigns, PSEs or multilateral development banks that are assigned a 20% risk weight under the Basel II standardized approach for credit risk and

provided that they are not issued by a Bank/financial institution/NBFC or any of its affiliated entities, Marketable securities representing claims on or claims guaranteed by sovereigns having risk weights higher than 20% but not higher than 50%, Common equity shares not issued by a Bank/Financial institution/NBFC or any of its affiliated entities and included in NSE CNX Nifty and / or S & P BSE Sensex indices.

The Bank has a well-diversified funding portfolio. Retail deposits, considered as stable is the major funding source of the Bank, indicating lower dependence of the Bank on wholesale funds.

The Liquidity risk management in the Bank is guided by the ALM Policy. The Bank's Liquidity management is centralized at Treasury department as per the directions of ALCO.

ESG  
Report

Statutory  
Reports

Financial  
Statements

List of  
Branches

Basel III





LCR Disclosure Template

(₹ in crore)

	Current year for the Quarter ended								Previous Year *	
	March - 23		December - 22		September - 22		June - 22		March - 22	
	Total Unweighted Value (Avg)	Total Weighted Value (Avg)	Total Unweighted Value (Avg)	Total Weighted Value (Avg)	Total Unweighted Value (Avg)	Total Weighted Value (Avg)	Total Unweighted Value (Avg)	Total Weighted Value (Avg)	Total Unweighted Value (Avg)	Total Weighted Value (Avg)
<b>High Quality Liquid Assets</b>										
1. Total High Quality Liquid Assets (HQLA)	11497.14		12184.50		11348.54		10248.93		9812.13	
<b>Cash Outflows</b>										
2. Retail Deposits and deposits from small business customers, of which:	33874.13	2711.41	32987.92	2634.40	32591.38	2599.15	32323.19	2571.13	31801.95	2523.39
(i) Stable Deposits	13520.10	676.01	13287.91	664.40	13199.74	659.99	13223.79	661.19	13136.18	656.81
(ii) Unstable Deposits	20354.03	2035.40	19700.01	1970.00	19391.64	1939.16	19099.40	1909.94	18665.77	1866.58
3. Unsecured Wholesale funding	5818.65	2244.74	5469.04	2084.08	5499.90	1949.25	5414.42	2047.24	5258.36	2071.37
(i) Operational Deposits (all counterparties)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(ii) Non operational deposits (all counterparties)	5818.65	2244.74	5469.04	2084.08	5499.90	1949.25	5414.42	2047.24	5258.36	2071.37
(iii) Unsecured debt	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4. Secured Wholesale funding	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5. Additional requirements	5392.04	651.86	4783.39	447.71	5319.52	773.80	5252.42	820.59	4901.41	472.02
(i) Outflows related to derivative exposures and derivative exposures and other collateral requirements	298.65	298.65	128.78	128.78	434.55	434.55	498.66	498.66	139.60	139.60
(ii) Outflows related to loss of funding on debt products	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(iii) Credit and liquidity facilities	5093.39	353.21	4654.61	318.93	4884.97	339.25	4753.76	321.93	4761.81	332.42
6. Other Contractual Funding Obligations	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7. Other Contingent funding Obligations	1784.22	53.53	1741.80	52.25	1736.87	52.11	1792.39	53.77	1800.73	54.02
8. TOTAL CASH OUTFLOWS	46869.04	5661.54	44982.15	5218.44	45147.67	5374.31	44782.42	5492.73	43762.45	5120.80
<b>Cash Inflows</b>										
9. Secured Lending	262.41	131.21	253.03	126.52	259.91	129.96	447.04	223.52	1241.63	620.82
10. Inflows from fully performing exposures	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
11. Other Cash Inflows	539.68	539.68	284.01	284.01	515.59	515.59	637.48	637.48	182.67	182.67
12. Total Cash Inflows	802.09	670.89	537.04	410.53	775.50	645.55	1084.52	861.00	1424.30	803.49
	Total adjusted value		Total adjusted value		Total adjusted value		Total adjusted value		Total adjusted value	
13. TOTAL HQLA	11497.14		12184.50		11348.54		10248.93		9812.13	
14. TOTAL NET CASH OUTFLOWS	4990.65		4807.91		4728.76		4631.73		4317.31	
15. LIQUIDITY COVERAGE RATIO (%)	230.37%		253.43%		239.99%		221.28%		227.27%	

\* Average of January 2022 - March 2022 alone furnished as applicable to previous year

**c. Net Stable Funding ratio (NSFR)**

RBI vide its draft circular dated May 28, 2015 has prescribed norms for introduction of Net Stable Funding Ratio (NSFR). Net Stable Funding Ratio (NSFR) for funding liquidity is prescribed by the Basel Committee for achieving two separate but complementary objectives. The LCR promotes short-term resilience of banks to potential liquidity disruptions by ensuring that they have sufficient high quality liquid assets (HQLAs) to survive an acute stress scenario lasting for 30 days.

The final guidelines on "Net Stable Funding Ratio (NSFR)" under the Basel III Framework on Liquidity Standards was issued by RBI on May 17, 2018. However, due to the Covid-19 outbreak, RBI on various dates has extended the implementation of NSFR guidelines. As per RBI circular on 05.02.2021,

the NSFR guidelines have been implemented from 01.10.2021.

The NSFR guidelines ensure reduction in funding risk over a longer time horizon by requiring banks to fund their activities with sufficiently stable sources of funding in order to mitigate the risk of future funding stress. It promotes resilience over a longer-term time horizon by requiring banks to fund their activities with more stable sources of funding on an ongoing basis. The NSFR is defined as the amount of available stable funding relative to the amount of required stable funding. The Bank is maintaining NSFR of above 100%, which is the minimum requirement prescribed by RBI.

$$\text{Net Stable Funding Ratio} = \frac{\text{Available Stable funding (ASF)}}{\text{Required stable funding (RSF)}} \geq 100\%$$

ESG  
Report

Statutory  
Reports

Financial  
Statements

List of  
Branches

Basel III

(₹ in crore)

	NSFR Disclosure 31.03.2023					NSFR Disclosure 31.12.2022					
	Un - weighted value by residual maturity				Weighted value	Un - weighted value by residual maturity				Weighted value	
	No maturity	< 6 months	6 months to < 1yr	≥1yr		No maturity	< 6 months	6 months to < 1yr	≥1yr		
<b>ASF Item</b>						<b>ASF Item</b>					
1. Capital: (2+3)	7541.02	0.00	0.00	15637.70	23178.72	6657.79	0.00	0.00	11285.65	17943.44	
2. Regulatory capital	7541.02	-	-	-	7541.02	6657.79	-	-	-	6657.79	
3. Other capital instruments	-	-	-	15637.70	15637.70	-	-	-	11285.65	11285.65	
4. Retail deposits and deposits from small business customers: (5+6)	12205.22	8046.37	6581.42	0.00	24765.77	11651.06	8163.44	8612.57	0.00	26216.94	
5. Stable deposits	7187.90	2418.42	2715.10	-	11705.34	6925.17	2248.10	3478.21	-	12018.91	
6. Less stable deposits	5017.32	5627.95	3866.32	-	13060.43	4725.89	5915.34	5134.36	-	14198.03	
7. Wholesale funding: (8+9)	3404.41	2502.03	3223.97	0.00	4565.21	2895.68	2311.08	3715.40	0.00	4461.08	
8. Operational deposits	-	-	0.00	-	0.00	-	-	0.00	-	0.00	
9. Other wholesale funding	3404.41	2502.03	3223.97	-	4565.21	2895.68	2311.08	3715.40	-	4461.08	
10. Other liabilities: (11+12)	7452.42	0.00	0.00	0.00	0.00	9492.92	0.00	0.00	0.00	0.00	
11. NSFR derivative liabilities	-	0.00	0.00	0.00	0.00	-	-	-	-	-	
12. All other liabilities and equity not included in the above categories	7453.03	-	-	-	0.00	9492.92	-	-	-	0.00	
13. Total ASF (1+4+7+10)	-	-	-	-	52509.71	-	-	-	-	48621.46	
<b>RSF Item</b>						<b>RSF Item</b>					
14. Total NSFR high-quality liquid assets (HQLA)	-	-	-	-	720.26	-	-	-	-	720.13	
15. Deposits held at other financial institutions for operational purposes	-	-	-	-	-	-	-	-	-	-	
16. Performing loans and securities: (17+18+19+21+23)	0.00	15384.92	12202.92	2175.67	15173.63	0.00	15565.94	11538.04	2082.85	14850.96	
17. Performing loans to financial institutions secured by Level 1 HQLA	-	-	-	-	0.00	-	-	-	-	-	
18. Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	-	98.49	41.01	-	35.28	-	156.79	48.90	-	47.97	
19. Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks, and PSEs, of which:	-	15286.43	12161.91	-	13724.17	-	15409.15	11489.14	-	13449.14	
20. With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	-	-	2360.45	1534.29	-	-	-	2534.51	1647.43	
21. Performing residential mortgages, of which:	-	-	-	2175.67	1414.18	-	-	-	2082.85	1353.85	
22. With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	-	-	11783.58	10016.05	-	-	-	10323.94	8775.35	
23. Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	-	-	-	-	0.00	-	-	-	-	0.00	

(₹ in crore)

	NSFR Disclosure 31.03.2023					NSFR Disclosure 31.12.2022				
	Un - weighted value by residual maturity				Weighted value	Un - weighted value by residual maturity				Weighted value
	No maturity	< 6 months	6 months to < 1yr	≥1yr		No maturity	< 6 months	6 months to < 1yr	≥1yr	
<b>24. Other assets: (sum of rows 25 to 29)</b>	<b>3746.53</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>4246.74</b>	<b>3796.96</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>4928.30</b>
25. Physical traded commodities, including gold	-	-	-	-	0.00	-	-	-	-	0.00
26. Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs	3674.73	-	-	-	3123.52	3656.80	-	-	-	3108.28
27. NSFR derivative assets	15.42	-	-	-	15.42	0.00	-	-	-	0.00
28. NSFR derivative liabilities before deduction of variation margin posted	56.38	-	-	-	2.82	140.16	-	-	-	7.01
29. All other assets not included in the above categories	-	-	-	-	1104.98	-	-	-	-	1813.01
30. Off-balance sheet items	529.76	-	-	-	15.89	597.41	-	-	-	17.92
31. Total RSF	-	-	-	-	31706.86	-	-	-	-	30940.09
32. Net Stable Funding Ratio (%)	-	-	-	-	165.61	-	-	-	-	157.15

ESG Report

Statutory Reports

Financial Statements

List of Branches

Basel III

(₹ in crore)

	NSFR Disclosure 30.09.2022					NSFR Disclosure 30.06.2022					
	Un - weighted value by residual maturity				Weighted value	Un - weighted value by residual maturity				Weighted value	
	No maturity	< 6 months	6 months to < 1yr	≥1yr		No maturity	< 6 months	6 months to < 1yr	≥1yr		
<b>ASF Item</b>						<b>ASF Item</b>					
1. Capital: (2+3)	6656.37	0.00	0.00	8726.80	15383.17	6642.92	0.00	0.00	8987.27	15630.19	
2. Regulatory capital	6656.37	-	-	0.00	6656.37	6642.92	0.00	0.00	0.00	6642.92	
3. Other capital instruments	0.00	-	-	8726.80	8726.80	0.00	0.00	0.00	8987.27	8987.27	
4. Retail deposits and deposits from small business customers: (5+6)	12136.47	9110.10	8892.53	0.00	27775.33	11594.25	9549.63	8167.46	0.00	27021.33	
5. Stable deposits	6934.90	2412.37	3655.83	0.00	12352.94	6754.00	2640.07	3428.52	0.00	12181.46	
6. Less stable deposits	5201.57	6697.73	5236.70	0.00	15422.39	4840.25	6909.56	4738.94	0.00	14839.87	
7. Wholesale funding: (8+9)	3381.77	2239.68	4501.43	0.00	5061.44	3477.91	2581.19	3704.49	0.00	4881.79	
8. Operational deposits	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
9. Other wholesale funding	3381.77	2239.68	4501.43	0.00	5061.44	3477.91	2581.19	3704.49	0.00	4881.79	
10. Other liabilities: (11+12)	8749.74	0.00	0.00	0.00	0.00	7524.59	0.00	0.00	0.00	0.00	
11. NSFR derivative liabilities	0.00				0.00	0.00				0.00	
12. All other liabilities and equity not included in the above categories	8749.74				0.00	7524.59				0.00	
13. Total ASF (1+4+7+10)					48219.94					47533.31	
<b>RSF Item</b>						<b>RSF Item</b>					
14. Total NSFR high-quality liquid assets (HQLA)					732.80				-	685.83	
15. Deposits held at other financial institutions for operational purposes	-	-	-	-	-	-	-	-	-	-	
16. <b>Performing loans and securities: (17+18+19+21+23)</b>	<b>0.00</b>	<b>15880.13</b>	<b>11059.43</b>	<b>2214.40</b>	<b>14868.45</b>	<b>0.00</b>	<b>15389.82</b>	<b>11183.61</b>	<b>1830.85</b>	<b>14445.98</b>	
17. Performing loans to financial institutions secured by Level 1 HQLA	-	-	-	-	-	-	-	-	0.00	0.00	
18. Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	-	116.27	104.02	-	69.45	-	87.93	62.77	0.00	44.57	
19. Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks, and PSEs, of which:	-	15763.86	10955.41	-	13359.64	-	15301.89	11120.84	0.00	13211.36	
20. With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	-	-	2513.66	1633.88	-	-	-	2816.90	1830.99	
21. Performing residential mortgages, of which:	-	-	-	2214.40	1439.36	-	-	-	1830.85	1190.05	
22. With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	-	-	9702.76	8247.35	-	-	-	8869.24	7538.85	
23. Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	-	-	-	-	-	-	-	-	-	0.00	

(₹ in crore)

	NSFR Disclosure 30.09.2022					NSFR Disclosure 30.06.2022				
	Un - weighted value by residual maturity				Weighted value	Un - weighted value by residual maturity				Weighted value
	No maturity	< 6 months	6 months to < 1yr	≥1yr		No maturity	< 6 months	6 months to < 1yr	≥1yr	
<b>24. Other assets: (sum of rows 25 to 29)</b>	<b>4162.64</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>4606.86</b>	<b>4160.14</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>4731.07</b>
25. Physical traded commodities, including gold	-	-	-	-	0.00	0.00	-	-	-	0.00
26. Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs	4027.14	-	-	-	3423.07	4065.69	-	-	-	3455.84
27. NSFR derivative assets	-	-	-	-	0.00	0.00	-	-	-	0.00
28. NSFR derivative liabilities before deduction of variation margin posted	135.50	-	-	-	6.78	94.45	-	-	-	4.72
29. All other assets not included in the above categories	-	-	-	-	1177.01	-	-	-	-	1270.51
30. Off-balance sheet items	582.66	-	-	-	17.48	470.66	-	-	-	14.12
31. Total RSF	-	-	-	-	30106.82	-	-	-	-	29246.84
32. Net Stable Funding Ratio (%)	-	-	-	-	160.16	-	-	-	-	162.52

ESG Report

Statutory Reports

Financial Statements

List of Branches

Basel III

### 3. INVESTMENTS

#### a) Composition of Investment Portfolio as on 31.03.2023

(₹ in crore)

Particulars	Investments in India							Investments outside India				Total Investments
	Government Securities	Other Approved Securities	Shares	Debentures and Bonds	Subsidiaries and/or joint ventures	Others (SR & MF)	Total investments in India	Government Securities	Subsidiaries and/or joint ventures	Others*	Total investments outside India	
<b>Held to Maturity</b>												
Gross	11364.71	-	-	-	-	-	11364.71	-	-	-	-	11364.71
Less: Provision (NPI)	-	-	-	-	-	-	-	-	-	-	-	-
Net	11364.71	-	-	-	-	-	11364.71	-	-	-	-	11364.71
<b>Available for Sale</b>												
Gross	2903.12	-	7.21	83.54	-	1.38	2995.25	-	-	0.22	0.22	2995.47
Less: Provision for Depreciation	21.34	-	-	1.59	-	1.08	24.01	-	-	-	-	24.01
Less: Provision for non-performing investments (NPI)	-	-	1.93	1.61	-	-	3.54	-	-	-	-	3.54
Net	2881.78	-	5.28	80.34	-	0.30	2967.70	-	-	0.22	0.22	2967.92
<b>Held for Trading</b>												
Gross	-	-	-	-	-	-	-	-	-	-	-	-
Less: Provision for Depreciation	-	-	-	-	-	-	-	-	-	-	-	-
Less: Provision for non-performing investments (NPI)	-	-	-	-	-	-	-	-	-	-	-	-
Net	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Investments</b>												
Gross	14267.83	-	7.21	83.54	-	1.38	14359.96	-	-	0.22	0.22	14360.18
Less: Provision for Depreciation	21.34	-	-	1.59	-	1.08	24.01	-	-	-	-	24.01
Less: Provision for non-performing investments (NPI)	-	-	1.93	1.61	-	-	3.54	-	-	-	-	3.54
Net	14246.49	-	5.28	80.34	-	0.30	14332.41	-	-	0.22	0.22	14332.63

\* Investment in equity shares of SWIFT



Composition of Investment Portfolio as on 31.03.2022

(₹ in crore)

Particulars	Investments in India							Investments outside India				Total Investments
	Government Securities	Other Approved Securities	Shares	Debentures and Bonds	Subsidiaries and/or joint ventures	Others (Security Receipts)	Total investments in India	Government Securities	Subsidiaries and/or joint ventures	Others*	Total investments outside India	
<b>Held to Maturity</b>												
Gross	10608.01	-	-	1.85	-	-	10609.86	-	-	-	-	10609.86
Less: Provision (NPI)	-	-	-	-	-	-	-	-	-	-	-	-
Net	10608.01	-	-	1.85	-	-	10609.86	-	-	-	-	10609.86
<b>Available for Sale</b>												
Gross	1528.49	-	5.36	58.64	-	91.69	1684.18	-	-	0.22	0.22	1684.40
Less: Provision for Depreciation	5.61	-	-	-	-	63.89	69.50	-	-	-	-	69.50
Less: Provision for non-performing investments (NPI)	-	-	1.93	1.61	-	-	3.54	-	-	-	-	3.54
Net	1522.88	-	3.43	57.03	-	27.80	1611.14	-	-	0.22	0.22	1611.36
<b>Held for Trading</b>												
Gross	-	-	-	-	-	-	-	-	-	-	-	-
Less: Provision for Depreciation	-	-	-	-	-	-	-	-	-	-	-	-
Less: Provision for non-performing investments (NPI)	-	-	-	-	-	-	-	-	-	-	-	-
Net	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Investments</b>												
Gross	12136.50	-	5.36	60.49	-	91.69	12294.04	-	-	0.22	0.22	12294.26
Less: Provision for Depreciation	5.61	-	-	-	-	63.88	69.50	-	-	-	-	69.50
Less: Provision for non-performing investments (NPI)	-	-	1.93	1.61	-	-	3.54	-	-	-	-	3.54
Net	12130.89	-	3.43	58.88	-	27.80	12221.00	-	-	0.22	0.22	12221.22

\* Investment in equity shares of SWIFT

ESG Report

Statutory Reports

Financial Statements

List of Branches

Basel III

**b) Movement of Provisions for Depreciation and Investment Fluctuation Reserve**

(₹ in crore)

Sl. No.	Particulars	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2022
1)	Movement of provision held towards depreciation on Investments		
	(i) Opening Balance	69.50	85.14
	(ii) Add: Provision made during the year	39.10	8.50
	(iii) Less: Write-off / Write-back of excess provision during the year	84.59	24.14
	(iv) Closing Balance	24.01	69.50
2)	Movement of Investment Fluctuation Reserve		
	(i) Opening Balance	34.18	33.18
	(ii) Add: Amount transferred during the year	40.00	1.00
	(iii) Less: Drawdown	0.00	0.00
	(iv) Closing balance	74.18	34.18
3)	Closing balance in IFR as a percentage of closing balance of investments in AFS and HFT/Current category	2.49%	2.12%

**c) Sale and Transfers to / from HTM category:**

The value of sales and transfer of securities from HTM category after considering the exemptions allowed by RBI doesn't exceed 5 percent of the book value of investments held in HTM category at the beginning of the year. Hence no disclosure is required.

**d) Non-SLR investment portfolio:****i) Non - Performing Non - SLR Investments**

(₹ in crore)

Sl. No.	Particulars	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2022
a	Opening Balance	3.54	2.15
b	Additions during the year since 1 <sup>st</sup> April	0.00	1.61
c	Reductions during the above period	0.06	0.22
d	Closing Balance	3.48	3.54
e	Total provisions held	3.54	3.54

ii) Issuer Composition of Non-SLR Investments

(₹ in crore)

Sl. No. (1)	Issuer (2)	Amount (3)		Extent of Private Placement (4)		Extent of below "Investment Grade" Securities (5)		Extent of "Unrated Securities" (6)		Extent of "Unlisted Securities" (7)	
		Current year	Previous Year	Current year	Previous Year	Current year	Previous Year	Current year	Previous Year	Current year	Previous Year
a)	PSUs	4.45	3.60	4.29	3.60	Nil	Nil	Nil	Nil	3.60	3.60
b)	Financial Institutions	0.06	1.93	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c)	Banks	83.09	57.35	37.00	47.00	Nil	Nil	Nil	Nil	Nil	Nil
d)	Private Corporates	2.46	1.97	1.88	1.94	Nil	Nil	1.55	1.61	1.88	1.94
e)	Subsidiaries / Joint Ventures	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
f)	Others (Security Receipts / SWIFT Shares/CCIL Pref Shares)	2.29	92.91	2.29	92.91	Nil	Nil	Nil	Nil	2.29	92.91
	<b>Total</b>	<b>92.35</b>	<b>157.76</b>	<b>45.46</b>	<b>145.45</b>	<b>Nil</b>	<b>Nil</b>	<b>1.55</b>	<b>1.61</b>	<b>7.78</b>	<b>98.45</b>
g)	Less: Provision held towards depreciation (including NPI Provision)	6.21	67.43	-	-	-	-	-	-	-	-
	<b>Total</b>	<b>86.14</b>	<b>90.33</b>	<b>45.46</b>	<b>145.45</b>	<b>Nil</b>	<b>Nil</b>	<b>1.55</b>	<b>1.61</b>	<b>7.78</b>	<b>98.45</b>

ESG Report

Statutory Reports

Financial Statements

List of Branches

Basel III

e) Repo Transactions (in face value terms)

(₹ in crore)

Particulars	Minimum Outstanding during the year	Maximum Outstanding during the year	Daily Average Outstanding during the year	As at 31 <sup>st</sup> March 2023
Securities sold under RBI Repo				
a) Government Securities	55.29	1563.15	70.47	0.00
b) Corporate Debt Securities	Nil	Nil	Nil	Nil
c) Any other Securities	Nil	Nil	Nil	Nil
Securities purchased under RBI Reverse Repo				
a) Government Securities	67.95	401.35	292.62#	0.00
b) Corporate Debt Securities	Nil	Nil	Nil	Nil
c) Any other Securities	Nil	Nil	Nil	Nil

(₹ in crore)

Particulars	Minimum Outstanding during the year	Maximum Outstanding during the year	Daily Average Outstanding during the year	As at 31 <sup>st</sup> March 2023
Securities sold under Market Repo				
a) Government Securities	25.22	609.27	88.17	Nil
b) Corporate Debt Securities	Nil	Nil	Nil	Nil
c) Any other Securities	Nil	Nil	Nil	Nil
Securities purchased under Market Reverse Repo				
a) Government Securities	16.46	16.46	0.09	0.00
b) Corporate Debt Securities	Nil	Nil	Nil	Nil
c) Any other Securities	Nil	Nil	Nil	Nil
Securities sold under Tri-party Repo				
a) Government Securities	1483.92	4351.88	3266.63	2703.07
b) Corporate Debt Securities	Nil	Nil	Nil	Nil
c) Any other Securities	Nil	Nil	Nil	Nil
Securities purchased under Tri-party Repo				
a) Government Securities	20.00	220.00	5.62	0.00
b) Corporate Debt Securities	Nil	Nil	Nil	Nil
c) Any other Securities	Nil	Nil	Nil	Nil

#Fixed rate Reverse Repo facility was withdrawn by RBI from 08.04.2022.Average calculated for 7 days

#### 4. ASSET QUALITY

##### a) Classification of advances and provisions held as on 31<sup>st</sup> March, 2023

(₹ in crore)

Particulars	Standard	Non-Performing				Total 6=(1)+(5)
	Total Standard Advances (1)	Sub- standard (2)	Doubtful (3)	Loss (4)	Total Non- Performing Advances (5)=(2)+(3)+(4)	
<b>Gross Standard Advances and NPAs</b>						
Opening Balance	39222.83	788.59	1103.35	41.24	1933.18	41156.01
Add: Additions during the year					1329.03	
Less: Reductions during the year					1342.05	
Closing balance	42050.64	556.07	1239.51	124.58	1920.16	43970.80
Reductions in Gross NPAs due to:					1342.05	
i) Upgradation					236.16	
ii) Recoveries (excluding recoveries from upgraded accounts)					576.34	
iii) Technical/ Prudential Write-offs					360.62	
iv) Write-offs other than those under (iii) above					168.93	
<b>Provisions (excluding Floating Provisions)</b>						
Opening balance of provisions held	305.63	129.75	571.18	41.15	742.08	1047.71
Add: Fresh provisions made during the year					690.00	
Less: Excess provision reversed/ Write-off loans					529.55	
Closing balance of provisions held	285.63	91.54	689.80	121.19	902.53	1188.16
<b>Net NPA</b>						
Opening Balance		658.84	532.17	0.09	1191.10	
Add: Fresh additions during the year					997.01	
Less: Reductions during the year					1170.48	
Closing Balance		464.53	549.71	3.39	1017.63	
<b>Floating Provisions</b>						
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

ESG  
Report

Statutory  
Reports

Financial  
Statements

List of  
Branches

Basel III

(₹ in crore)

Particulars	Standard	Non-Performing				Total 6=(1)+(5)
	Total Standard Advances (1)	Sub- standard (2)	Doubtful (3)	Loss (4)	Total Non- Performing Advances (5)=(2)+(3)+(4)	
<b>Technical write-offs and the recoveries made thereon</b>						
Opening balance of Technical/ Prudential written-off accounts						1401.53
Add: Technical/ Prudential write-offs during the year						360.62
Less: Recoveries made from previously technical/ prudential written-off accounts during the year						381.49
Closing balance						1380.66

**Classification of advances and provisions held as on 31<sup>st</sup> March, 2022**

(₹ in crore)

Particulars	Standard	Non-Performing				Total 6=(1)+(5)
	Total Standard Advances (1)	Sub- standard (2)	Doubtful (3)	Loss (4)	Total Non- Performing Advances (5)=(2)+(3)+(4)	
<b>Gross Standard Advances and NPAs</b>						
Opening Balance	35127.36	1037.79	845.59	9.81	1893.19	37020.55
Add: Additions during the year					1275.68	
Less: Reductions during the year					1235.69	
Closing balance	39222.83	788.59	1103.35	41.24	1933.18	41156.01
Reductions in Gross NPAs due to:					1235.69	
i) Upgradation					163.78	
ii) Recoveries (excluding recoveries from upgraded accounts)					442.49	
iii) Technical/ Prudential Write-offs					573.43	
iv) Write-offs other than those under (iii) above					55.99	
<b>Provisions (excluding Floating Provisions)</b>						
Opening balance of provisions held	250.63	182.72	625.56	9.72	818.00	1068.63
Add: Fresh provisions made during the year					553.50	
Less: Excess provision reversed/ Write-off loans					629.42	
Closing balance of provisions held	305.63	129.75	571.18	41.15	742.08	1047.71
<b>Net NPA</b>						
Opening Balance		855.07	220.03	0.09	1075.19	
Add: Fresh additions during the year					1025.93	
Less: Reductions during the year					910.02	
Closing Balance		658.84	532.17	0.09	1191.10	
<b>Floating Provisions</b>						
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

(₹ in crore)

Particulars	Standard	Non-Performing			Total 6=(1)+(5)
	Total Standard Advances (1)	Sub- standard (2)	Doubtful (3)	Loss (4)	
<b>Technical write-offs and the recoveries made thereon</b>					
Opening balance of Technical/ Prudential written-off accounts					1058.58
Add: Technical/ Prudential write-offs during the year					573.43
Less: Recoveries made from previously technical/ prudential written-off accounts during the year					230.48
Closing balance					1401.53

Ratios in Percentage	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2022
Gross NPA to Gross Advances (%)	4.37%	4.70%
Net NPA to Net Advances (%)	2.36%	2.95%
Provision coverage ratio (%)	69%	64%

ESG  
Report

Statutory  
Reports

Financial  
Statements

List of  
Branches

Basel III



**b) Sector-wise Advances and Gross NPAs - 31<sup>st</sup> March, 2023**

(₹ in crore)

Sr. No.	Sector	31 <sup>st</sup> March, 2023		
		Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector
I)	<b>Priority Sector</b>			
a)	<b>Agriculture and allied activities of which</b>	<b>8540.97</b>	<b>214.29</b>	<b>2.51</b>
	Agri Farm credit	7417.65	94.10	1.27
	Agri Ancillary Activities	1045.15	112.13	10.73
b)	<b>Industry of which</b>	<b>10525.38</b>	<b>497.74</b>	<b>4.73</b>
	Textiles	4578.63	216.74	4.73
	Basic Metal & Metal Products	1629.95	28.18	1.73
c)	<b>Services of which</b>	<b>8365.98</b>	<b>531.65</b>	<b>6.35</b>
	Small Services	3931.27	198.81	5.06
	Micro Services	2861.12	252.61	8.83
	Medium Services	1377.02	46.54	3.38
d)	<b>Personal loans of which</b>	<b>597.14</b>	<b>78.39</b>	<b>13.13</b>
	Housing	514.69	25.39	4.93
	Education	82.45	53.00	64.28
	<b>Subtotal (I) - (a+b+c+d)</b>	<b>28029.47</b>	<b>1322.07</b>	<b>4.72</b>
II)	<b>Non-priority Sector</b>			
a)	<b>Agriculture and allied activities</b>	0.00	0.00	0.00
b)	<b>Industry of which</b>	<b>747.32</b>	<b>79.27</b>	<b>10.61</b>
	Basic Metal & Metal Products	338.32	0.00	0.00
	Textiles	70.60	0.00	0.00
	Beverages	154.01	0.00	0.00
	Paper & Paper Products	79.16	78.51	99.18
c)	<b>Services</b>	<b>7857.39</b>	<b>369.03</b>	<b>4.70</b>
	Wholesale Trade	1569.42	192.54	12.27
	Real Estate	3091.29	85.61	2.77
d)	<b>Personal loans</b>	<b>7336.62</b>	<b>149.79</b>	<b>2.04</b>
	Non Agri JL	3998.42	14.44	0.36
	Housing Loan	1556.70	59.02	3.79
	Other Personal (Consumption)	1781.50	76.33	4.28
	<b>Sub-total (II) - (a+b+c+d)</b>	<b>15941.33</b>	<b>598.09</b>	<b>3.75</b>
	<b>Total (I + II)</b>	<b>43970.80</b>	<b>1920.16</b>	<b>4.37</b>

Sector-wise Advances and Gross NPAs - 31<sup>st</sup> March, 2022

(₹ in crore)

Sr. No.	Sector	31 <sup>st</sup> March, 2022		
		Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector
I)	<b>Priority Sector</b>			
a)	<b>Agriculture and allied activities of which</b>	<b>7300.41</b>	<b>175.93</b>	<b>2.41</b>
	Agri Farm credit	6303.47	83.21	1.32
	Agri Ancillary Activities	905.38	87.39	9.65
b)	<b>Industry of which</b>	<b>9162.04</b>	<b>322.82</b>	<b>3.52</b>
	Textiles	4054.73	113.76	2.81
	Basic Metal & Metal Products	1490.01	69.60	4.67
c)	<b>Services</b>	<b>8317.23</b>	<b>493.47</b>	<b>5.93</b>
	Small Services	4186.30	138.74	3.31
	Micro Services	2581.53	263.32	10.20
	Medium Services	1359.94	77.34	5.69
d)	<b>Personal loans of which</b>	<b>704.40</b>	<b>88.47</b>	<b>12.56</b>
	Housing	603.11	25.73	4.27
	Education	101.29	62.74	61.94
	<b>Subtotal (I) - (a+b+c+d)</b>	<b>25484.08</b>	<b>1080.69</b>	<b>4.24</b>
II)	<b>Non-priority Sector</b>			
a)	<b>Agriculture and allied activities</b>	0.00	0.00	0.00
b)	<b>Industry of which</b>	656.45	79.34	12.09
	Basic Metal & Metal Products	208.05	0.00	0.00
	Textiles	150.90	0.00	0.00
	Beverages	130.99	0.00	0.00
	Paper & Paper Products	80.78	79.00	97.80
c)	<b>Services</b>	<b>8690.69</b>	<b>637.06</b>	<b>7.33</b>
	Wholesale Trade	2856.97	357.44	12.51
	Real Estate	2535.50	114.76	4.53
d)	<b>Personal loans</b>	<b>6324.79</b>	<b>136.09</b>	<b>2.15</b>
	Non Agri JL	3143.04	5.59	0.18
	Housing Loan	1395.56	51.56	3.69
	Other Personal (Consumption)	903.05	78.94	8.74
	<b>Sub-total (II)- (a+b+c+d)</b>	<b>15671.93</b>	<b>852.49</b>	<b>5.44</b>
	<b>Total (I + II)</b>	<b>41156.01</b>	<b>1933.18</b>	<b>4.70</b>

ESG  
Report

Statutory  
Reports

Financial  
Statements

List of  
Branches

Basel III

## c) Overseas assets, NPAs and revenue:

Particulars	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2022
Total Assets	Nil	Nil
Total NPAs	Nil	Nil
Total Revenue	Nil	Nil

## d) Particulars of resolution plan and restructuring:

## i) Particulars of Resolution plan

No Accounts were resolved as per 'Prudential Framework for Resolution of Stressed assets' issued vide circular DBR.No.BP.BC.45/21.04.048/2018-19 dated June 7, 2019.

## e) Divergence in asset classification and provisioning:

(₹ in crore)

Sr.	Particulars	Amount
1	Gross NPAs as on March 31,2022 as reported by the Bank	1933
2	Gross NPAs as on March 31,2022 as assessed by Reserve Bank of India	2192
3	Divergence in Gross NPAs (2-1)	259
4	Net NPAs as on March 31,2022 as reported by the Bank	1191
5	Net NPAs as on March 31,2022 as assessed by Reserve Bank of India	1450
6	Divergence in Net NPAs (5-4)	259
7	March 31,2022 as reported by the Bank	742
8	March 31,2022 as assessed by Reserve Bank of India	782
9	Divergence in Provisioning (8-7)	40
10	Reported Net Profit after Tax (PAT) for the year ended March 31,2022	760
11	Adjusted (Notional) Net Profit after Tax (PAT) for the year ended March 31, 2022 after considering the divergence in provisioning	719

**f) Disclosure of transfer of loan exposures:**

(i) The details of Non performing loans transferred to ARC:

(₹ in crore)

Details of stressed loans transferred during the year			
Particulars	To ARCs	To Permitted Transferees	To other Transferees (please specify)
No of accounts	133	-	-
Aggregate principal outstanding of loans transferred	214.15	-	-
Weighted average residual tenor of the loans transferred (in year)	0.63	-	-
Net book value of loans transferred (at the time of transfer)	70.11	-	-
Aggregate consideration	86.12	-	-
Additional consideration realized in respect of accounts transferred in earlier years	Nil	-	-

(ii) The Bank has not transferred any special mention accounts (SMA) & Loan not in default.

(iii) The bank has not transferred any loans in default acquired through assignment.

(iv) Disclosure on stressed loans transferred or acquired:

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

(v) Details of recovery ratings assigned to security Receipts outstanding as on March 31,2023

(₹ in crore)

Recovery Ratings	Anticipated recovery as per Recovery Ratings	Book value
RR1	>100% upto 150%	1.08*

\*The provision held against the above SR is ₹ 1.08 Cr

ESG Report

Statutory Reports

Financial Statements

List of Branches

Basel III

**g) Fraud Accounts:**

Number of frauds reported, amount involved in such frauds, quantum of provisions made during the year and quantum of unamortised provision debited from "other reserves" as at the end of the year.

(₹ in crore)

Sr. No.	Particulars	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2022
a)	Number of frauds reported during the year	8	10
b)	Amount involved in fraud	15.54	21.17
c)	Amount of Provisions made for such fraud	9.44	19.01
d)	Amount of unamortised provision debited from 'other reserves' as at the end of the year	-	-
e)	Amount of Unamortised provision credited by making provisions in the subsequent quarters of FY 2021 - 22	-	13.22

Other than above, during the period from Jan 2023 to March 2023, 241 incidents of Phishing / Vishing / Skimming frauds amounting to Rs 1.71 Cr, where there is no loss to the Bank were reported to RBI during the year.

**h) Disclosure with reference to RBI circular DOR. No. BP. BC/3/21.04.048/2020-21 dt 06th August, 2020 on "Resolution Framework for COVID-19 - related stress" (Resolution Framework 1.0) and DOR.STR.REC.11/21.04.048/2021-22 dated 5th May 2021 (Resolution Framework 2.0 -Covid-19 related stress of Individuals and Small Business) are given below:**

(₹ in crore)

Format B					
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 (Sep 2022) (A)	Of (A), aggregate debt that slipped into NPA during the half-year (March' 2023)	Of (A) amount written off during the half-year (March' 2023)	Of (A) amount paid by the borrowers during the half-year (March' 2023) #	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at the end of this half-year (March'2023)
Personal loans	284.47	21.41	3.85	4.13	255.48
Corporate persons*	167.54	1.14	0.00	0.00	181.78
<i>Of which MSMEs</i>	31.47	0.00	0.00	0.00	6.27
Others	218.60	4.42	0.28	6.39	207.52
<b>Total</b>	<b>670.61</b>	<b>26.97</b>	<b>4.13</b>	<b>10.52</b>	<b>644.78</b>

\* As defined in section 3(7) of the insolvency and bankruptcy code, 2016

# Represents Net movement in balances.

## 5. EXPOSURES

### a) Exposure to Real Estate Sector

(₹ in crore)

	Category	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2022	
A)	<b>Direct exposure</b>			ESG Report
	(i) Residential Mortgages - Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented;*	2111.05	2035.33	
	(ii) Commercial Real Estate - Lending secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits (Fund based ₹ 3367.19cr + NFB ₹ 32.21 cr)	3399.40	3275.99	Statutory Reports
	(iii) Investment in Mortgage Backed Securities (MBS) and other securitised exposures -			Financial Statements
a. Residential	Nil	Nil		
	b. Commercial Real Estate	Nil	Nil	List of Branches
B)	<b>Indirect Exposure</b> Fund based and non-fund based exposures to National Housing Bank (NHB) and Housing Finance Companies (HFCs)	Nil	Nil	Basel III
	<b>Total Exposure to Real Estate Sector</b>	<b>5510.45</b>	<b>5311.32</b>	

\* includes individual housing loans eligible for inclusion in priority sector advances amounting to ₹ 518.32 cr (P.Y. ₹ 606.74 cr) for the year ended 31<sup>st</sup> March, 2023.

b) Exposure to Capital Market

(₹ in crore)

Sl. No.	Particulars	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2022
1.	Direct Investment in equity shares, convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debt.	4.73	4.58
2.	Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investments in shares (including IPOs / ESOPs), convertible bonds, convertible debentures and units of equity-oriented mutual funds.	Nil	Nil
3.	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security.	0.22	1.99
4.	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances.	0.21	0.28
5.	Secured and Unsecured Advances to stock brokers and guarantees issued on behalf of stock brokers and market makers.	0.75	0.89
6.	Loans sanctioned to corporates against security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources.	Nil	Nil
7.	Bridge loans to companies against expected equity flows / issues.	Nil	Nil
8.	Underwriting commitments taken up by the Banks in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds.	Nil	Nil
9.	Financing to stock brokers for margin trading.	Nil	Nil
10.	All exposures to venture capital funds (both registered and unregistered).	Nil	Nil
	<b>Total Exposure to Capital Market</b>	<b>5.91</b>	<b>7.74</b>



c) Risk Category-wise Country Exposure \*

(₹ in crore)

Risk Category	Exposure (net) as at March 2023	Provision held as at March 2023	Exposure (net) as at March 2022	Provision held as at March 2022
Insignificant	2288.50	4.25	3460.49	7.25
Low	1127.33	Nil	398.94	Nil
Moderately Low	2.76	Nil	0.51	Nil
Moderate	7.24	Nil	6.04	Nil
Moderately High	1.04	Nil	4.56	Nil
High	Nil	Nil	Nil	Nil
Very High	Nil	Nil	Nil	Nil
<b>Total</b>	<b>3426.87</b>	<b>4.25</b>	<b>3870.54</b>	<b>7.25</b>

\* based on categorization followed by Export Credit Guarantee Corporation of India Ltd.

d) Unsecured advances:

(₹ in crore)

Particulars	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2022
Total unsecured advances of the bank	240.44	267.80
Out of the above, amount of advances for which intangible securities such as charge over the rights, licenses, authority, etc. have been taken	0.00	0.00
Estimated value of such intangible securities	0.00	0.00

e) Factoring exposures:

There is no exposures on factoring during the year.

f) Intra-Group Exposures:

(₹ in crore)

Particulars	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2022
Total Amount of intra group exposure	Nil	Nil
Total amount of top 20 intra group exposures	Nil	Nil
Percentage of intra group exposure to total exposure of the bank on borrower / Customer	Nil	Nil
Details of breach of limit on intra group exposure and regulatory action there on if any	Nil	Nil

Hence explanation to rationale behind model is not applicable.

**g) Unhedged foreign currency exposure:**

- (i) In terms of RBI circular No. DOR. MRG.REC. 76/00-00-007/2022-23 dated October 11, 2022 with regard to Capital and Provisioning Requirements for exposures to entities with Unhedged Foreign Currency Exposure (UFCE), the Bank has a policy approved by the Board of Directors.
- (ii) The provision required for UFCE as on 31.03.2023 is ₹1.56 crore only against which a provision of ₹ 2.72 crore has already been made.
- (iii) There is no incremental capital requirement for the UFCE as on 31.03.2023.

**6. CONCENTRATION OF DEPOSITS, ADVANCES, EXPOSURES AND NPAS:****a) Concentration of Deposits**

(₹ in crore)

Particulars	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2022
Total Deposits of twenty largest depositors	5733.05	5503.36
Percentage of Deposits of twenty largest depositors to total Deposits of the Bank	10.94%	11.54%

**b) Concentration of Advances**

(₹ in crore)

Particulars	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2022
Total Advances to twenty largest borrowers	1817.72	1969.92
Percentage of Advances to twenty largest borrowers to Total Advances of the Bank	4.13%	4.79%

**c) Concentration of Exposures**

(₹ in crore)

Particulars	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2022
Total Exposure to twenty largest borrowers / customers	2415.33	2206.44
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the Bank on borrowers / customers	4.88%	4.76%

**d) Concentration of NPAs**

(₹ in crore)

Particulars	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2022
Total Exposure to top twenty NPA accounts	427.69	446.01
Percentage of Exposures to twenty largest NPA exposure to total Gross NPAs.	22.27%	23.07%

## 7. DERIVATIVES

### a) Forward Rate Agreement / Interest Rate Swap

(₹ in crore)

Sl. No.	Particulars	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2022
(i)	The notional principal of swap agreements	Nil	Nil
(ii)	Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	Nil	Nil
(iii)	Collateral required by the Bank upon entering into swaps	Nil	Nil
(iv)	Concentration of credit risk arising from the swaps	Nil	Nil
(v)	The fair value of the swap book	Nil	Nil

ESG  
Report

Statutory  
Reports

Financial  
Statements

List of  
Branches

Basel III

### b) Exchange Traded Interest Rate Derivatives

(₹ in crore)

Sl. No.	Particulars	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2022
(i)	Notional principal amount of exchange traded interest rate derivatives undertaken during the year (instrument-wise)	Nil	Nil
(ii)	Notional principal amount of exchange traded interest rate derivatives outstanding (instrument-wise)	Nil	Nil
(iii)	Notional principal amount of exchange traded interest rate derivatives outstanding and not "highly effective" (instrument-wise)	Nil	Nil
(iv)	Mark-to-Market value of exchange traded interest rate derivatives outstanding and not "highly effective" (instrument-wise)	Nil	Nil

### c) Disclosures on risk exposure in derivatives:

#### i) Qualitative Disclosure

##### 1. Structure and Organisation for Management of risk in derivatives trading

Operations in the Treasury are segregated into three functional areas, namely Front office, Mid-office and Back-office, equipped with necessary infrastructure and trained officers, whose responsibilities are well defined. The Bank enters into plain vanilla forward contracts only

to backup / cover customer transactions as also for proprietary trading purpose.

The Integrated Treasury policy of the Bank clearly lays down the scope of usages, approval process as also the limits like the open position limits, deal size limits and stop loss limits for trading.

The Mid Office is handled by Risk Management Department. Daily report is generated by Risk Management Department for appraisal of the risk profile to the senior management for Asset and Liability management.

## 2. Scope and nature of risk measurement, risk reporting and risk monitoring systems

Outstanding forward contracts are monitored by Risk Management Department against the limits (Counterparty, Stop Loss, Open Position, VaR, Aggregate Gap) fixed by the Board and approved by RBI (wherever applicable) and exceedings, if any, are reported to the appropriate authority / Board for ratification.

## 3. Policies for hedging and / or mitigating and strategies and processes for monitoring the continuing effectiveness of hedges / mitigants

The Bank's policy lays down that the transactions with the corporate clients are to be undertaken only after the inherent credit exposures are quantified and approved for customer appropriateness and suitability and necessary documents like ISDA agreements etc. are duly executed. The Bank adopts Current Exposure Method for monitoring the credit exposures.

While sanctioning the limits, the competent authority stipulates condition of obtaining collaterals / margin as deemed appropriate. The derivative limits are reviewed periodically along with other credit limits.

## 4. Accounting policy for recording the hedge and non-hedge transactions, recognition of Income premiums and discounts, valuation of outstanding contracts, provisioning, collateral and credit risk mitigation.

Valuation of outstanding forward contracts are done as per FEDAI guidelines in force. Marked to market profit & loss is taken to Profit & Loss account. MTM profit & loss calculated as per Current Exposure method are taken into account while sanctioning forward contract limits to customers and collaterals / cash margins are prescribed for credit and market risks.

The Bank undertakes foreign exchange forward contracts for its customers and hedges them with other banks. The credit exposure on account of forward contracts is also considered while arriving at the total exposure of each customer / borrower and counter party banker. The Bank also deals with other banks in proprietary trading duly adhering to risk limits permitted by RBI, set in the policy and is monitored by mid office. The Marked to Market values are monitored on monthly basis for foreign exchange forward contracts. The credit equivalent is computed under current exposure method. The operations are conducted in terms of the policy guidelines issued by Reserve Bank of India from time to time and as approved by the Board of the Bank.

ii) Quantitative Disclosures :

(₹ in crore)

Sl. No.	Particulars	Currency Derivatives		Interest Rate Derivatives	
		31.03.2023	31.03.2022	31.03.2023	31.03.2022
(i)	Derivatives (Notional Principal Amount)				
	a) for hedging	3551.15	3016.60	Nil	Nil
	b) for trading	4770.87	4428.18	Nil	Nil
(ii)	Marked to Market Positions				
	a) Assets (+)	40.96	55.88	Nil	Nil
	b) Liability (-)	-56.38	-22.89	Nil	Nil
(iii)	Credit Exposure @	274.24	237.23	Nil	Nil
(iv)	Likely impact of one percentage change in interest rate (100 * PV01)				
	a) on hedging derivatives	Nil	Nil	Nil	Nil
	b) on trading derivatives	Nil	Nil	Nil	Nil
(v)	Maximum and Minimum of (100 * PV01) observed during the year				
	a) on hedging	Nil	Nil	Nil	Nil
	b) on trading	Nil	Nil	Nil	Nil

@ → Out of the total credit exposure of ₹ 274.24 crore (FY:21-22 ₹ 237.23 crore), exposure to the tune of ₹ 171.74 crore (FY:21-22 ₹ 175.71 crore) is accepted for guaranteed settlement by Clearing Corporation of India (CCIL) and exposure to the tune of ₹ 91.05 crore

(FY:21-22 ₹ 48.53 crore) are other Inter-Bank deals not guaranteed by CCIL. Balance of ₹ 11.45 crore (FY:21-22 ₹ 12.99 crore) is out of forward contracts outstanding with customers.

d) Credit default swaps:

The bank has not entered into Credit Default Swaps during the current Financial Year

ESG  
Report

Statutory  
Reports

Financial  
Statements

List of  
Branches

Basel III

8. DISCLOSURES RELATING TO SECURITIZATION

(₹ in crore)

Sl. No.	Particulars	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2022
1.	No of SPEs holding assets for securitisation transactions originated by the originator (only the SPVs relating to outstanding securitization exposures to be reported here)		
2.	Total amount of securitised assets as per books of the SPEs		
3.	Total amount of exposures retained by the originator to comply with MRR as on the date of balance sheet a) Off-balance sheet exposures • First loss • Others b) On-balance sheet exposures • First loss • Others		
4.	Amount of exposures to securitization transactions other than MRR a) Off-balance sheet exposures i) Exposure to own securitisations • First loss • Others ii) Exposure to third party securitisations • First loss • Others b) On-balance sheet exposures i) Exposure to own securitisations • First loss • Others ii) Exposure to third party securitisations • First loss • Others	↓ NIL ↑	↓ NIL ↑
5.	Sale consideration received for the securitised assets and gain/loss on sale on account of securitisation		
6.	Form and quantum (outstanding value) of services provided by way of, liquidity support, post-securitisation asset servicing, etc.		
7.	Performance of facility provided. Please provide separately for each facility viz. Credit enhancement, liquidity support, servicing agent etc. (a) Amount paid (b) Repayment received (c) Outstanding amount		

(₹ in crore)

Sl. No.	Particulars	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2022
8.	Average default rate of portfolios observed in the past.	↓	↓
9.	Amount and number of additional/top up loan given on same underlying asset.	↓ NIL	↓ NIL
10.	Investor complaints (a) Directly/Indirectly received and; (b) Complaints outstanding	↑	↑

ESG  
Report

Statutory  
Reports

Financial  
Statements

List of  
Branches

Basel III

**9. OFF BALANCE SHEET SPVS SPONSORED:**

(₹ in crore)

Name of the SPV sponsored	
Domestic	Overseas
Nil	Nil

**10. TRANSFERS TO DEPOSITOR EDUCATION AND AWARENESS FUND (DEAF FUND):**

(₹ in crore)

Particulars	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2022
Opening balance of amounts transferred to DEAF	63.04	51.93
Add : Amounts transferred to DEAF during the year	13.64	11.46
Less : Amounts reimbursed by DEAF towards claims	1.07	0.35
Closing balance of amounts transferred to DEAF	75.61	63.04



## 11. DISCLOSURE OF COMPLAINTS

### a) Summary information on complaints received by the Bank from customer and from the Office of the Banking Ombudsman (OBOs)

Sl.No.	Particulars	2022 - 23	2021 - 22
<b>Complaints received by the Bank from its customers</b>			
1	Number of complaints pending at beginning of the year	39	3
2	Number of complaints received during the year	2797	2835
3	Number of complaints disposed during the year	2811	2799
3.1	Of which, number of complaints rejected by the Bank	0	0
4	Number of complaints pending at the end of the year	25	39
<b>Maintainable complaints received by the Bank from OBOs</b>			
5	Number of maintainable complaints received by the Bank from OBOs	213	204
5.1	Of 5, Number of complaints resolved in favour of the Bank by BOs	94	200
5.2	Of 5, Number of complaints resolved through conciliation / mediation / advisories issued by BOs	119	4
5.3	Of 5, Number of complaints resolved after passing of Awards by BOs against the Bank	0	0
6	Number of Awards unimplemented within the stipulated time (other than those appealed)	0	0

b) Top five grounds of complaints received by the Bank from customers: (FY 2022-23)

Grounds of complaints (1)	Number of complaints pending at the beginning of the year (2)	Number of complaints received during the year (3)	% increased / decreased in the number of complaints received over the previous year (4)	Number of complaints pending at the end of the year (5)	Of 5, number of complaints pending beyond 30 days (6)
Internet / Mobile / Electronic Banking	16	950	(-)19%	2	0
ATM / Debit cards	11	576	1%	1	0
Account opening / Difficulty in operation of a/cs	1	313	(-)52%	2	0
Loans and Advances	2	238	51%	4	0
Levy of charges without prior notice / Excessive charges / Foreclosure charges	2	143	62%	0	0

Top five grounds of complaints received by the Bank from customers: (FY 2021-22)

Grounds of complaints (1)	Number of complaints pending at the beginning of the year (2)	Number of complaints received during the year (3)	% increased / decreased in the number of complaints received over the previous year (4)	Number of complaints pending at the end of the year (5)	Of 5, number of complaints pending beyond 30 days (6)
Internet / Mobile / Electronic Banking	0	1179	-12%	16	0
Account opening / Difficulty in operation of a/cs	3	659	12%	1	0
ATM / Debit cards	0	571	10%	11	0
Loans and Advances	0	158	-39%	2	0
Levy of charges without prior notice / Excessive charges / Foreclosure charges	0	88	-28%	2	0

ESG Report

Statutory Reports

Financial Statements

List of Branches

Basel III

**12) Disclosure of penalties imposed by the Reserve Bank of India:**

During the year, RBI has imposed penalty of ₹4,70,000/- under Scheme of penalty for Non-replenishment of ATMs (DCM (RMMT) No. S153/11.01.01/2021-22) dated August 10,2021.

**12(a) Disclosure of penalties imposed by entities other than Reserve Bank of India:**

The stock exchanges viz., National Stock Exchange of India Ltd.,(NSE) and Bombay Stock Exchange Ltd.,(BSE) had imposed penalty of ₹41,300/- each (totaling to ₹82,600/-) for delay in compliance of disclosure under Reg.23(9) of SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 as amended.

**13. Disclosures on Remuneration**

Qualitative Disclosures :		
(a)	Information relating to the composition and mandate of the Remuneration Committee.	The Compensation & Remuneration Committee comprised of four members constituted to oversee the framing, review and implementation of Compensation Policy of the Bank.
(b)	Information relating to the design and structure of remuneration processes and the key features and objectives of remuneration policy.	<p><b>Key Features:</b></p> <p>i) Board oversees the design of the compensation package and operations.</p> <p>ii) The proportion of cash, equity and other forms of compensation are consistent with risk alignment.</p> <p><b>Objectives:</b></p> <p>i) Alignment of compensation with prudent risk taking.</p>
(c)	Description of the ways in which current and future risks are taken into account in the remuneration processes. It should include the nature and type of the key measures used to take account of these risks.	The Compensation is adjusted for all types of risks and the compensation outcome are symmetric with risk outcomes.
(d)	Description of the ways in which the Bank seeks to link performance during a performance measurement period with levels of remuneration.	Qualitative features such as skills, knowledge, abilities etc. are factored in besides performance in financial parameters.

Qualitative Disclosures :	
(e)	<p>A discussion of the Bank's policy on deferral and vesting of variable remuneration and a discussion of the Bank's policy and criteria for adjusting deferred remuneration before vesting and after vesting.</p>
(f)	<p>Description of the different forms of variable remuneration (i.e. cash, shares, ESOPs and other forms) that the Bank utilizes and the rationale for using these different forms.</p>

The deferral part in cash component (if any) and non-cash component under variable remuneration shall be for a period for 3 years as provided under the Compensation Policy of the Bank. The criteria for adjusting the deferred remuneration shall be as per the Compensation Policy, applicable ESOP Scheme of the Bank and also, the RBI guideline dt. 04.11.2019 on Compensation to Whole-time Directors/ Chief Executive Officers / Material Risk Takers and Control Function Staffs, Clarification issued by RBI on 30.08.2021 w.r.t above guideline dt. 04.11.2019, SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and other relevant Regulatory / Statutory stipulations.

The Bank pays variable remuneration as approved by RBI for each FY comprising of cash component and non-cash component (in the form of ESOP at present). The grant of above forms of variable compensation is subject to relevant Regulatory / Statutory stipulations.

ESG  
Report

Statutory  
Reports

Financial  
Statements

List of  
Branches

Basel III

### Quantitative Disclosures

The Quantitative Disclosures pertaining to the MD & CEO as on 31<sup>st</sup> March, 2023 & 31<sup>st</sup> March, 2022 is given below:

Particulars		Current Year	Previous Year
(g)	Number of meetings held by the Remuneration Committee during the financial year and remuneration paid to its members.	7 meetings of the Compensation & Remuneration Committee ("CRC") was held during the financial year and the total remuneration & commission paid to the Committee members during the year is ₹31,00,000/- (including profit linked commission of ₹24,00,000/- paid to the members pertaining to FY 2022).	3 meetings (Compensation & Remuneration Committee) were held during the financial year and the total remuneration & commission paid to the members during the year is ₹27,00,000/- (including commission of ₹24,00,000/-).
(h)	(i) Number of employees having received a variable remuneration award during the financial year.	1	1
	(ii) Number and total amount of sign-on awards made during the financial year.	NIL	NIL
	(iii) Details of guaranteed bonus, if any, paid as joining / sign on bonus.	NIL	NIL
	(iv) Details of severance pay, in addition to accrued benefits, if any.	NIL	NIL
(i)	(i) Total amount of outstanding deferred remuneration, split into cash, shares and share-linked instruments and other forms.	Deferred Variable Pay FY 2022: NIL  Outstanding Deferred Variable Pay FY 2021: i. Cash: ₹21,19,109/- ii. Non Cash: 26,950 Stock Options approved by the CRC at its meeting held on 08.08.2022 amounting to ₹42,38,217/- (overall approved limit of RBI) which is deferred over a period of 3 years.	Deferred Variable Pay FY2021:  Variable pay to MD & CEO for FY2021 was approved by RBI vide its letter dated 30.12.2021 consisting of Cash and Non-Cash component. i. Cash component of ₹42,38,217 of which an amount of ₹21,19,109/- has been deferred for a period of 3 years. ii. Non-cash component of ₹ 42,38,217/- which is deferred for period of 3 years.  The deferred components are yet to be paid for FY2021.

Particulars		Current Year	Previous Year
(ii)	Total amount of deferred remuneration paid out in the financial year.	NIL	NIL
(j)	Breakdown of amount of remuneration awards for the financial year to show fixed and variable, deferred and non-deferred.	<p><b>Fixed Pay :</b> ₹1,78,13,112/- per annum (including perquisites) w.e.f. 01.05.2021 approved by RBI vide its letter dt.17.02.2023</p> <p><b>Variable Pay:</b> Variable pay to MD &amp; CEO for FY 2022 was approved by RBI vide its letter dt.17.02.2023 - ₹84,76,435/-. However as per such approval, he is eligible for only upfront portion under cash component for ₹21,19,109/- pursuant to para 2.1.3(c) of RBI guidelines on Compensation to Whole time Directors / Chief Executive Officers / Material Risk Takers and Control Function Staff dt.4.11.2019.</p>	<p><b>Fixed Pay:</b> ₹1,55,38,391/- per annum (including perquisites and encashment of privilege leave)</p> <p><b>Variable pay:</b> Variable pay to MD &amp; CEO for FY2021 was approved by RBI vide its letter dated 30.12.2021 consisting of Cash and Non-Cash component.</p> <p>a) Cash Components</p> <p>i. Deferred Cash component of ₹42,38,217 of which an amount of ₹21,19,109/- has been deferred for a period of 3 years.</p> <p>ii. Non - deferred ₹21,19,109/- paid on 31st January, 2022 for FY2021 (approved by RBI vide its letter dt. 30.12.2021).</p> <p>b) Non - Cash component (Fully deferred) ₹42,38,217/- for FY2021 approved by RBI to be paid in 3 years. This is yet to be sanctioned by the bank.</p> <p>No. of Stock Options granted during FY 2021-2022 : Nil</p>

ESG Report

Statutory Reports

Financial Statements

List of Branches

Basel III

Particulars		Current Year	Previous Year
(k)	(i) Total amount of outstanding deferred remuneration and retained remuneration exposed to ex-post explicit and / or implicit adjustments.	NIL	NIL
	(ii) Total amount of reductions during the financial year due to ex-post explicit adjustments.		
	(iii) Total amount of reductions during the financial year due to ex-post implicit adjustments.		
(l)	Number of MRTs identified	NIL	NIL
(m)	<ul style="list-style-type: none"> <li>● Number of cases where malus has been exercised.</li> <li>● Number of cases where clawback has been exercised.</li> <li>● Number of cases where both malus and clawback have been exercised.</li> </ul>	NIL	NIL
(n)	<b>General Quantitative Disclosure:</b>		
	The mean pay for the Bank as a whole (excluding sub-staff) and deviation of the pay of each of its WTDs from the mean pay.		

**14. Disclosure on remuneration to Non Executive Directors:**

All the Non-Executive Directors are paid remuneration by way of sitting fees for attending meeting of the Board and its committees. Further they are eligible for Profit Linked Commission (PLC) pursuant to the RBI

guidelines on "Compensation of Non-Executive Directors of Private Sector Banks", the Companies Act, 2013 and the Compensation Policy of the Bank. An amount of ₹ 1.38 crore & ₹ 0.56 crore (Previous year FY 2021-2022, ₹1.20 crore & ₹0.59 crore) was paid as sitting fees & PLC (on pro-rated basis) respectively to the Non-Executive Directors during the year.

**Disclosure of facilities granted to directors and their relatives - NIL**

**15. Other Disclosures:**

**I Business Ratios**

Particulars	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2022
Interest Income as a percentage to Working Funds	7.34%	7.28%
Non-Interest Income as a percentage to Working Funds	1.26%	1.35%
Cost of Deposits	4.66%	4.68%
Net Interest Margin	3.89%	3.98%
Operating Profit as a percentage to Working Funds	2.83%	2.83%
Return on Assets	1.46%	1.35%
Business per employee (₹ in cr)	15.98	16.55
Profit per employee (₹ in cr)	0.16	0.14



**II Bancassurance Business**

(₹ in crore)

Particulars	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2022
Income from Life Insurance	20.58	16.06
Income from Non-Life Insurance	6.14	4.97
<b>Total</b>	<b>26.72</b>	<b>21.03</b>

ESG  
Report

**III Marketing and distribution:**

The Bank has received fees of ₹1.25 crore for the FY 2022-23 (Previous year-FY 2021-22: ₹1.40 crores) with respect to marketing and distribution function (excluding bancassurance business).

**IV Disclosures regarding Priority Sector Lending Certificates (PSLCs):**

During the year, there was no purchase of PSLC during the year and PSLC was sold on various dates totaling to ₹2350.00 Cr (Micro Enterprises ₹ 2050 Cr and Agriculture ₹ 300Cr).

**V Provisions and contingencies:**

(₹ in crore)

Provision debited to Profit and Loss Account	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2022
Provision for		
- Non Performing Investments	0.00	1.40
- Non Performing Assets	690.00	553.50
- Covid - 19	(13.00)	(8.00)
- Standard Assets	(20.00)	55.00
- Income Tax (including Def Tax)	240.00	225.00
- Restructured Accounts	(12.00)	10.75
- Country Exposure	(3.00)	3.25
- Others	(1.50)	(5.75)
<b>Total</b>	<b>880.50</b>	<b>835.15</b>

Statutory  
Reports

Financial  
Statements

List of  
Branches

Basel III

**VI Implementation of IFRS converged Indian Accounting Standards (Ind AS)**

As advised by RBI, the Bank has submitted proforma Ind AS financials for the period ending, 30<sup>th</sup> September 2022 in prescribed format.

In terms of RBI notification DBR.BP.BC.No.29/21.07.001/2018-19 dated 22<sup>nd</sup> March 2019 has deferred the implementation of Ind AS until further notice from RBI.

**VII Payment of DICGC Premium:**

(₹ in crore)

Sl. No.	Particulars	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2022
i)	Payment of DICGC Insurance Premium	58.75	54.66
ii)	Arrears in payment of DICGC premium	0.00	0.00

**VIII Disclosure on amortisation of expenditure on account of enhancement in family pension of employees of banks (Unamortized Pension & Gratuity liabilities):** The bank is not having any liability on account of family pension scheme since the bank is covered under defined contribution managed by LIC of India.

**16) DISCLOSURES AS PER ACCOUNTING STANDARDS**

The bank has complied with the Accounting Standards (AS) issued by the Institute of Chartered Accountants of India and the following disclosures are made in accordance with RBI's guidelines.

**a) Prior Period Items - AS 5**

There are no material prior period items of Income/Expenditure during the year requiring disclosure.

**b) Revenue Recognition - AS 9**

As mentioned in the Accounting Policy of income / expenditure of certain items are recognized on cash basis.

**c) Effects of changes in Foreign Exchange Rates - AS 11**

The Bank is revaluing foreign currency transactions consistently at the weekly average rate of the last week, prescribed by FEDAI, instead of the rate at the date of the transaction as per AS 11. The

management is of the view that there is no material impact on the accounts for the year.

**d) Employee Benefits - AS 15**

The liability towards Gratuity is met through annual premium payments determined on actuarial valuation by Life Insurance Corporation of India under their Group Gratuity Life Assurance Scheme.

The Bank and its employees contribute a defined sum every month to City Union Bank Employees Pension Fund Superannuation Scheme of Life Insurance Corporation of India to meet the post retirement annuity payments of its employees.

Leave encashment benefits of employees are provided on an actuarial basis and is not funded.

a) The summarized position of the employee benefits recognized in the Profit & Loss Account and Balance Sheet as required in accordance with Accounting Standard-15 (Revised) is as under - Leave Encashment:

**i) Changes in the present value of the obligations :**

(₹ in crore)

Particulars	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2022
Present value of Obligation as at the beginning of the year	109.94	104.69
Interest cost	8.01	7.18
Current service cost	Nil	Nil
Past service cost - (non vested benefits)	Nil	Nil
Past service cost - (vested benefits)	Nil	Nil
Benefits paid	(20.09)	(16.76)
Actuarial gain / (loss) on obligation	19.01	14.83
<b>Present value of obligation at the year end</b>	<b>116.87</b>	<b>109.94</b>

**ii) Amount recognized in Balance Sheet :**

(₹ in crore)

Particulars	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2022
Closing Present value Obligation	116.87	109.94
Fair value of Plan Assets	Nil	Nil
Difference	116.87	109.94
Unrecognised transitional liability	Nil	Nil
Unrecognised past service cost - non vested benefits	Nil	Nil
<b>Liability recognized in the Balance sheet</b>	<b>116.87</b>	<b>109.94</b>

iii) Expenses recognized in Profit & Loss account :

(₹ in crore)

Particulars	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2022
Current Service cost	Nil	Nil
Interest cost	8.01	7.18
Expected return on Plan Assets	Nil	Nil
Net Actuarial (gain) / loss recognised in the year	19.01	14.83
<b>Total expenses recognized in the Profit &amp; Loss Account</b>	<b>27.02</b>	<b>22.01</b>

ESG  
Report

Statutory  
Reports

iv) Principal actuarial assumption at the Balance Sheet Date :

Particulars	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2022
Discount factor	7.19%	7.25%
Salary escalation rate	6.00%	6.00%
Attrition rate	6.00%	6.00%
Expected rate of return on Plan Assets	Nil	Nil

Financial  
Statements

List of  
Branches

Basel III

e) Segment Reporting - AS 17

Summary of the Operating Segments of the Bank are as follows:

(₹ in crore)

BUSINESS SEGMENTS	TREASURY		CORPORATE / WHOLESALE BANKING		RETAIL * BANKING		OTHER BANKING OPERATIONS		TOTAL	
	Current year	Previous year	Current year	Previous year	Current year	Previous year	Current year	Previous year	Current year	Previous year
Revenue	1033.87	892.54	964.06	1013.96	3470.48	2917.35	56.29	40.01	5524.70	4863.86
Result	574.61	513.06	298.97	356.28	895.07	692.41	49.33	33.56	1817.98	1595.31
Unallocated Expenses									0.00	0.00
<b>Operating Profit</b>									<b>1817.98</b>	<b>1595.31</b>
Other Prov & Contingencies									640.50	610.15
Income Taxes									240.00	225.00
Extra ordinary Profit / Loss									0.00	0.00
<b>Net Profit</b>									<b>937.48</b>	<b>760.16</b>
<b>Other Information:</b>										
Segment Assets	18750.85	16851.35	10299.41	10677.66	35325.00	32063.42	Nil	Nil	64375.26	59592.43
Unallocated Assets									2219.30	1938.48
<b>Total Assets</b>									<b>66594.56</b>	<b>61530.91</b>
Segment Liabilities	16627.66	14987.59	9281.09	9669.93	31832.35	29037.40	Nil	Nil	57741.10	53694.92
Unallocated Liabilities									1396.25	1250.29
<b>Total Liabilities</b>									<b>59137.35</b>	<b>54945.21</b>
Segment Capital	2123.19	1863.76	1018.32	1007.73	3492.65	3026.02	Nil	Nil	6634.16	5897.51
Unallocated Capital									823.05	688.19
<b>Capital Employed</b>									<b>7457.21</b>	<b>6585.70</b>

\* Retail Banking includes

(₹ in crore)

Particulars	Digital Banking Unit		Other Retail Banking		Retail Banking Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Segment Revenue	0.11	Not Applicable	3470.37	2917.35	3470.48	2917.35
Segment Results	-0.01		895.08	692.41	895.07	692.41
Segmental Assets	0.37		35324.63	32063.42	35325.00	32063.42
Segmental Liabilities	0.38		31831.97	29037.40	31832.35	29037.40
Capital Employed	-0.01		3492.66	3026.02	3492.65	3026.02

Notes : 1) The Bank has only one Geographical segment (i.e) Domestic Segment.  
2) Previous period figures have been regrouped/reclassified wherever necessary to make them comparable\*  
3) In compliance of RBI circular dated 07.04.2022, during the year ended March 2023, the bank has commenced operations at one DBU and the segment information disclosed above is related to the said DBU.

#### f) Related Party disclosures - AS 18

(i) Related Parties:

Parent / Subsidiaries / Associates / JV - Nil  
Key Management Personnel - Dr. N. Kamakodi

(ii) Related Party Transactions:

Particulars	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2022
Remuneration	1,15,80,000	1,90,96,435
Outstanding Housing Loan	36,34,192	37,90,412

#### g) Leases - AS 19

i) Lease rent paid for operating leases are recognized as an expense in the Profit & Loss Account in the year to which it relates.

ii) Future lease rents and escalation in the rent are determined on the basis of agreed terms.

iii) At the expiry of initial lease term, generally the Bank has an option to extend the lease for a further pre-determined period.

iv) The Bank does not have any financial lease.

#### h) Earning Per Share - AS 20

The details of EPS computation is set out below :

Particulars	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2022
Earnings for the year (₹ in crore)	937.48	760.17
Basic weighted average number of shares (Nos.)	73,98,22,488	73,90,96,135
Basic EPS (₹)	12.67	10.29
Dilutive effect of stock options (Nos.)	61,98,480	78,92,669
Diluted weighted average number of shares (Nos.)	74,60,20,968	74,69,88,804
Diluted EPS (₹)	12.57	10.18
Nominal value of shares (₹)	1	1

ESG  
Report

Statutory  
Reports

Financial  
Statements

List of  
Branches

Basel III

**i) Consolidated Financial Statements (CFS) - AS 21**

The Bank has no Subsidiaries / Joint Venture / Associates. Hence reporting under CFS is not applicable.

**j) Accounting for Taxes on Income - AS 22**

The major components of the Deferred Tax Asset and Liabilities as at 31<sup>st</sup> March, 2023 are as follows: (₹ in crore)

Components	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2022
<b>Deferred Tax Liability:</b>		
Special Reserve under IT Act	160.08	139.95
<b>Total Deferred Tax Liability (A)</b>	<b>160.08</b>	<b>139.95</b>
<b>Deferred Tax Asset:</b>		
Provision for Advances (NPA)	123.30	127.44
Leave Encashment	29.42	27.67
Provision for FITL	-	-
Provision for Standard Assets	71.89	76.93
Provision for COVID-19 - General Provision	19.84	25.94
Depreciation on Fixed Assets	6.86	7.15
<b>Total Deferred Tax Asset (B)</b>	<b>251.31</b>	<b>265.12</b>
<b>Net Deferred Tax Liability / (Asset) : (A - B)</b>	<b>(91.23)</b>	<b>(125.17)</b>

**k) Accounting for Investments in Associates in CFS - AS 23**

The Bank has no Associates. Hence reporting under CFS - AS 23 is not applicable.

**l) Discontinuing Operations - AS 24**

The Bank has not discontinued any of its operations. Hence reporting under CFS - AS 24 is not applicable.

**m) Interim Financial Reporting - AS 25**

Quarterly review have been carried out with reference to RBI and SEBI circulars & prescribed formats.

**n) Intangible Assets - AS 26**

The Bank has followed AS 26 - "Intangible Asset"

issued by ICAI and the guidelines issued by RBI and has been consistent with the compliance.

**o) Financial Reporting of Interests in Joint Ventures - AS 27 - NIL****p) Impairment of Assets - AS 28**

In the opinion of the management there is no impairment to the assets to which AS 28 - "Impairment of Assets" applies.

**q) Provisions & Contingencies - AS 29**

The details of the provisions and contingencies, contingent liabilities, the movement of provisions on NPA's and depreciation on investments which are considered material are disclosed elsewhere under the appropriate headings as per RBI guidelines.

**17. DISCLOSURE OF MATERIAL ITEMS AS PER RBI NOTIFICATION REFERENCE RBI/ 2022- 23/15 DOR.ACC.REC.No.91/21.04.018/2022-23 dated December 13, 2022**

a) Miscellaneous income under Schedule -14 exceeding one percent of total income :

(₹ in crore)

Particulars	FY 2022 - 23	FY 2021 - 22
Loan Processing Charge	91.53	81.72
Service Charges	97.01	72.63
Recovery in Technical Write Off A/Cs	294.27	188.33

b) Other expenditure under Schedule - 16 exceeding one percent of total expenses

(₹ in crore)

Particulars	FY 2022 - 23	FY 2021 - 22
Nil		

c) Other Liabilities and Provisions - "Others" under Schedule 5 exceeding one percent of the total assets

(₹ in crore)

Particulars	FY 2022 - 23	FY 2021 - 22
Nil		

d) Other Assets - "Others" under Schedule 11 exceeding one percent of the total assets

(₹ in crore)

Particulars	FY 2022 - 23	FY 2021 - 22
Nil		

e) Other Income-"Commission, Exchange and Brokerage" under the Schedule 14 (I) exceeding one percent of the total income

(₹ in crore)

Particulars	FY 2022 - 23	FY 2021 - 22
Nil		

**18. ADDITIONAL DISCLOSURES**

**1) Investment Fluctuation Reserve:**

RBI Circular RBI/2017-18/147 DBR.No.BP.BC.102/21.04.048 2017-18 dated April 2, 2018, the bank has appropriated Investment Fluctuation Reserve during the FY 2022-23 which is arrived as below:

Transfer to Investment Fluctuation Reserve	(₹ in crore)
a) Net Profit on Sale of Investments during the year	7.63
b) Net Profit for the Year less Mandatory Provisions	937.48
c) (a) or (b) lower of the above	7.63
d) Total of HFT & AFS Portfolio as on 31.03.2023	2995.47
e) 2% on the (d)	59.91

The Bank holds IFR of ₹ 74.18 crore as on 31.03.2023

ESG  
Report

Statutory  
Reports

Financial  
Statements

List of  
Branches

Basel III



- 2) Disclosure on Micro, Small and Medium Enterprises (MSME) sector - Restructuring of Advances (RBI/DBR.BP.BC.No.18/21.04.048/2018-19 dated 01.01.2019) and RBI/DBR.BP.BC.No. 34/21.04.048/2019-20 dated 11.02.2020 and (RBI/DOR. No.BP.BC/4/ 21.04.048/2020-21 dated 06.08.2020) and (RBI/DOR.STR. REC.12/21.04.048/2021-22 dated 05.05.2021) Micro, Small and Medium Enterprises (MSME) sector- Restructuring of Advances as on 31.03.2023.

(₹ in crore)

Number of Accounts Restructured (during the FY 2022-23) - MSME	Exposure as on 31.03.2023	Total No. of Standard Restructured Accounts (MSME) as on 31.03.2023	Total Exposure-Standard Restructured Advances (MSME) as on 31.03.2023
Nil	Nil	283	1030.78

- 3) Details of financial assets sold to Securitisation / Reconstruction company for Asset Reconstruction:

i) Details of Sales:

(₹ in crore)

Sl.No.	Particulars	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2022
a)	Number of Accounts	*133	**14
b)	Aggregate value (Net of provisions) of accounts sold to SC / RC *{Book balance of ₹ 214.15 Crore Less Provision of ₹ 144.04 Crore} **{Book balance of ₹ 65.03 Crore Less Provision of ₹ 51.48 Crore}	70.11	13.55
c)	Aggregate consideration	86.12	31.55
d)	Additional consideration realized in respect of accounts transferred in earlier years	Nil	Nil
e)	Aggregate gain/(loss) over net book value	16.01	18.00

Spread over any shortfall, if sale value is lower than NPV over a period of 2 years. This facility of spreading over shortfall for sale of upto 31.03.2023 - NIL.

ii) Details of Book - Value of Investments in Security Receipts

(₹ in crore)

Particulars	Backed by NPAs sold by the Bank as underlying		Backed by NPAs sold by other Banks / Financial Institutions / Non-Banking Financial Companies as underlying		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Book value of Investments in Security Receipts	1.08	91.69	Nil	Nil	1.08	91.69

(iii) Sale of Financial Assets to Securitization Company / Reconstruction Company

(₹ in crore)

Particulars	SRs issued within past 5 years	SRs issued more than 5 years ago but within past 8 years	SRs issued more than 8 years
i) Book value of SRs backed by NPAs sold by the Bank as underlying	1.08	-	-
Provision held against (i)	1.08	-	-
ii) Book value of SRs backed by NPAs sold by other Banks / Financial Institutions / Non-Banking Financial Companies as underlying	-	-	-
Provision held against (ii)	-	-	-
Total (i) + (ii)	1.08	-	-

Apart from the above, there are 13 SRs with book value of ₹ 1/- each

(iv) Details of Non - Performing financial assets purchased / sold:

a) Details of non performing financial assets purchased from other Banks :

(₹ in crore)

Sl. No.	Particulars	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2022
1.	a) Number of accounts purchased during the year	Nil	Nil
	b) Aggregate outstanding	Nil	Nil
2.	a) Of these, No. of a/cs restructured during the year	Nil	Nil
	b) Aggregate outstanding	Nil	Nil

b) Details of non performing financial assets sold to other Banks :

(₹ in crore)

Sl. No.	Particulars	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2022
1.	Number of accounts sold during the year	Nil	Nil
2.	Aggregate outstanding	Nil	Nil
3.	Aggregate consideration received	Nil	Nil

4) Provisions on Standard Assets

(₹ in crore)

Particulars	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2022
Provision towards Standard Assets	285.63	305.63

5) Movement in Countercyclical Provisioning Buffer for NPA

(₹ in crore)

Sl.No.	Particulars	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2022
a)	Opening Balance	Nil	Nil
b)	Additions during the year	Nil	Nil
c)	Deductions during the year	Nil	Nil
d)	Closing Balance	Nil	Nil

6) Movement in Floating Provisions

(₹ in crore)

Sl.No.	Particulars	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2022
a)	Opening Balance	Nil	Nil
b)	Additions during the year	Nil	Nil
c)	Deductions during the year	Nil	Nil
d)	Closing Balance	Nil	Nil

7) Amount of Provision for Income Tax for the year

(₹ in crore)

Particulars	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2022
Provision for Income Tax (Current Tax)	206.05	165.84
Deferred Tax Assets	13.81	40.28
Deferred Tax Liabilities	20.14	18.88
<b>Provision for Income Tax - Net</b>	<b>240.00</b>	<b>225.00</b>

8) Details of Single Borrower Limit (SBL) / Group Borrower Limit (GBL) exceeded by the Bank

Single Borrower Limit/ Group Borrower Limit has not been exceeded during the year.

9) Letters of Comfort:

The Bank has not issued any letters of comfort to other banks/branches during the year.

10) Guarantees for Trade Credits:

The bank has issued guarantees on behalf of its customers for availing Trade Credits for Import of Goods into India and outstanding as of 31<sup>st</sup> March 2023 was ₹98.87 crore.

11) Income Tax

Provision for income tax in the current year is made as per Income Computation Disclosures Standards (ICDS) after considering various judicial decisions on certain disputed issues.

In the opinion of the management, based on the opinion / Appellate orders decided in its favour on similar issues, no provision is considered necessary for earlier years towards disputed tax liability for Income Tax amounting to ₹904.65 cr (under Appeal) (previous year ₹1052 cr) and for Service Tax/GST amounting to ₹13.31 cr (previous year ₹11.77 cr).

**12) Inter Branch Reconciliation**

Reconciliation of Central Office accounts maintained by branches has been completed upto 31.03.2023. Adjustment of outstanding entries in Inter Branch Reimbursement account, Clearing Difference Receivable, Funds in Transit and other similar accounts is in progress. In the opinion of the

management, there is no consequential material impact.

**13) Employees Stock Option**

The Bank has allotted 8,31,472 (P.Y. 7,62,802) equity shares during the year to its eligible employees who have exercised their options granted under ESOP of the Bank.

**14) CSR activities (accounted under Schedule-16 – Operating expenses – XII Other Expenditure) (₹ in crore)**

Particulars	FY 2022 - 23	FY 2021 - 22
Amount earmarked for CSR activities	15.10	14.68
Amount carried forward from previous year	*4.87	6.22
Amount spent during FY 2022-23	12.74	-
Amount spent during FY 2021-22	-	11.81
Unspent amount of previous year(s) spent during current year (For FY 2020-21- ₹ 1.92 crore and FY 2021-22- ₹ 2.38 crore )	4.30	4.30
Amount un-spent as at 31 <sup>st</sup> March, 2023 (₹2.36 cr for FY 2022-23 and ₹ 0.57 cr for - FY 2021-22)	2.93	4.79

\*An amount of ₹ 0.08 crore (i.e ₹ 8,38,796/-) has been budgeted more than the actual CSR obligation for FY 2022.

**15)** In accordance with RBI instruction, the Bank has made a provision of 5% amounting to ₹ 2.95 cr against exposure in the long term food credit advance to Punjab State Government.

based banking activities including commission, fees, gains from securities transactions including ATM sharing fees, recoveries from accounts written off, Income from PSLC and other miscellaneous income.

**16)** In accordance with the RBI circular DBR. No.BP.BC.1/21.06.201/2015-16 dated 1st July 2015, read together with RBI circular DBR.No.BP.BC.80/21.06.201/2014-15 dated 31.03.2015, on prudential guidelines on Capital adequacy and liquidity standards - Amendments and RBI Circular DBR. BP. BC. No. 106/21.04.098/2017-18 dated May 17-2018 - Basel III Framework on Liquidity standards - Net stable Funding Ratio (NSFR) - Final Guidelines , banks are required to make certain Pillar 3, Leverage Ratio, Liquidity Coverage Ratio and NSFR disclosures along with publication of financial results. Accordingly pillar III disclosures under Basel III capital regulation is being made available on the Bank's website (www.cityunionbank.com). These disclosures have not been subjected to review by the Joint Statutory Central Auditors.

**18)** The Board of directors recommended dividend of Re. 1 per share i.e @ 100% for the year ended March 31,2023 (Previous year 100%) subject to approval of members in the ensuing Annual General meeting. In accordance with Accounting Standards 4 - Contingencies and Events Occurring after the Balance Sheet date, the proposed dividend has not been shown as an appropriation from the Profit and Loss account for the year ended March 31, 2023 and correspondingly not reported under Other Liabilities and Provisions as at March 31, 2023. However, capital adequacy ratio has been computed by reducing the proposed dividend.

**17)** Other Income relates to income from non-fund

**19)** Previous year's figures have been regrouped wherever necessary to conform to the current year classification.

ESG  
Report

Statutory  
Reports

Financial  
Statements

List of  
Branches

Basel III

## STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

### A. BACKGROUND

City Union Bank Limited (the Bank), incorporated in Kumbakonam, India is a publicly held banking company governed by the Banking Regulation Act, 1949 and is engaged in providing a wide range of banking and financial services including commercial banking and treasury operations.

### B. BASIS OF PREPARATION

The financial statements are prepared under the historical cost convention following accrual basis of accounting, unless otherwise stated, using going concern assumption, and conform in all material aspects to the Generally Accepted Accounting Principles (GAAP) in India, which comprises applicable statutory provisions, regulatory norms/guidelines and extant disclosure norms prescribed by the Reserve Bank of India (RBI), Accounting Standards (AS) issued under Section 133 of the Companies Act 2013 read together with the Companies (Accounting Standards) Rules, 2021, Banking Regulation Act, 1949 and practices prevalent in the banking industry in India.

### USE OF ESTIMATES

The preparation of financial statements in conformity with GAAP require the management to make estimates and assumptions in the reported amounts of Assets and Liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses during the reporting period. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Actual results could differ from these estimates. Any revision in the accounting estimates is recognised prospectively in the current and future periods.

### C. SIGNIFICANT ACCOUNTING POLICIES

#### 1. REVENUE RECOGNITION

Income and Expenditure are accounted on accrual basis, except the following;

- a. Interest on non-performing advances (NPA), non-performing investments (NPI) and income from funded interest term loan accounts (FITL) are recognised upon realisation as per the prudential

norms prescribed by RBI.

- b. Interest on overdue bills, commission, exchange, brokerage and rent on lockers are accounted on realization.
- c. Dividend on equity shares, preference shares and mutual fund units is accounted as income when the right to receive the dividend is established.

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. INVESTMENTS

2.1 As per RBI guidelines, the investments of the bank are classified into the following categories at the time of acquisition

- Held to Maturity (HTM)
- Available for Sale (AFS)
- Held for Trading (HFT)

They are further sub-classified and shown in the Balance Sheet under the following six categories:

- i) Government Securities
  - ii) Other Approved Securities
  - iii) Shares
  - iv) Debentures and Bonds
  - v) Subsidiaries /Joint Ventures and
  - vi) Others
- a) Securities classified under HTM category are valued at acquisition cost. Where the acquisition cost is higher than the face value, such excess of acquisition cost over the face value is amortised over the remaining period to maturity.
  - b) Securities held in AFS Category are valued scrip wise as under:
    - i) Government of India Securities are valued at market price as per quotation put out by Fixed Income Money Market and Derivatives Association of India (FIMMDA) & Bloomberg/Financial Benchmark India Limited.

- ii) State Government loans, Trustee Securities, Securities guaranteed by Central/State Governments and PSU Bonds are valued on appropriate Yield to Maturity (YTM) basis as per FIMMDA & Bloomberg/Financial Benchmark India Limited.
  - iii) Treasury Bills/ Certificate of Deposits/ Commercial Papers, being discounted instruments, are valued at carrying cost.
  - iv) Equity Shares are valued at market rate if quoted, otherwise at Break up Value as per the latest Balance Sheet if available, or Re.1/- for each Company.
  - v) Preference shares are valued at market price if quoted or at appropriate YTM basis as per FIMMDA & Bloomberg/Financial Benchmark India Limited.
  - vi) Debentures / Bonds are valued at market price if quoted, otherwise on an appropriate YTM basis.
  - vii) Units of mutual funds are valued at the latest repurchase price/Net Asset Value (NAV) declared by the mutual fund.
  - viii) Security Receipts are valued at NAV as declared by the Securitisation companies.
  - c) Individual scrips under HFT category are valued at Market Price.
- 2.2 Investments in AFS / HFT are valued scrip-wise, aggregated category-wise and net depreciation, if any, within each category is charged to Profit & Loss Account, while net appreciation, if any, under each category is ignored.
- 2.3 Shifting of securities from one category to another is carried out at the lower of acquisition cost/ book value/ market value as on the date of transfer. The depreciation, if any on such transfer is fully provided for.
- 2.4 Purchase and sale transactions in securities are accounted on settlement date. Profit/Loss on sale of Investments in any category is taken to the Profit & Loss Account. However, in case of sale of

investments in HTM category, the profit is first credited to Profit and Loss Account and thereafter an amount equivalent to profit, net of statutory reserve and taxes, is appropriated to the Capital Reserve Account.

- 2.5 The Bank undertakes short sale transactions in Central Government dated securities. The short position is marked to market and loss, if any, is charged to the Profit and Loss Account while gain, if any, is ignored. Profit / Loss on short sale is recognised on settlement date.
- 2.6 Cost of investments is based on the weighted average cost method.
- 2.7 Commission, brokerage, broken period interest etc. incurred on acquisition of securities is debited to Profit and Loss account. Commission, incentives, brokerage received on subscription is deducted from the cost of the securities.
- 2.8 Investments are shown net of Depreciation, if any in the Balance Sheet.
- 2.9 Non Performing Investments are identified and provided for as per RBI guidelines. The provision on such non-performing investments are not set off against the appreciation in respect of other performing investments. Interest on non-performing investments is not recognised until received.

### 3. LOANS / ADVANCES AND PROVISIONS THEREON

- 3.1 Advances have been classified as per the Asset Classification norms laid down by the Reserve Bank of India. The required provisioning for Standard Assets and for Non Performing Assets have been made as per the Regulatory norms.
- 3.2 Advances shown in the Balance Sheet are net of specific provisions, technical write offs and ECGC/DICGC claims received.
- 3.3 Partial recoveries in Non Performing Assets are apportioned first towards charges and interest, thereafter towards principal with the exception of non performing advances involving compromise settlements in which case the recoveries are first adjusted towards principal.



3.4 NPAs are classified into Sub-standard, Doubtful and Loss Assets based on the following criteria stipulated by RBI:

- I. Sub-standard: A loan asset that has remained non-performing for a period less than or equal to 12 months.
- ii. Doubtful : A loan asset that has remained in the sub-standard category for a period of 12 months.
- iii. Loss : A loan asset where loss has been identified but the amount has not been fully written off.

3.5 Provisions are made for NPAs as per the extant guidelines prescribed by the regulatory authorities, subject to minimum provisions as prescribed below:

#### Substandard Assets:

- i. A general provision of 15% on the total outstanding;
- ii. Additional provision of 10% for exposures which are unsecured.
- iii. Unsecured Exposure in respect of infrastructure advances where certain safeguards such as escrow accounts are available 20%.

#### Doubtful Assets:

- Secured portion:**
- i. Upto one year - 25%
  - ii. One to three years - 40%
  - iii. More than three years - 100%
- Unsecured portion - 100%**

#### Loss Assets:

100% to be provided on the total outstanding;

3.6 Floating Provisions:

The Bank has a policy for creation and utilisation of floating provisions separately for advances, investments and general purposes. The quantum of floating provisions to be created is assessed at the end of the financial year. The floating provisions are utilised only for contingencies under extraordinary circumstances specified in the policy with prior permission of Reserve Bank of India.

3.7 Provision for Country Exposure:

In addition to the specific provisions held according to the asset classification status, provisions are also made for individual country exposures (other than the home country). Countries are categorised into seven risk categories, namely, insignificant, low, moderately low, moderate, moderately high, high and very high and provisioning made as per extant RBI guidelines. If the country exposure (net) of the Bank in respect of each country does not exceed 1% of the total funded assets, no provision is maintained on such country exposures. The provision is reflected in Schedules of the Balance Sheet.

3.8 Provision for unhedged foreign currency exposure:

Provision for Unhedged Foreign Currency Exposure of borrower entities is made considering their unhedged exposure to the Bank.

## 4. FIXED ASSETS, DEPRECIATION & AMORTIZATION

- 4.1 Premises, Software and other Fixed Assets are accounted at acquisition cost less depreciation. Cost includes cost of purchase and all expenditure like site preparation, installation costs and professional fees incurred on the asset before it is ready to use.
- 4.2 Capital work-in-progress includes cost of fixed assets that are not ready for their intended use.
- 4.3 Depreciation has been provided on the composite value for premises acquired with land and building, where cost of the land is not separately identifiable.
- 4.4 The Bank has provided depreciation based on useful life of the assets in line with Schedule II of the Companies Act, 2013. Depreciation is charged over the estimated useful life of the fixed asset on a straight-line basis. Depreciation on assets purchased and sold during the year is provided on a pro-rata basis.

## 5. EFFECTS OF CHANGES IN THE FOREIGN EXCHANGE RATE

- 5.1 Assets and Liabilities denominated in Foreign Currencies are translated at the rates notified by FEDAI at the close of the year. Profit or Loss accruing from such transactions is recognised in the Profit and Loss Account.



- 5.2 Income and Expenditure items have been translated at the exchange rates prevailing on the date of the transactions.
- 5.3 The Bank does not have a branch in any Foreign Country.
- 5.4 Outstanding Forward Exchange contracts are revalued at the exchange rates notified by FEDAI and the resultant net gain or loss is recognised in the Profit and Loss Account.
- 5.5 Foreign Currency Guarantees, Acceptances, Endorsements and other obligations are reported at the FEDAI notified closing exchange rates prevailing on the date of the Balance Sheet.

## 6. STAFF BENEFITS

- 6.1 Payments to defined contribution schemes such as Provident Fund, Employees Pension Fund, and are charged as expenses as and when they fall due.
- 6.2 Provision towards leave encashment is accounted on actuarial basis in accordance with Accounting Standard 15 (revised 2005) issued by ICAI.
- 6.3 Payments to the Group Gratuity Life Assurance Scheme of the Life Insurance Corporation of India towards gratuity liability are charged as expenses as and when they fall due.

## 7. EMPLOYEES STOCK OPTION SCHEME

The Employee Stock Option Scheme provides for grant of equity stock options to employees that vest in a graded manner. The Bank follows the intrinsic value method to account for its employee compensation costs arising from grant of such options. The excess of fair market price over the exercise price shall be accounted as employee compensation cost in the year of vesting. The fair market price is the latest closing price of the shares on the stock exchanges in which shares of the Bank are largely traded immediately prior to the date of meeting of the compensation committee in which the options are granted.

## 8. SEGMENT REPORTING

The Bank recognises the Business Segment as the Primary Reporting Segment and Geographical Segment as the Secondary Reporting Segment, in accordance with the RBI guidelines and in compliance with the Accounting Standard 17.

Business Segment is classified into (a) Treasury (b) Corporate and Wholesale Banking, (c) Retail Banking (includes digital banking units) (d) Other Banking Operations.

## 9. EARNING PER SHARE

Basic earning per share is calculated by dividing the net profit of the year by the weighted average number of equity shares.

Diluted earning per share is computed using the weighted average number of equity shares and dilutive potential equity shares.

## 10. IMPAIRMENT OF ASSETS

An assessment is made at each balance sheet date whether there is any indication that an asset is impaired. If any such indication exists, an estimate of the recoverable amount is made and impairment loss, if any, is provided for.

## 11. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

11.1 In conformity with AS.29 "Provisions, Contingent Liabilities and Contingent Assets" issued by the Institute of Chartered Accountants of India, the Bank recognizes provision 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) a reliable estimate of the amount of the obligation can be made.

11.2 No provision is recognized for:

- I. 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
- ii. Any present obligation that arises from past events but is not recognized because
  - a) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or
  - b) 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.

11.3 Contingent Assets are not recognized in the financial statements.

## 12. INCOME TAX

Income Tax comprises current tax and deferred tax for the year. The deferred tax assets/liability is recognised in accordance with Accounting Standard-22 issued by the Institute of Chartered Accountants of India.

## 13. NET PROFIT

The Net Profit disclosed in the Profit and Loss Account is after considering:

- a. Provision for taxes on income in accordance with statutory requirements.
- b. Provision for Standard Assets and Non-performing Assets.
- c. Provision for depreciation on Investments
- d. Other usual and necessary provisions.

## 14. SPECIAL RESERVES

Revenue and other Reserve include Special Reserve created under Section 36(i)(viii) of the Income Tax Act, 1961. The Board of Directors of the Bank had passed a resolution approving creation of the reserve and confirm that it has no intention to make withdrawal from the Special Reserve.

## 15. CORPORATE SOCIAL RESPONSIBILITY

The expenditure towards corporate social responsibility in accordance with The Companies Act, 2013 is recognised in the Profit and Loss Account.

## 16. OPERATING LEASES

Leases where all the risks and rewards of ownership are retained by the lessor are classified as 'Operating lease'. Operating lease payments are recognised as an expense in the Profit and Loss Account as per the lease terms. Initial direct costs in respect of operating leases such as legal costs, brokerage costs etc., are recognised as expense in the Profit and Loss Account.

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2023**

(₹ in thousands)

	31.03.2023	31.03.2022
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Net Profit as per P&amp;L account</b>	<b>93,74,795</b>	76,01,651
<b>Adjustments for :</b>		
Depreciation	7,28,522	8,50,211
Provisions & Contingencies - Tax	24,00,000	22,50,000
Provisions & Contingencies - Others	64,05,000	61,01,459
Profit on sale of Investments (Net of Depreciation)	-4,31,321	-6,20,995
Profit on sale of Assets	-1,265	-1,416
Foreign exchange fluctuations	-15,16,016	-19,47,423
<b>Operating Profit before working capital changes</b>	<b>1,69,59,715</b>	1,42,33,487
<b>Adjustments for :</b>		
Funds advanced to Customers	-337,28,775	-4,76,48,894
Other Operating Assets	6,01,186	-40,668
Deposits from Customers	4,70,81,882	3,15,23,061
Borrowing from Banks	-62,37,287	3,96,61,279
Other Operating Liabilities	-8,08,139	13,33,311
Purchase and sale of Investments (Net)	-2,09,37,832	-2,71,97,111
<b>Cash Generated from Operations</b>	<b>29,30,750</b>	1,18,64,465
Taxation - Income Tax	-19,26,782	-2,09,451
<b>Net Cash flow from Operating Activities - A</b>	<b>10,03,968</b>	1,16,55,014
<b>Cash flow from Investing Activities</b>		
Purchase of Fixed Assets	-9,89,817	-7,71,012
Sale of Fixed Assets	2,70,972	1,42,611
<b>Net Cash used in Investing Activities - B</b>	<b>-7,18,845</b>	-6,28,401
<b>Cash flow from Financing Activities</b>		
Proceeds from issue of Share Capital	831	763
Proceeds from Share Premium	79,007	6,70,900
Dividend Paid	-7,41,511	-3,75,771
Tax on distributed profits	-	-
<b>Net Cash flow from Financing Activities - C</b>	<b>-6,61,673</b>	-3,07,918
Net increase in Cash and Cash equivalents (A+B+C)	-3,76,550	1,07,18,695
Cash and Cash equivalents at 31 <sup>st</sup> March 2022	6,68,69,299	5,61,50,604
<b>Cash and Cash equivalents as at 31<sup>st</sup> March 2023</b>	<b>6,64,92,749</b>	6,68,69,299

For and on behalf of the Board

Kumbakonam  
26<sup>th</sup> May, 2023

**Dr. N. KAMAKODI**  
MD & CEO

**K. JAYARAMAN**  
General Manager

**Dr. N. KAMAKODI**  
MD & CEO

**M. NARAYANAN**  
Chairman

**J. SADAGOPAN**  
Chief Financial Officer

**NARAYANAN SUBRAMANIAM**  
**Dr. T.S. SRIDHAR**  
**T.K. RAMKUMAR**

**V.N. SHIVASHANKAR**  
**K. VAIDYANATHAN**  
**G. MAHALINGAM**

**S.VENKATARAMANAN**  
Company Secretary

**LALITHA RAMESWARAN**  
Directors

For **Jagannathan & Sarabeswaran**  
Chartered Accountants  
(Firm No. 001204S)

For **M/s. K. Gopal Rao & Co.,**  
Chartered Accountants  
(Firm No. 000956S)

**CA Vivek Sarabeswaran**  
Partner  
M.No. : 206383  
UDIN : 23206383BGPZKD9813

**CA B. Meera Gopalan**  
Partner  
M.No. : 029471  
UDIN : 23029471BGYVJI6717

Kumbakonam  
26<sup>th</sup> May, 2023



## DETAILS OF NOSTRO ACCOUNTS

Sl.No.	Name of the Bank	Place	Currency
1.	Masherq Bank	UAE	AED
2.	State Bank of India	Sydney	AUD
3.	Standard Chartered Bank	London	CAD
4.	ICICI Bank	Toronto	CAD
5.	Zuercher Kantonal Bank	Zurich	CHF
6.	Commerz Bank	Frankfurt	EUR
7.	Standard Chartered Bank	Frankfurt	EUR
8.	Wells Fargo Bank	London	EUR
9.	Standard Chartered Bank	London	GBP
10.	State Bank of India	Tokyo	JPY
11.	Standard Chartered Bank	Singapore	SGD
12.	Standard Chartered Bank	NewYork	USD
13.	Wells Fargo Bank	NewYork	USD

## LIST OF BRANCHES

## ANDHRA PRADESH

ADONI  
AMALAPURAM  
ANAKAPALLI  
ANANTHPUR  
BAPATLA  
BHIMAVARAM  
CHILAKALURIPET  
CHIRALA  
CHITTOOR  
DHARMAVARAM  
ELURU  
GAJUWAKA  
GUDIVADA  
GUDUR  
GUNTAKAL  
GUNTUR- ARUNDELPET  
GUNTUR- PATNAM BAZAAR  
HINDUPUR  
JAMMALAMADUGU  
KADAPA  
KAKINADA  
KAVALI  
KURNOOL  
MACHILIPATNAM  
MADANAPALLI  
MANGALAGIRI  
MARKAPUR  
MYLAVARAM  
NAD JUNCTION  
NANDYAL  
NARASARAOPET  
NELLORE  
ONGOLE  
PRODATTUR  
RAJAMUNDRY  
SRIKAKULAM  
TADA  
TADEPALLIGUDEM  
TANUKU  
THENALI  
TIRUPATI  
THULLURU  
TUNI  
VEDAYAPALEM  
VIJAYAWADA- AUTO NAGAR  
VIJAYAWADA- BHAVANARAYANA STREET  
VIJAYAWADA- GOVERNORPET  
VISHAKAPATINAM  
VIZIANAGARAM

## CHANDIGARH UNION TERRITORY

CHANDIGARH

## CHATTISHGARH

BHILAI  
RAIPUR

## GUJARAT

AHMEDABAD - NAVRANGPURA  
AHMEDABAD - RAIPUR  
ANAND  
ANKALESWAR  
BHAVNAGAR  
GANDHIDHAM  
JAMNAGAR  
KATARGAM - SURAT  
MEHSANA

MORBI  
ODHAV - NIKOL  
PALANPUR  
RAJKOT  
SURAT  
SURAT II  
SURENDRANAGAR  
UNJHA  
VADDARA  
VAPI  
VERAVAL

## HARYANA

FARIDABAD  
GURGAON

## JHARKHAND

BISTUPUR-JAMSHEDPUR

## KARNATAKA

BALLARI  
BELGAUM  
BENGALURU - BANASHANKARI  
BENGALURU - BANASWADI  
BENGALURU - BASAVANGUDI  
BENGALURU - BTM LAYOUT  
BENGALURU - HSR LAYOUT  
BENGALURU - HULIMAVU GATE  
BENGALURU - INDIRA NAGAR  
BENGALURU - ISRO LAYOUT  
BENGALURU - J C ROAD  
BENGALURU - J. P. NAGAR  
BENGALURU - JAYA NAGAR  
BENGALURU - K.R.PURAM  
BENGALURU - KENGERI  
BENGALURU - KORAMANGALA  
BENGALURU - MALLESWARAM  
BENGALURU - MARTHAHALLI  
BENGALURU - MATHIKERE  
BENGALURU - PEENYA  
BENGALURU - R.T.NAGAR  
BENGALURU - RAJAJINAGAR  
BENGALURU - RAMANAGARA  
BENGALURU - SULTANPET  
BENGALURU - VIDYARANYAPURA  
BENGALURU - VIJAYNAGAR  
BENGALURU - WHITE FIELD  
BENGALURU - YELAHANKA  
BOMMASANDRA  
DAVENGERE  
DODDABALLAPUR  
HASSAN  
HOSKOTE  
HUBLI  
JIGANI  
MANGALORE  
MYSORE  
RAICHUR  
SHIMOGA  
TIPTUR  
TUMKUR

## KERALA

ALAPUZHA  
ALUVA  
ANGAMALY  
CALICUT

CHAVAKKAD  
EDAPALLI  
ERNAKULAM  
GURUVAYUR  
KANNUR  
KOLLAM  
KOTTAYAM  
PALAKKAD  
THIRUVALLA  
THIRUVANANTHAPURAM  
THIRIPUNITHURA  
THRISSUR  
THRISSUR - EAST FORT  
VALLIKAVU

## MADHYA PRADESH

BHOPAL  
DEWAS  
INDORE  
UJJAIN

## MAHARASHTRA

AMRAVATI  
AURANGABAD  
BHIWANDI  
ICHALKARANJI  
KHARGHAR  
KOLHAPUR  
MUMBAI - ANDHERI  
MUMBAI - CHEMBUR  
MUMBAI - DOMBIVILI  
MUMBAI - FORT  
MUMBAI - KALYAN  
MUMBAI - KHAR WEST  
MUMBAI - MIRA ROAD  
MUMBAI - NERUL  
MUMBAI - THANE  
MUMBAI - VASHI  
NAGPUR  
NASHIK  
PIMPRI  
PUNE

## NEW DELHI

NEW DELHI - CHANDHINI CHOWK  
NEW DELHI - JANAKPURI  
NEW DELHI - KAROLBAGH  
NEW DELHI - LAJPAT NAGAR  
NEW DELHI - LAXMI NAGAR  
NEW DELHI - MAYUR VIHAR  
NEW DELHI - OKHLA  
NEW DELHI - ROHINI

## ODISHA

BHUBANESWAR

## PUDUCHERRY UNION TERRITORY

ARIYANKUPPAM  
KARAIKAL  
LAWSPET  
PUDUCHERRY  
REDDIARPALAYAM  
VILLIANUR

## PUNJAB

AMRITSAR  
JALANDHAR  
LUDHIANA

ESG  
ReportStatutory  
ReportsFinancial  
StatementsList of  
Branches

Basel III

**LIST OF BRANCHES (Contd.)****RAJASTHAN**

AJMER  
ALWAR  
BALOTRA  
BEAWAR  
BHILWARA  
BHIWADI  
BIKANER  
JAIPUR  
JODHPUR  
KISHANGARH  
KOTA  
NAGOUR  
PALI  
UDAIPUR

**TAMIL NADU**

15 VELAMPALAYAM  
ACHALPURAM  
ADUTHURAI  
AGARAM  
AGARAMTHEN  
AGARATHIRUMALAM  
ALANGANALLUR  
AGRAHARA MANAPPALLI  
ALANGUDI  
ALANGULAM  
AMBASAMUDRAM  
AMBUR  
ANAIMALAI  
ANAKAPUTHUR  
ANNALAGRAHARAM  
ANTHIYUR  
ARAKKONAM  
ARANI  
ARANTHANGI  
ARASANKALANI  
ARCOT  
ARIYALUR  
ARUPUKOTTAI  
ASANALLIKUPPAM  
ASUR  
ATHANAKOTTAI  
ATTUR  
AUNDIPATTI  
AVINASI  
AYAPPAKKAM  
AYOTHIPATTINAM  
AYYAPPANTHANGAL  
AYYEMPETTAI  
AZHINJIVAKKAM  
BALAKRISHNAPURAM  
BARGUR  
BATLAGUNDU  
BEGEPALLI  
BHAVANI  
BODINAYAKANUR  
CHENGALPET  
CHENNAI - ABHIRAMAPURAM  
CHENNAI - ADAMBAKKAM  
CHENNAI - ADYAR  
CHENNAI - AMBATTUR  
CHENNAI - AMINJIKARAI  
CHENNAI - ANNA NAGAR EAST  
CHENNAI - ANNA NAGAR WEST  
CHENNAI - ARUMBAMBAKKAM  
CHENNAI - ASHOK NAGAR

CHENNAI - AVADI  
CHENNAI - CHINMAYA NAGAR  
CHENNAI - CHOOLAI  
CHENNAI - CHROMEPET  
CHENNAI - CHROMPET NEW COLONY  
CHENNAI - EAST TAMBARAM  
CHENNAI - EGMORE  
CHENNAI - EKKATTUTHANGAL  
CHENNAI - GEORGE TOWN  
CHENNAI - HABIBULLA ROAD  
CHENNAI - K K NAGAR  
CHENNAI - KARAPAKKAM  
CHENNAI - KATHIVAKKAM  
CHENNAI - KOLATHUR  
CHENNAI - KORATTUR  
CHENNAI - KOTTIVAKKAM  
CHENNAI - MADHAVARAM  
CHENNAI - MANDAVELI  
CHENNAI - MOUNT ROAD  
CHENNAI - MUGALIVAKKAM  
CHENNAI - MUGAPPUR  
CHENNAI - MYLAPORE  
CHENNAI - NANGANALLUR  
CHENNAI - NANMANGALAM  
CHENNAI - NEELANGARAI  
CHENNAI - NELSON MANICKAM ROAD  
CHENNAI - NERKUNDRAM  
CHENNAI - NUNGAMBAKKAM  
CHENNAI - PADI  
CHENNAI - PERAMBUR  
CHENNAI - PERUNGUDI  
CHENNAI - PURASAWALKAM  
CHENNAI - PUZHUTHIVAKKAM  
CHENNAI - RAMAPURAM  
CHENNAI - RENGARAJAPURAM  
CHENNAI - ROYAPETTAH  
CHENNAI - ROYAPURAM  
CHENNAI - SAIDAPET  
CHENNAI - SALIGRAMAM  
CHENNAI - SELAIYUR  
CHENNAI - T NAGAR  
CHENNAI - TAMBARAM  
CHENNAI - TEYNAMPET  
CHENNAI - THIRUMULLAIVOYAL  
CHENNAI - THIRUVOTTIYUR  
CHENNAI - THORAIAPPAKKAM  
CHENNAI - TIRUVANMIYUR  
CHENNAI - TRIPLICANE  
CHENNAI - VADAPALANI  
CHENNAI - VANAGARAM  
CHENNAI - VELACHERY  
CHENNAI - VILLIVAKKAM  
CHENNAI - VINAYAGAPURAM  
CHENNAI - ZAMIN PALLAVARAM  
CHENNIMALAI  
CHEYYARU  
CHIDAMBARAM  
CHINNA KANCHEEPURAM  
CHINNAKALRAYANHILLS THERKKUNADU  
CHINNALAPATTI  
CHINNAMANUR  
CHINNAPOOLAMPATTI  
CHINNASALEM  
CHINNIAMPALAYAM  
CHINTHAMANI  
CHITLAPAKKAM  
C.MEYYUR  
COIMBATORE - GANAPATHY

COIMBATORE - KOVAIPUDUR  
COIMBATORE - MANIAKARANPALAYAM  
COIMBATORE - OPPANAKARA STREET  
COIMBATORE - P N PALAYAM  
COIMBATORE - R.S.PURAM  
COIMBATORE - RAM NAGAR  
COIMBATORE - RAMANATHAPURAM  
COIMBATORE - SAIBABA COLONY  
COIMBATORE - SINGANALLUR  
COIMBATORE - SIVANANDA COLONY  
COIMBATORE - SUNDARAPURAM  
COIMBATORE - TVS NAGAR  
COIMBATORE - VILANKURICHI  
COLACHEL  
CUDDALORE  
CUMBUM  
DARAPURAM  
DEVAKOTTAI  
DEVANANCHERY  
DHALAVOIPURAM  
DHARASURAM  
DHARMAPURI  
DINDIGUL  
EACHANKUDI  
EDAIYIRUPPU  
ELLAMPILLAI  
ERANAPURAM  
ERAVANCHERY  
ERODE  
ERODE - MOOLAPALAYAM  
GANGASOODAMANI  
GERUGAMBAKKAM  
GINGEE  
GOBICHETTIPALAYAM  
GUDIYATHAM  
GUDUVANCHERY  
GUMMIDIPOONDI  
HARUR  
HOSUR  
IDAPPADI  
IKKARAIPOULUVAMPATTI  
ILAYANGUDI  
ILLALUR  
ILUPPANTHAM  
IRUNGALUR  
JALAKANDAPURAM  
JALLADIAMPET  
JAYANKONDAM  
KADAGAMBADI  
KADAPPERI  
KADAYANALLUR  
KADUGUR  
KALAHASTINATHAPURAM  
KALAPATTI  
KALAYARKOIL  
KALLAKURICHI  
KANCHEEPURAM  
KANGAYAM  
KANKODUTHAVANITHAM  
KANNANDERI  
KAPPANAMANGALAM  
KARADIPATTI  
KARAIKUDI  
KARAMADAI  
KARUR  
KATHIRINATHAM  
KATPADI  
KATTUMANNARKOIL

**LIST OF BRANCHES (Contd.)**

KATTUPAKKAM	MARUNGULAM	PERIYANAIPALAYAM
KEELAKARAI	MAYILADUTHURAI	PERUMALPATTU
KEELAKORUKKAI	MECHERI	PERUMANALLUR
KEELAPALUVUR	MEDAVAKKAM	PERUMATHUNALLUR
KELAMBAKKAM	MELAIYUR	PERUMBAKKAM
KETTAVARAMPALAYAM	MELAKABISTHALAM	PERUNDURAI
KIDARANKONDAN	MELAKOTTAIYUR	PERUNGALATHUR
KINATHUKADAVU	MELAVALAMPETTAI	PERUR
KODANGIPALAYAM	MELERIPAKKAM	PICHANDAR KOIL
KODAVASAL	MELUR	PODANUR
KOILAMBAKKAM	MELVISHRAM	POLICHALUR
KOMARAPALAYAM	METTUPALAYAM	POLLACHI
KOOTHANALLUR	MINJUR	PONMAR
KORADACHERY	MODAKURICHI	PONNAMARAVATHI
KORANATTU KARUPPUR	MUDICHUR	PONNERI
KOTHANGUDI	MUDIKONDAN	POOLANKULAM
KOTTUR	MUSIRI	POONAMALLEE
KOVILPATTI	MUTHUPET	POONTHANDALAM
KRISHNAGIRI	MUTTAVAKKAM	PORAYAR
KULASEKARAM	NACHIAR KOIL	PUDUKKOTTAI
KULATHUR	NADUKKADAI	PULIYAMPATTI
KULASEKARAPPERI	NADUPATTY	PULIYANKUDI
KUMBAKONAM - GANDHINAGAR	NAGAPATTINAM	PUNJAI PULIYAMPATTI
KUMBAKONAM - MAIN	NAGERKOIL	RAJAPALAYAM
KUMBAKONAM - TOWN	NAGALUR	RAMANATHAM - THOLUDUR
KUNDRATHUR	NAGORE	RAMANATHAPURAM
KUNIAMUTHUR	NALLAMANGUDI	RAMESWARAM
KUNNATHUR	NALLUR	RANIPET
KUPPAMBATTU	NAMAKKAL	RASIPURAM
KURICHI	NAMBIYUR	REDDIKUPPAM
KUTTALAM	NANJIKOTTAI	REDHILLS
MADAGUDI	NANNILAM	RISHIVANDIYAM
MADAPATTU	NARANAMANGALAM	S.PUDUR
MADAPURAM	NARASAMPATTI	SAHUPURAM
MADATHUKULAM	NATHAM	SAKKOTTAI
MADIPAKKAM	NAVALUR	SALEM - AMMAPETTAI
MADUKKUR	NEDUNKUNDRAM	SALEM - FAIR LANDS
MADURAI - ANNA NAGAR	NEIKUPPI	SALEM - MAIN
MADURAI - CHOCKIKULAM	NEO (Digi Branch)	SALEM - SHEVAPET
MADURAI - K K NAGAR	NEYVELI	SALEM - SURAMANGALAM
MADURAI - K.PUDUR	NILAKKOTTAI	SANKAGIRI
MADURAI - KOODAL NAGAR	NORTH POIGAINALLUR	SANKARAN KOIL
MADURAI - MAIN	ODDANCHATRAM	SANNANALLUR
MADURAI - OTHAKADAI	ODDERPALAYAM	SANOORAPATTI
MADURAI - S.S. COLONY	OMALUR	SARAVANAMPATTI
MADURAI - T V S NAGAR	ORAGADAM	SATHYAMANGALAM
MADURAI - VILAKKUTHOON	OTTAKOIL	SATTUR
MADURAI - VILLAPURAM	PADAPPAI	SELLANKUPPAM
MADURANTHAKAM	PADIRAPULIYUR	SEMBANARKOIL
MADURAPAKKAM	PADUR	SEMMANJERI
MADURAPURI	PAKKAM	SENDAMANGALAM
MADURAVOYAL	PALANI	SENGANUR
MALUMICHAMPATTI	PALAVATHANKATTALAI	SENGURICHI
MANALI	PALAYAMKOTTAI	SHOLINGANALLUR
MANAMADURAI	PALAYANUR	SHOLINGHUR
MANAPAKKAM	PALLADAM	SILLATUR
MANAPPARAI	PALLIPALAYAM	SINGAPERUMAL KOIL
MANGADU	PAMMAL	SIRKALI
MANGAIMADAM	PANDARAVADAIMAPPADUGAI	SITHALAPAKKAM
MANGALAKKURICHI	PANNIMADAI	SITHARKADU
MANGALAM	PANRUTI	SIVAGANGAI
MANJAKOLLAI	PARAMAKUDI	SIVAGIRI
MANJAKUDI	PARUTHIKOTTAI	SIVAKASI
MANJANAYACKANPATTI	PATTEESWARAM	SOMANUR
MANNARGUDI	PATTUKOTTAI	SRIKANTAPURAM
MANNIVAKKAM	PERAMBALUR	SRIPERAMBUDUR
MARAIMALAI NAGAR	PERIYAKULAM	SRIVILLIPUTHUR
MARTHANDAM	PERIYAKURICHI	SULTANPET

ESG  
Report

Statutory  
Reports

Financial  
Statements

List of  
Branches

Basel III



**LIST OF BRANCHES (Contd.)**

SULUR  
SURAMPATTI  
SURANDAI  
TENKASI  
THALAIVASAL  
THALAIYUTHU  
THAMARANGKOTTAI  
THAMMAMPATTI  
THANJAVUR - MAIN  
THANJAVUR - MEDICAL COLLEGE ROAD  
THARAMANGALAM  
THENI  
THENNAMPALAYAM  
THEPPARUMANALLUR  
THILLAINAYAGAPURAM  
THIMMACHIPURAM  
THIMMAKUDI  
THIMMAVARAM  
THINDAL  
THINDIYUR  
THIRUCHENGODU  
THIRUINDALUR  
THIRUMALAISAMUDRAM  
THIRUMANGALAM  
THIRUMAZHISAI  
THIRUMUDIVAKKAM  
THIRUNAGAR  
THIRUNAGESWARAM  
THIRUNEERMALAI  
THIRUNINDRAVUR  
THIRUPAPULIYUR  
THIRUPPALAI  
THIRUTHANGAL  
THIRUTHURAIPOONDI  
THIRUVALANJULI  
THIRUVALLUR  
THIRUVENCHERY  
THIRUVERKADU  
THISAYANVILAI  
THOGUR  
THONDAMUTHUR  
THUCKALAY  
THUDIYALUR  
THUVAKUDI  
TINDIVANAM  
TIRUCHENDUR  
TIRUCHERAI  
TIRUCHULI  
TIRUKALUKUNDRAM  
TIRUKKATTUPALLI  
TIRUKOILUR  
TIRUMAKOTTAI  
TIRUMARUGAL  
TIRUNELLIKAVAI  
TIRUNELVELI  
TIRUNELVELI JUNCTION  
TIRUPANANDAL  
TIRUPATHUR  
TIRUPOONDI  
TIRUPPUR  
TIRUPPUR - VEERAPANDY  
TIRUPPUR PN ROAD  
TIRUTTANI  
TIRUVANNAMALAI  
TIRUVARUR - TOWN  
TIRUVARUR - VIJAYAPURAM  
TIRUVIDAIMARUTHUR

TRICHY - CANTONMENT  
TRICHY - K.K.NAGAR  
TRICHY - KARUMANDAPAM  
TRICHY - KATTUR  
TRICHY - MAIN  
TRICHY - SRINIVASA NAGAR  
TRICHY - SRIRANGAM  
TRICHY - THILLAINAGAR  
THUTTIPATTU  
TUTICORIN  
UDUMALPET  
ULLIKOTTAI  
UNAIYUR  
URAPAKKAM  
USILAMPATTI  
UTHAMAPALAYAM  
UTHIRAMERUR  
UTHUKOTTAI  
UTHUKULI  
VADAKKUTHU  
VADALUR  
VADAMADURAI  
VADAVALLI  
VALAJANAGARAM  
VALANGAIMAN  
VALASARAVAKKAM  
VALLAM  
VALLIOOR  
VANDHAVASI  
VANIYAMBADI  
VANNICONENDAL  
VARADARAJAPURAM  
VAZHAPADI  
VEDARANYAM  
VEDASANDUR  
VEERAPANDI  
VEERAPANDI PUDUR  
VEERAPERUMANALLUR  
VEERAPURAM  
VELAPPANCHAVADI  
VELLAKOVIL  
VELLALAR AGARAM  
VELLANOOR  
VELLORE  
VELLORE - SATHUVACHARI  
VELUR  
VENGAIVASAL  
VENGATHUR  
VENMANI  
VEPPAMPATTU  
VEPPANGANERI  
VILANDAI  
VILANDAKANDAM  
VILATHIKULAM  
VILLUPURAM  
VIRASINGANKUPPAM  
VIRUDHACHALAM  
VIRUDHUNAGAR  
WALAJABAD  
PALLIKARANAI  
KAVERIPATTINAM  
WALAJAPET

**TELANGANA**

ADILABAD  
HABSIGUDA  
HANAMKONDA

HYDERABAD - A.S.RAO NAGAR  
HYDERABAD - AMEERPET  
HYDERABAD - BALANAGAR  
HYDERABAD - BANJARA HILLS  
HYDERABAD - BODUPPAL  
HYDERABAD - DILSUKHNAGAR  
HYDERABAD - KONDAPUR  
HYDERABAD - KUKATPALLY  
HYDERABAD - MAIN  
HYDERABAD - MALKAJGIRI  
HYDERABAD - SIDAMBAR BAZAAR  
HYDERABAD - VANASTHALIPURAM  
JAGTIAL  
KAMAREDDY  
KARIMNAGAR  
KHAMMAM - DIGITAL BANKING UNIT  
MAHABUBNAGAR  
MANCHERIAL  
MANIKONDA  
MEDCHAL  
MEERPET  
MEHDIPATNAM  
MIYAPUR  
NALGONDA  
NIRMAL  
NIZAMABAD  
RAMACHANDRAPURAM  
SECUNDERABAD - RANIGUNJ  
SHAMSHABAD  
SIDDIPET  
SURYAPET  
WARRANGAL

**UTTAR PRADESH**

ALLAHABAD  
KANPUR  
LUCKNOW  
NOIDA  
VARANASI

**WEST BENGAL**

KOLKATA - B.B.D. BAG  
KOLKATA - RASH BEHARI AVENUE

**EXTENSION COUNTERS**

SRM UNIVERSITY - KATTANKULATHUR, CHENNAI  
SRM UNIVERSITY - RAMAPURAM, CHENNAI  
SRM UNIVERSITY-MODI NAGAR (GHAZIABAD)  
PUBLIC HEALTH CENTRE, WEST MAMBALAM, CHENNAI  
SHRIRAM COLLEGE, PERUMALPATTU  
THIYAGARAJA COLLEGE OF ENGINEERING, TIRUPARANKUNDRAM  
ST ANGELOES COLLEGE, LUCKNOW  
SRM SONIPET- HARYANA

## OTHER OFFICES

### INTERNATIONAL BANKING DIVISION & DP DIVISION

1<sup>st</sup> Floor, No.48, Mahalakshmi Street,  
T. Nagar, Chennai - 600 017.

### SERVICE BRANCH

1<sup>st</sup> Floor, 63-A, C.P.Ramaswami Road,  
Abiramapuram, Alwarpet,  
Chennai - 600 018.

### COMPUTER SYSTEM DEPARTMENT

1<sup>st</sup> & 2<sup>nd</sup> Floor, 706, Anna Salai,  
Chennai - 600 006.

### BUSINESS DEVELOPMENT CENTRE

MCM Tower, 4th Floor, Super B3,  
Thiru Vi Ka Industrial Estate, Guindy,  
Chennai - 600 032

### CUSTOMER DATA

#### PROCESSING CELL (CDPC)

Premier Trade Center,  
No.1/55, Mayiladuthurai Main Road, Ullur,  
Kumbakonam - 612001

#### CENTRALISED LOAN OPENING CELL (CLOC)

Premier Trade Center,  
No.1/55, Mayiladuthurai Main Road, Ullur,  
Kumbakonam - 612001

### CURRENCY CHEST

No.24B, Gandhi Nagar,  
Kumbakonam - 612 001

### DIGITAL BANKING DIVISION

1st and 2nd Floor, 706, Anna Salai,  
Chennai - 600006.

### CALL CENTRE

Premier Trade Center,  
No.1/55, Mayiladuthurai Main Road, Ullur,  
Kumbakonam - 612001

### DATA CENTRE, CHENNAI

STT Global Centre, Thiruvalluar  
Earth Station, No.226, Redhills Road,  
Kallikuppam, Ambatur - 600053.

### DATA RECOVERY, BENGALURU

STT Global Data Centre, Plot No.  
18,19 & 20, KIADB,EPIP Layout,  
Whitefield, Bangalore - 560066.

### CENTRAL PROCESSING CENTRES (CPCs)

#### Chennai - Tambaram

1st Floor,24/38, Rajaji Salai (Opp. To PF  
Office), Tambaram (West), Chengalpet Dt,  
Chennai - 600045.

#### Coimbatore

1st Floor,  
27-30, Sarojini Street,  
Ram Nagar, Coimbatore - 641009.

#### Hyderabad

Sama Towers,1st Floor,  
3-6-365/A/1,Liberty X Road,  
Himayat Nagar, Hyderabad - 500029.

#### Madurai

Badhussa Pavilon, First Floor,  
9 KK Nagar Main Road,  
(Opp WAKF Board College),  
Madurai - 625020.

#### Trichy

Smt. Indira Gandhi College Campus,  
Kaliammal Koil Street,  
Tiruchirapalli - 620002.

#### Chennai - Adayar

Second Floor, Plot No. 2/B,  
New Door No. 5,Third Cross Street,  
Kasthuribai Nagar (Next to Kamakshi  
Memorial Hospital, Adayar,  
Chennai - 600020.

#### Erode

1st Floor, 907, Panner Selvam Park,  
Brough Road,  
Erode - 638001.

#### Kumbakonam

Premier Trade Center,  
No.1/55, Mayiladuthurai Main Road,  
Ullur, Kumbakonam - 612001.

#### Vellore

1st Floor, No.29, Arcot Road,  
(Ida Scudder Road),  
Near Murugan Temple,  
Vellore - 632004.

#### Puducherry

1st Floor, 119, Bussy Street,  
Puducherry - 605001.

#### Bengaluru

1st Floor, 253, 16th Cross,  
5th Phase, 24th Main, J P Nagar,  
Bengaluru - 560078.

#### Vijayawada

Door No.29-36-18, 1st Floor,  
Malladhi Vari Street,  
Museum Road, Governorpel,  
Vijayawada - 520002

#### Mumbai

First Floor, Jains Arcade,402,  
14th Road Junction,  
Khar West,  
Mumbai - 400052.

#### New Delhi

1st Floor, 18/7, Arya Samaj Road,  
Karolbagh,  
New Delhi - 110005.

### STAFF COLLEGE

#### KUMBakonam

35/14, Kamatchi Josier Street,  
Kumbakonam - 612001.

#### CHENNAI

LA Residence Service Apartments,  
No. 7, IIIrd Cross Street, RA Puram,  
Chennai - 600028

ESG  
Report

Statutory  
Reports

Financial  
Statements

List of  
Branches

Basel III

## BASEL III - PILLAR 3 DISCLOSURE AS ON 31<sup>st</sup> MARCH, 2023

### 1. Scope of Application and Capital Adequacy

**Table DF - 1**  
**SCOPE OF APPLICATION**

City Union Bank Limited is an old premier Private Sector Bank which was incorporated on 31st October, 1904 with its Registered Office at Kumbakonam, Tamilnadu, India. The Bank was included in the Second Schedule of Reserve Bank

of India Act, 1934, on 22nd March, 1945. The Bank does not have any subsidiary/Associate companies under its Management.

#### Qualitative Disclosures :

Type of Capital	Features
<b>Common Equity Tier I Capital</b>	<ul style="list-style-type: none"> <li>During the FY 22-23, the Bank has allotted 831472 equity Shares of face value of ₹1/- each, pursuant to exercise of stock options by the employees.</li> <li>The Equity Share Capital of the Bank as on 31.03.2023 stood at ₹74.04 crore.</li> <li>The Share Premium collected during this year was ₹7.90 crore.</li> <li>The Share Premium account as on 31.03.2023 stood at ₹901.79 crore.</li> </ul>
<b>Tier II Capital</b>	<ul style="list-style-type: none"> <li>The Bank has not raised Tier II capital instruments such as Debt Capital instruments/ Preference share capital instruments during the year ended 31.03.2023.</li> <li>The Tier II capital arrived at ₹360.30 crore as on 31.03.2023.</li> </ul>

#### Quantitative Disclosures :

(₹ in crore)

Sl. No.	Description	Amount
1.	<b>Tier - I Capital</b>	<b>7308.99</b>
	a) Paid-up Capital	74.04
	b) Reserves & Surplus	7234.95
	Amount deducted from Tier I Capital (if any)	<b>128.27</b>
	a) Intangible Assets (includes net of DTA)	127.52
	b) Cross holdings	0.75
	<b>Total Eligible Tier I Capital</b>	<b>7180.72</b>
2.	<b>Tier - II Capital</b>	<b>445.59</b>
	a) Revenue Reserves (Investment Reserve)	74.18
	b) Provision for Impact of COVID-19	78.81
	c) Provision for Country Risk exposure	4.25
	d) Provision for Unhedged exposure	2.72
	e) Provision for Standard Assets	285.63
	<b>Less: Cross Holdings</b>	<b>0.00</b>
	<b>Total Tier II Capital (A)</b>	<b>445.59</b>
	<b>1.25% of Credit RWA (B) [1.25% x 28824.50]</b>	<b>360.30</b>
	<b>Total Eligible Tier II Capital (min of {A,B})</b>	<b>360.30</b>
	<b>Total Eligible Capital (Tier I and Tier II)</b>	<b>7541.02</b>

**Table DF - 2**  
**CAPITAL ADEQUACY**

**Qualitative Disclosures :**

**A. A summary discussion of the Bank's approach to assessing the adequacy of its capital to support current and future activities.**

In order to strengthen the capital base of banks in India, the Reserve Bank of India in April 1992 introduced capital adequacy measures in banks, based on the capital adequacy framework (Basel I) issued by Basel Committee on Banking Supervision (BCBS). Initially, the framework addressed capital for credit risk, which was subsequently amended to include capital for market risk as well and the Bank was compliant with regard to maintenance of minimum capital for credit and market risks.

Subsequently, the BCBS released the "International Convergence of Capital Measurement and Capital Standards: A Revised Framework" (popularly known as Basel II document) on 26.06.2004. Reserve Bank of India issued final guidelines on 27.04.2007 for implementation of the New Capital Adequacy (Basel II) Framework, which includes capital for Operational Risk. In line with the RBI guidelines, the Bank successfully migrated to the revised framework (Basel-II) from 31.03.2009.

Reserve Bank of India issued guidelines based on the Basel III reforms on capital regulation during May 2012, to the extent applicable to banks operating in India. The Basel III capital regulation has been implemented from 01.04.2013 in India in phases and it was decided originally to implement 'Capital Conservation Buffer Framework' fully from 31.03.2018. RBI issued detailed Guidelines on Composition of Capital Disclosure Requirements on 28.05.2013.

RBI had issued circulars on various dates extending the transitional period for full implementation of Basel III Capital Regulations due to the unfavorable economic situation and also due to the continuing stress on account of COVID-19 crisis. Now the minimum regulatory requirement under Basel III with Capital Conservation Buffer (CCB) is 11.50% (9.00%+2.50%) with effect from 01.10.2021.

RBI has issued circular on "Prudential Guidelines on Capital Adequacy and Liquidity Standards – Amendments" on 31.03.2015. The Basel III Capital Regulations have been consolidated in Master Circular – Basel III Capital Regulations vide circular No. DOR.CAP.REC 3/21.06.201/2022-23 dated April 01, 2022, which includes the introduction of capital buffers.

Under the Basel II framework, the total regulatory capital comprises Tier I (core capital) and Tier 2 capital (supplementary capital). In order to improve the quality of regulatory capital, the capital will predominantly consist of Common Equity Tier1 (CET1) under Basel III. Non-equity Tier 1 and Tier 2 capital would continue to form part of regulatory capital subject to eligibility criteria as laid down in Basel III. The Basel III capital regulations continue to be based on three-mutually reinforcing Pillars, viz. Minimum Capital Requirements (Pillar 1), Supervisory Review of Capital Adequacy (Pillar 2) and Market Discipline (Pillar 3) of the Basel II Capital Adequacy framework.

The Basel-III norms mainly seek to:

- Raise the quality of capital to ensure that the banks are capable of absorbing losses, both as going concern and as gone concern basis.
- Increase the risk coverage of the capital framework.
- Introduce leverage ratio to serve as a backstop to the risk-based capital measure.
- Raise the standards for the supervisory review process and public disclosures.

The macro prudential aspects of Basel III are largely enshrined in the capital buffers. Both the buffers i.e. the Capital Conservation Buffer and the Counter Cyclical Capital Buffer are intended to protect the banking sector from stressed situations and business cycles.

**Minimum capital requirements under Basel-III:**

Under the Basel III Capital Regulations, banks are required to maintain a minimum Pillar 1 Capital (Tier-I + Tier-II) to Risk-weighted Assets Ratio (CRAR) of 9% on an

ESG  
Report

Statutory  
Reports

Financial  
Statements

List of  
Branches

Basel III

on-going basis. Besides these minimum capital requirements, Basel III also provides for creation of Capital Conservation Buffer (CCB) and Counter Cyclical Capital Buffer (CCCB).

As per the RBI guidelines mentioned, Capital ratios with full implementation of Capital Conservation Buffer (CCB) of 2.50% is summarized below:

(% to RWA's)

Capital Ratios	31.03.2016 onwards	31.03.2017 onwards	31.03.2018 onwards	01.10.2021 onwards
Minimum Common Equity Tier I (CET-1)	5.500	5.500	5.500	5.500
<b>Capital Conservation Buffer (CCB)</b>	<b>0.625</b>	<b>1.250</b>	<b>1.875</b>	<b>2.500</b>
Minimum CET1 + CCB	6.125	6.750	7.375	8.000
Additional Tier 1	1.500	1.500	1.500	1.500
Minimum Tier 1 Capital (excluding CCB)	7.000	7.000	7.000	7.000
Tier-2 Maximum allowed	2.000	2.000	2.000	2.000
Minimum Total Capital	9.000	9.000	9.000	9.000
Minimum Total Capital + CCB	9.625	10.250	10.875	11.500

#### B. The Bank's approach in assessment of Capital Adequacy

The Bank is following Standardised Approach, Standardised Duration Approach and Basic Indicator Approach for measurement of capital charge in respect of credit risk, market risk and operational risk respectively. Besides computing CRAR under the Pillar I requirement, the Bank also undertakes stress testing periodically in various risk

areas to assess the impact of stressed scenario or plausible events on asset quality, liquidity, profitability and capital adequacy. The Bank conducts Internal Capital Adequacy Assessment Process (ICAAP) on an annual basis to assess the sufficiency of its capital funds to cover the risks specified under Pillar-I and Pillar-II of Basel guidelines. The adequacy of Bank's capital funds to meet the future business growth is being assessed in the ICAAP document.

#### C. Quantitative Disclosures :

(₹ in crore)

a) <b>Capital requirements for Credit Risk:</b> (@ 9.00% on Risk Weighted Assets)		
<ul style="list-style-type: none"> <li>Portfolios subject to Standardised Approach (28824.50 * 9.00%)</li> <li>Securitisation exposures</li> </ul>		2594.20 Nil
b) <b>Capital requirements for Market Risk:</b> Standardised Duration Approach		35.75
<ul style="list-style-type: none"> <li>Interest Rate Risk</li> <li>Equity Risk</li> <li>Foreign Exchange Risk</li> </ul>	24.97 2.78 8.00	
c) <b>Capital requirements for Operational Risk:</b> Basic Indicator Approach (4478.44 * 8.00%)		358.27
<b>Minimum Capital required (a+b+c)</b>		<b>2988.22</b>

d)	Capital Conservation Buffer (CCB) at 2.50% (33749.83 * 2.50%)	843.75
	Minimum Total Capital + CCB	3831.97
	Total Capital Funds available	7541.02
	Total Risk Weighted Assets	33749.83
e)	Common Equity Tier I CRAR % (excluding CCB)	18.77%
	Capital Conservation Buffer	2.50%
	Tier I CRAR	21.27%
	Tier II CRAR	1.07%
	<b>Total CRAR %</b>	<b>22.34%</b>

ESG  
Report

Statutory  
Reports

Financial  
Statements

List of  
Branches

Basel III

#### D. Risk Exposure and Assessment

Risk is an integral part of banking business in an ever dynamic environment, which is undergoing radical changes both on the technology front and product offerings. The main risks faced by the bank are credit risk, market risk and operational risk. The bank aims to achieve an optimum balance between risk and return to maximize shareholder value. The relevant information on the various categories of risks faced by the bank is given in the ensuing sections. This information is intended to give market participants a better idea on the risk profile and risk management practices of the bank.

The Bank has a comprehensive risk management system to address various risks and has set up an Integrated Risk Management Department (RMD), which is an independent operational department. Bank has a Risk Management Committee of Board

functioning at apex level for formulating, implementing and reviewing bank's risk management measures pertaining to credit, market and operational risks. Apart from the Risk Management Committee of the Board at apex level, the Bank has a strong bank-wide risk management structure comprising of Risk Management Committee of Executives (RMCE) assisted by Asset Liability Management Committee (ALCO), Credit Risk Management Committee (CRMC) and Operational Risk Management Committee (ORMC) at senior management level. Credit Risk Management Committee deals with credit policies and procedures, Asset Liability Management Committee deals with Asset Liability Management (ALM) and Integrated Treasury Policy of the Bank and Operational Risk Management Committee formulates policies and procedures for managing operational risks.

The Bank has formulated the following policies for mitigating the risk in various areas and monitoring the same :

- Integrated Risk Management Policy
- Loan Policy
- Credit Risk Management Policy
- Operational Risk Management Policy
- ALM Policy
- Integrated Treasury Policy
- Inspection and Audit Policies
- KYC Policy
- Risk Based Internal Audit Policy
- Stress Testing Policy
- Disclosure Policy
- ICAAP Policy

- Credit Risk Mitigation & Collateral Management Policy
- Risk Rating Policy
- Pricing Policy
- New Product Assessment Policy
- Risk & Control Self-Assessment Standards (RCSA)
- Policy on Unhedged Foreign Currency Exposures of Corporates including SMEs
- Market Risk Management Policy
- Business Continuity Plan Policy
- Climate Risk Policy

The structure and organization of Risk Management functions of the Bank is as follows :

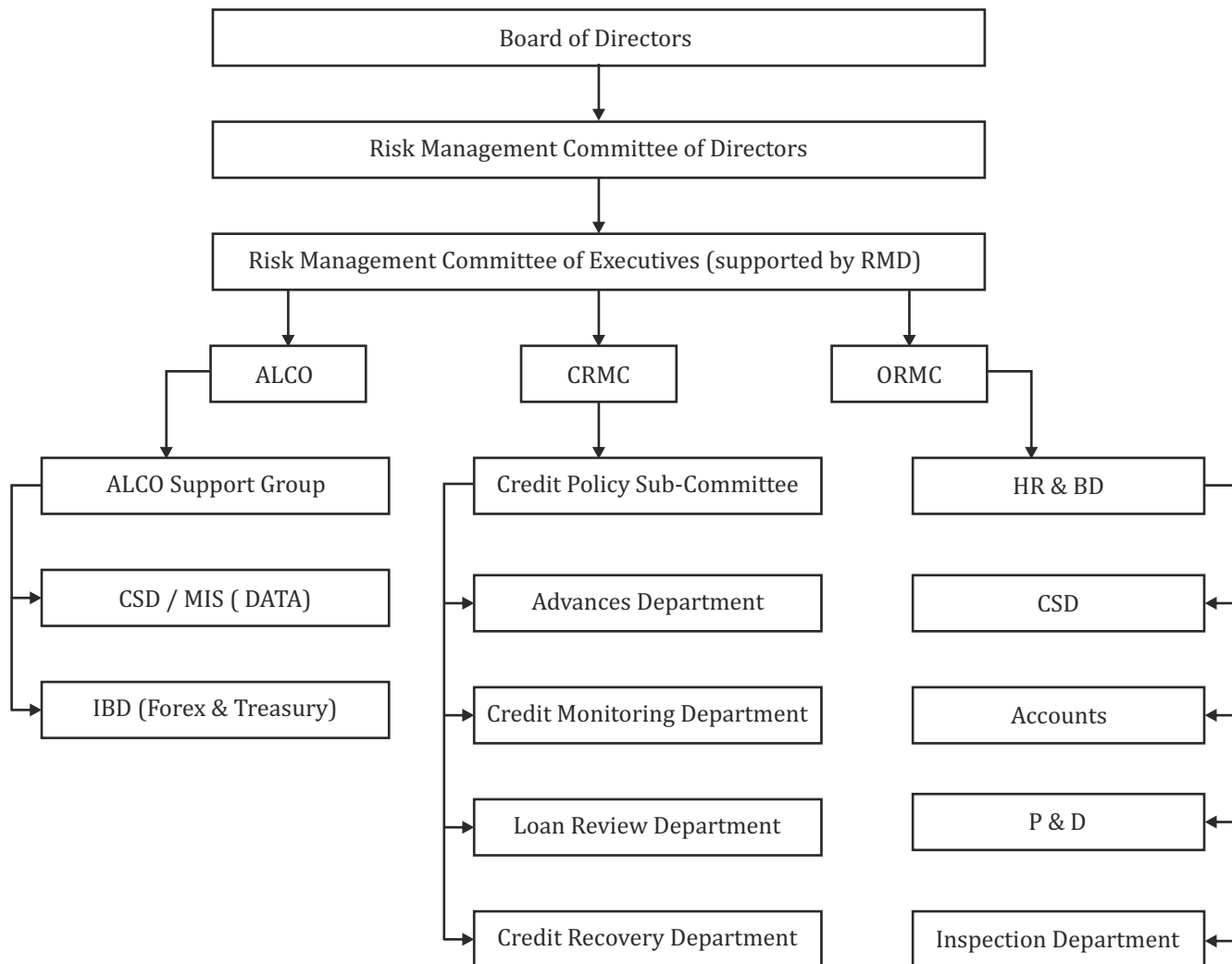




Table DF - 3

CREDIT RISK: GENERAL DISCLOSURES

**Credit Risk**

Credit Risk is a possibility of losses associated with diminution in the credit quality of borrowers or counterparties. In a bank's portfolio, Credit Risk arises mostly from lending activities of the bank, when a borrower is unable to meet its financial obligations emanating from potential changes in the credit quality / worthiness of the borrowers or counterparties.

Credit Risk Management encompasses a host of management techniques, which help the banks in mitigating the adverse impacts of credit risk. The objective of the Credit Risk Management is to identify measure, monitor and control credit risk by adopting suitable methodology.

The Bank has formulated Loan Policy which stipulates various prudential norms, benchmarks, guidelines for sanctioning of credits and recovery of the same. The Bank has also formulated a separate Credit Risk Management Policy, besides a Policy on Credit Risk Mitigation and Collateral Management.

Credit Risk is assessed by a robust internal credit risk

rating system. Credit Risk Rating is the process wherein the merits and demerits of a borrower are captured and scorings assigned, which enables the Bank to take a view on the acceptability or otherwise of any credit proposal.

**Credit Risk Management Policy**

The Bank has put in place a well-structured Credit Risk Management Policy duly approved by the Board. The Policy document defines organization structure, roles & responsibilities and the processes whereby the Credit Risk can be identified, quantified and managed. Credit Risk is monitored on a bank wide basis and the compliance with regard to the risk limits approved by the Credit Risk Management Committee (CRMC)/ Board is ensured.

The Bank adopts the definition of 'past due' and 'impaired credits' (for reporting purposes) as defined by Reserve Bank of India under Income Recognition, Asset Classification and provisioning (IRAC) norms (vide RBI Master Circular dated October 01, 2021).

ESG  
Report

Statutory  
Reports

Financial  
Statements

List of  
Branches

Basel III

**Quantitative Disclosures :**

Total Gross Credit Risk Exposures including Geographic Distribution of Exposure : (₹ in crore)

Exposure as on 31 <sup>st</sup> March, 2023	Domestic	Overseas	Total
Fund based	47296.57	--	47296.57
Non-Fund based (including derivative exposure)	2152.58	--	2152.58
Investment (Non SLR)	92.35	--	92.35
<b>Total</b>	<b>49541.50</b>	<b>--</b>	<b>49541.50</b>

Industry type distribution of exposures as on 31<sup>st</sup> March, 2023

(₹ in crore)

INDUSTRY / ACTIVITY	Funded Exposure	Non-Funded Exposure	Investment Exposure (Non-SLR)	Total Exposure
Mining and Quarrying	116.84	4.80	0.00	121.64
Iron and Steel	1264.05	101.35	0.33	1365.73
Other Metal and Metal Products	1035.11	95.68	0.00	1130.79
Engineering of which Electronics	251.07	24.57	0.00	275.64
Others (incl Electrical & Home Appliances)	615.14	112.93	0.00	728.07
Cotton Textiles	2246.82	73.55	0.00	2320.37
Other Textiles	2751.32	92.56	1.55	2845.43
Food Processing	694.78	30.46	0.00	725.24
Beverages and Tobacco	226.92	6.18	0.00	233.10
Leather and Leather products	23.08	0.00	0.00	23.08
Wood and Wood Products	117.83	26.69	0.00	144.52
Paper and Paper Products	740.50	14.66	0.00	755.16
Petroleum, Coal Products and Nuclear Fuels	171.35	0.31	0.00	171.66
Drugs and Pharmaceuticals	200.75	24.38	0.00	225.13
Other Chemicals and Chemical Products	371.89	39.58	0.02	411.49
Rubber, Plastic and their Products	449.07	39.51	0.00	488.58
Glass & Glassware	13.59	0.00	0.00	13.59
Cement and Cement Products	43.60	3.26	0.00	46.86
Vehicles, Vehicle Parts and Transport Equipments & auto parts	198.41	18.13	0.15	216.69
Gems and Jewellery	366.67	18.99	0.00	385.66
Commercial Real Estate	3367.19	32.21	0.00	3399.40
Infrastructure	326.31	13.88	0.00	340.19
Other Industries	641.89	154.52	0.00	796.41
All Industries / Activities Total	<b>16234.18</b>	<b>928.20</b>	<b>2.05</b>	<b>17164.43</b>
Residuary (other exposures)	31062.39	1224.38	90.30	32377.07
<b>Total Gross Exposure</b>	<b>47296.57</b>	<b>2152.58</b>	<b>92.35</b>	<b>49541.50</b>

Note: The exposure to Other Textiles and Cotton Textiles accounted for 5.74% and 4.68% of Total Gross Exposure respectively as of 31.03.2023. The coverage of advances to the above industry occupies the top position among the industrial sectors.

**Residual contractual maturity breakdown of Assets as on 31<sup>st</sup> March, 2023**

(computed as per the guidelines of RBI on Asset Liability Management)

(₹ in crore)

Period	Cash, RBI Balance and Balance with all Banks	Advances (Net)	Investments (Net)	Fixed & Other Assets	Total
1 day	769.02	678.43	5747.13	53.47	7248.05
2 to 7 days	470.32	2371.86	657.08	179.85	3979.11
8 to 14 days	113.35	1398.70	284.41	162.56	1969.02
15 to 30 days	1961.97	835.48	126.22	42.92	2966.59
31 days to 60 days	87.57	1274.28	336.39	13.27	1711.51
61 days to 90 days	448.88	1347.77	322.34	13.27	2132.26
Over 3 months & upto 6 months	987.04	3535.54	506.23	309.93	5338.74
Over 6 months & upto 1 Year	221.38	6996.87	901.91	44.67	8164.83
Over 1 year & upto 3 years	1481.72	18055.19	4938.59	392.32	24867.82
Over 3 years & upto 5 years	78.19	3633.30	326.56	85.42	4123.47
Over 5 years	29.83	2925.93	175.77	1261.63	4393.16
<b>Total</b>	<b>6649.27</b>	<b>43053.35</b>	<b>14332.63</b>	<b>2559.31</b>	<b>66594.56</b>

**Gross NPA** (₹ in crore)

Sub-Standard	558.74
Doubtful 1	483.21
Doubtful 2	573.03
Doubtful 3	180.60
Loss	124.58
<b>Gross NPA - Total</b>	<b>1920.16</b>

**Geographical wise NPA:** (₹ in crore)

Gross NPA - Domestic	1920.16
Gross NPA - Overseas	Nil
<b>Gross NPA - Total</b>	<b>1920.16</b>

Particulars	%
Gross NPA to Gross Advances	4.37%
Net NPA to Net Advances	2.36%

(₹ in crore)

Major Industry	O/s Bal	Gross NPA	Provision held
Other Textiles	2352.76	157.22	85.18
Cotton Textiles	1991.81	50.67	15.35

**The movement of NPA is as under :**

(₹ in crore)

Sl.No.	Position	NPA
1.	Opening Balance at the beginning of the year (1 <sup>st</sup> April, 2022)	1933.18
2.	Additions made during the year	1329.03
3.	Reductions during the year	1342.05
4.	Closing Balance at the end of the year (31 <sup>st</sup> March, 2023) [1+ 2 -3]	1920.16

**The movements of provisions for NPAs are as under :**

(₹ in crore)

Sl.No.	Position	Total Provision
1.	Opening balance at the beginning of the year (1 <sup>st</sup> April, 2022)	742.08
2.	Provisions made during the year	690.00
3.	Write-off / Write-back of excess provisions during the year	529.55
4.	Closing Balance at the end of the year (31 <sup>st</sup> March, 2023) [1+2 -3]	902.53

Recovery made during the year 31<sup>st</sup> March, 2023 which is directly taken to Income Account

₹294.27 crore

(₹ in crore)

1.	Non-performing investment	3.54
2.	Provision held for non-performing investment	3.54

**The movement of provisions for depreciation on investments :**

(₹ in crore)

Sl.No.	Position	Total Provision
1.	Opening balance at the beginning of the year 1 <sup>st</sup> April, 2022	69.50
2.	Provisions made during the year	39.10
3.	Write-off during the year	77.59
4.	Write-back of excess provisions during the year	7.00
5.	Closing Balance at the end of the year (31 <sup>st</sup> March, 2023) [1+2 -3 -4]	24.01

**TABLE DF - 4****CREDIT RISK: DISCLOSURES FOR PORTFOLIO SUBJECT TO THE STANDARDISED APPROACH****Qualitative Disclosures:**

The Bank is accepting the ratings of the External Credit Rating Agencies approved by Reserve Bank of India, namely a) CRISIL, b) ICRA, c) CARE, d) India ratings & research Pvt Ltd, e) Acuite ratings & research Ltd and f) Infomerics Valuation and Rating Pvt. Ltd. to facilitate the corporate borrowers who enjoy credit facilities to get themselves rated. The corporates which are yet to get the approved ratings from these rating agencies are treated as 'unrated'.

The Bank computes risk weight on the basis of external rating assigned, both long-term and short-term, for the facilities availed by the borrowers. The external ratings assigned are generally facility specific. The Bank follows

the below mentioned procedures as laid down in the Basel III guidelines for usage of external ratings:

- Rating assigned by one rating agency is used for all the types of claims on the borrowing entity.
- Long-term ratings are used for facilities with contractual maturity of one year & above.
- Short-term ratings are generally applied for facilities with contractual maturity of less than one year.

**Quantitative Disclosures:**

The exposures after risk mitigation as per Standardised Approach, (rated and unrated) in the following three major risk buckets, as well as, those that are deducted as per risk mitigation are given below.

(₹ in crore)

Risk Weight	Rated	Unrated	Total
Below 100 %	298.98	37254.46	37553.44
At 100 %	139.81	12993.17	13132.98
More than 100 %	825.35	1405.91	2231.26
Total outstanding after Mitigation	1264.15	51653.53	52917.68
Deducted (as per Risk Mitigation)	29.24	13582.36	13611.60

TABLE DF - 5

CREDIT RISK MITIGATION: DISCLOSURES FOR STANDARDISED APPROACHES

**Qualitative Disclosures :**

The Bank has put in place Credit Risk Mitigation and Collateral Management Policy with the primary objective of

- Mitigation of Credit Risks and enhancing awareness on identification of appropriate collateral taking into account the spirit of Basel III / RBI guidelines
- Optimizing the benefit of Credit Risk Mitigation in computation of capital charge as per the approaches laid down in Basel III / RBI guidelines.

Valuation and methodologies are detailed in Credit Risk Management Policy, Valuation Policy and Loan Policy of the Bank.

The Bank recognizes the following Financial Collateral (FC) for Credit Risk Mitigation.

- a) Cash or Cash equivalent (Bank Deposits/Certificate of Deposits issued by the Bank, etc.)
- b) Gold Jewels
- c) Indira Vikas Patras
- d) Kisan Vikas Patras
- e) National Savings Certificates
- f) Life Insurance Policies with a declared surrender value
- g) Securities issued by the Central and State Governments

**Quantitative Disclosures :**

- a. For each separately disclosed credit risk portfolio, the total exposure (after, where applicable, on-or off balance sheet netting) that is covered by eligible financial collateral (FCs) after the application of haircuts is given below: (₹ in crore)

Portfolio category	Financial collateral	Quantum of exposure covered
Funded - Credit	Bank's own deposits	1159.39
	Gold Jewels	11007.26
	LIC / KVP / NSC	4.76
Non-Funded	Bank's own deposits	475.14

- h) Debt securities rated by a recognized Credit Rating Agency where these are either:
  - at least BBB(-) when issued by public sector entities; or
  - at least A when issued by other entities (including banks and Primary Dealers); or
  - at least PR3/P3/F3/A3 for short term debt instruments
- i) Debt securities not rated by Credit Rating Agency but
  - issued by a bank and
  - listed on a recognized stock exchange; and
  - Classified as senior debt.

The Bank accepts guarantees from individuals with considerable net worth and the Corporates, besides guarantee issued by Government, other Commercial banks, ECGC and CGTSI.

Concentration Risk in Credit Risk Mitigation: All types of securities eligible for mitigation are easily realizable financial securities. As such, presently no limit/ceiling has been prescribed to address the concentration risk in credit risk mitigants recognized by the Bank. The portion of advances subjected to CRM including non-funded advances amounted to 27.59% of outstanding total of funded and non-funded credit. The Bank has ensured legal certainty in the matter of credit risk mitigation as per RBI guidelines.

ESG Report

Statutory Reports

Financial Statements

List of Branches

Basel III

b. For each separately disclosed portfolio, the total exposure (after, On Balance Sheet netting) that is covered by Guarantees :

(₹ in crore)

Portfolio category	Guaranteed by	Quantum of exposure covered
Funded - Credit	Food Credit	59.00
	ECGC	350.00
	CGTSI	38.84
	ECLGS	1959.70

**TABLE DF - 6**

**SECURITIZATION : DISCLOSURE FOR STANDARDISED APPROACH**

**Qualitative Disclosures** : The Bank has not undertaken any securitization activity.

**Quantitative Disclosures** : NIL

**TABLE DF - 7**

**MARKET RISK IN TRADING BOOK**

**Qualitative Disclosures :**

Market Risk in trading book is assessed as per the Standardised Duration Approach. The capital charge for both investments and foreign exchange exposure is computed as per Reserve Bank of India prudential guidelines.

**a. Definition of market risk:**

Market risk refers to the potential losses arising from volatility in interest rates, foreign exchange rates, equity prices and commodity prices. Market risk arises with respect to all market risk sensitive financial instruments, including securities, foreign exchange contracts, equity and derivative instruments as well as from balance sheet or structural positions.

**b. Portfolios covered under Standardised approach:**

The Bank's portfolio comprises of Government securities, equity shares and forex portfolio.

**c. Strategies and processes :**

1. The Bank has put in place a comprehensive Market risk management Framework to address the Market risks (bank wide) including that of the Trading Book.
2. Within the above framework, various policies of the Bank prescribes Limits like Value at Risk

(VaR), Duration, Minimum holding level for liquid assets, Exposure limits, Forex open position limits (day light/overnight), Stop-loss limits etc.

3. Risk profiles are analyzed and the effectiveness of risk mitigants is regularly monitored through Mid Office.
4. Adherence to limits are being monitored by dedicated mid office, reporting exceptions to the head of Risk Management Department, independent of Treasury /IBD operational units.

**d. Risk Measurement:**

1. Value at Risk (VaR) numbers is arrived for Equity Portfolio and Foreign Exchange Position.
2. The positions are marked to market at stipulated intervals. The Duration/Modified Duration for trading book is computed and its adherence to the prescribed duration limits is ensured.
3. The Bank is computing capital charge for both investments and foreign exchange exposure categories using Standardised Duration Approach as required under RBI guidelines.
4. Stress testing analysis is done by applying rate shocks on investment portfolio and also on foreign exchange open position.

**Quantitative Disclosures :**

(₹ in crore)

**Capital charge for market risk 31<sup>st</sup> March, 2023**

Interest Rate Risk	24.97
Equity Position Risk	2.78
Foreign Exchange Risk	8.00
<b>Total</b>	<b>35.75</b>

ESG  
Report

Statutory  
Reports

Financial  
Statements

List of  
Branches

Basel III

**TABLE DF - 8  
OPERATIONAL RISK**

**Qualitative Disclosures:**

Operational Risk is the risk of loss resulting from inadequate or failed processes, people and systems or from external events. Operational risk includes legal risk but excludes strategic and reputation risks.

The Bank has put in place Operational Risk Management Policy duly approved by the Board. This policy outlines the Organisation Structure and covers the process of identification, assessment/measurement and control of various operational risks.

The other policies adopted by the Bank which deal with the management of operational risks are Inspection Policy, Information Security Audit Policy and Policy on Modified code of conduct for Know Your Customer & Anti-Money Laundering Standards.

Operational Risks in the Bank are managed through comprehensive and well-articulated internal control framework. Operational risk is mitigated by effecting

suitable insurance coverage wherever necessary. The Bank has also put in place a compliance cell to supervise KYC & AML guidelines and off site monitoring of high value transactions. For accounting operations in the computerized environment, suitable internal control system is maintained and a separate policy on I.T. Security is in place specifying the internal guidelines on access, control, communications, operations, personal security, business continuity management etc.

**Quantitative Disclosures:**

Capital charge for Operational Risk is computed as per the Basic Indicator Approach based on 15% of the average of the gross income for the previous three years i.e. 2019-20, 2020-21 & 2021-22 as defined in the Master Circular on Basel III Capital Regulations of RBI dated 01.04.2022. The capital charge for operational risk is arrived at ₹358.27 crore.

**TABLE DF - 9**

**INTEREST RATE RISK IN THE BANKING BOOK (IRRBB)**

**Qualitative Disclosures :**

Interest rate risk is the risk where changes in the market interest rates might affect a bank's financial condition. Changes in interest rates affect both the current earnings (earnings perspective) as also the net-worth of the Bank (economic value perspective). The risk from earnings perspective can be measured as impact in the Net Interest Income (NII) or Net Interest Margin (NIM). Similarly, the risk from economic value perspective can be measured as drop in the Economic value of Equity (EVE).

The impact on income (earning perspective) is measured through use of Gap Analysis by applying notional rate shock up to 200 bps as prescribed.

For the calculation of impact on earnings, the Traditional Gap is taken from the Rate Sensitivity statement and based on the remaining period from the mid-point of a particular bucket, the impact for change in interest rates up to 200 bps is arrived at for one year time horizon.

The Bank has adopted Duration Gap Analysis for assessing the impact (as a percentage) on the Economic



Value of Equity (Economic Value Perspective) by applying a notional interest rate shock of 200 bps. RBI has issued draft guidelines vide DBOD.No. BP. 7/21.04.098/2005-06 dated April 17, 2006 on improvements to banks' Asset Liability Management framework, covering interest rate risk and liquidity risk measurement / reporting frameworks and prudential limits. Subsequently, on November 04, 2010, RBI issued a circular on Interest Rate Risk using Duration Gap Analysis and these guidelines have been taken into account while calculating IRRBB As per the RBI guideline circular DOR.MRG.REC.102/00-00-009/2022-23 dated 17.02.2023 on "Governance, Measurement and Management of Interest Rate Risk in Banking Book (IRRBB)", the bank is taking steps in measuring, monitoring & disclosing the exposure to Interest Rate Risk in Banking Book (IRRBB). The revised

measurement and implementation of IRRBB will be calculated from August 2023 (using the position as of 30.06.2023) and would be submitted to RBI as per extant guidelines. The Bank calculates Modified Duration Gap on Assets & Liabilities and arrives at the impact on Economic Value of Equity. The Bank is calculating IRRBB on a monthly basis.

#### Quantitative Disclosures:

- The impact of change in Interest Rate i.e. Earnings at Risk for 200 bps interest rate shock as on 31<sup>st</sup> March, 2023 is ₹ 162.67 crore.
- The impact of change in market value of Equity for an interest rate shock of 200 bps as on 31<sup>st</sup> March, 2023 is 5.17%.

## TABLE DF - 10

### GENERAL DISCLOSURES FOR EXPOSURES RELATED TO COUNTERPARTY CREDIT RISK

Counterparty Credit Risk (CCR) is the risk that a counterparty to a transaction could default before the final settlement of the transaction cash flows. Unlike a firm's exposure to credit risk through a loan, where the exposure to credit risk is unilateral and only the lending bank faces the risk of loss, CCR creates a bilateral risk of loss to either party.

Counterparty credit risk in case of derivative contracts arises from the forward contracts. The subsequent credit risk exposures depend on the value of underlying market factors (e.g., interest rates and foreign exchange rates),

which can be volatile and uncertain in nature. The Bank does not enter into derivative transactions other than forward contracts.

#### Credit exposures on forward contracts

The Bank enters into the forward contracts in the normal course of business for proprietary trading and arbitrage purposes, as well as for our own risk management needs, including mitigation of interest rate and foreign currency risk. Derivative exposures are calculated according to the current exposures method.

#### Counterparty Credit exposure as on 31<sup>st</sup> March, 2023

(₹ in crore)

Nature	Notional Amount	Potential Exposure @2%/10%	Current Exposure	Total credit Exposure
Forward contracts	8322.01	233.28	40.96	274.24

The capital requirement for Bank's exposure to Qualified Central Counter Party (QCCP) has been computed for the exposure to Clearing Corporation of India (CCIL) as on 31<sup>st</sup> March, 2023 amounting to ₹3674.73 crore with risk weighted assets of ₹734.95 crore, which is forming part of credit risk total. In terms of RBI circular dated 28<sup>th</sup> March,

2013, the Credit Valuation Adjustment (CVA) risk capital charge has been computed, which amounted to ₹2.35 crore (the corresponding risk weighted value of ₹29.32 crore has also been added to credit risk weighted assets).

**TABLE DF - 11**  
**COMPOSITION OF CAPITAL**

(₹ in million)

Basel III common disclosure - 31 <sup>st</sup> March, 2023		Amount	Ref No.
<b>Common Equity Tier 1 Capital: Instruments and Reserves</b>			
1.	Directly issued qualifying common share capital plus related stock surplus (share premium)	9758.27	-
2.	Retained Earnings	63331.62	-
3.	Accumulated other Comprehensive Income (and Other Reserves)	-	-
4.	Directly issued capital subject to phase out from CET1 (only applicable to non-joint stock companies) Public Sector Capital injections grandfathered until 1 <sup>st</sup> January, 2018	-	-
5.	Common Share Capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	-	-
6.	<b>Common Equity Tier 1 Capital before Regulatory Adjustments</b>	<b>73089.89</b>	-
<b>Common Equity Tier 1 Capital : Regulatory Adjustments</b>			
7.	Prudential valuation adjustments	-	-
8.	Goodwill (net of related tax liability)	-	-
9.	Intangibles other than mortgage-servicing rights (net of related tax liability)	362.86	-
10.	Deferred Tax Assets (Net)	912.31	-
11.	Cash-flow hedge reserve	-	-
12.	Shortfall of provisions to expected losses	-	-
13.	Securitisation gain on sale	-	-
14.	Gains and losses due to changes in own credit risk on fair valued liabilities	-	-
15.	Defined-benefit pension fund Net Assets	-	-
16.	Investments in own shares (if not already netted off paid-up Capital on reported balance sheet)	-	-
17.	Reciprocal cross-holdings in common equity	7.54	-
18.	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	-	-
19.	Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions (amount above 10% threshold)	-	-

ESG  
Report

Statutory  
Reports

Financial  
Statements

List of  
Branches

Basel III

(₹ in million)

Basel III common disclosure - 31 <sup>st</sup> March, 2023		Amount	Ref No.
20.	Mortgage Servicing Rights (amount above 10% threshold)	-	-
21.	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	-	-
22.	Amount exceeding the 15% threshold	-	-
23.	of which : significant investments in the common stock of financial entities	-	-
24.	of which : Mortgage Servicing Rights	-	-
25.	of which : Deferred Tax Assets arising from temporary differences	-	-
26.	National specific regulatory adjustments (26a+26b+26c+26d)	-	-
26(a).	of which : Investments in the equity capital of unconsolidated insurance subsidiaries	-	-
26(b).	of which : Investments in the equity capital of unconsolidated non-financial subsidiaries	-	-
26(c).	of which : Shortfall in the equity capital of majority owned financial entities which have not been consolidated with the Bank	-	-
26(d).	of which : Unamortised pension funds expenditures	-	-
27.	Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions	-	-
28.	<b>Total regulatory adjustments to Common Equity Tier 1</b>	<b>1282.71</b>	-
29.	<b>Common Equity Tier 1 Capital (CET1)</b>	<b>71807.18</b>	-
	<b>Additional Tier 1 Capital : Instruments</b>		
30.	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus (share premium) (31+32)	-	-
31.	of which : classified as equity under applicable Accounting Standards (Perpetual Non-Cumulative Preference Shares)	-	-
32.	of which : classified as liabilities under applicable Accounting Standards (Perpetual Debt Instruments)	-	-
33.	Directly issued capital instruments subject to phase out from Additional Tier 1	-	-
34.	Additional Tier 1 instruments (and CET1 instruments not included in row 5) issued by subsidiaries and held by third parties (amount allowed in group AT1)	-	-
35.	of which : instruments issued by subsidiaries subject to phase out	-	-
36.	<b>Additional Tier 1 Capital before Regulatory Adjustments</b>	-	-
	<b>Additional Tier 1 Capital: Regulatory Adjustments</b>		
37.	Investments in own Additional Tier 1 instruments	-	-
38.	Reciprocal cross-holdings in Additional Tier 1 instruments	-	-

(₹ in million)

Basel III common disclosure - 31 <sup>st</sup> March, 2023		Amount	Ref No.
39.	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold)	-	-
40.	Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	-	-
41.	National Specific Regulatory Adjustments (41a+41b)	-	-
41(a).	Investments in the Additional Tier 1 Capital of unconsolidated Insurance Subsidiaries	-	-
41(b).	Shortfall in the Additional Tier 1 Capital of majority owned financial entities which have not been consolidated with the Bank	-	-
42.	Regulatory Adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	-	-
43.	<b>Total Regulatory Adjustments to Additional Tier 1 Capital</b>	-	-
44.	<b>Additional Tier 1 Capital (AT1)</b>	-	-
44(a).	<b>Additional Tier 1 Capital reckoned for Capital Adequacy</b>	-	-
45.	<b>Tier 1 Capital (T1 = CET1 + Admissible AT1) (29 + 44a)</b>	<b>71807.18</b>	-
	<b>Tier 2 Capital : Instruments and Provisions</b>		
46.	Directly issued qualifying Tier 2 instruments plus related stock surplus	-	-
47.	Directly issued Capital instruments subject to phase out from Tier 2	-	-
48.	Tier 2 instruments (and CET1 and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties (amount allowed in group Tier 2)	-	-
49.	of which : Instruments issued by subsidiaries subject to phase out	-	-
50.	Provisions	4455.95	-
51.	<b>Tier 2 Capital before Regulatory Adjustments</b>	<b>4455.95</b>	-
	<b>Tier 2 Capital: Regulatory Adjustments</b>		
52.	Investments in own Tier 2 instruments	-	-
53.	Reciprocal cross-holdings in Tier 2 instruments	-	-
54.	Investments in the capital of Banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the Bank does not own more than 10% of the issued common share capital of the entity (amount above the 10% threshold)	-	-
55.	Significant investments in the capital banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	-	-

ESG  
Report

Statutory  
Reports

Financial  
Statements

List of  
Branches

Basel III

(₹ in million)

Basel III common disclosure - 31 <sup>st</sup> March, 2023		Amount	Ref No.
56.	National specific Regulatory Adjustments (56a+56b)	-	-
56(a).	of which : Investments in the Tier 2 Capital of unconsolidated Insurance Subsidiaries	-	-
56(b).	of which : Shortfall in the Tier 2 Capital of majority owned financial entities which have not been consolidated with the Bank	-	-
57.	<b>Total Regulatory Adjustments to Tier 2 Capital</b>	<b>Nil</b>	-
58.	<b>Tier 2 Capital (T2)</b>	<b>4455.95</b>	-
58(a).	<b>Tier 2 Capital reckoned for Capital Adequacy (1.25% of credit RWA)</b>	<b>3603.06</b>	-
58(b).	<b>Excess Additional Tier 1 Capital reckoned as Tier 2 Capital</b>	-	-
58(c).	<b>Total Tier 2 Capital admissible for Capital Adequacy (58a + 58b)</b>	<b>3603.06</b>	-
59.	<b>Total Capital (TC = T1 + Admissible T2) (45 + 58c)</b>	<b>75410.24</b>	-
60.	<b>Total Risk Weighted Assets (60a + 60b + 60c)</b>	<b>337498.32</b>	-
60(a).	of which : total credit risk weighted assets	<b>288245.02</b>	-
60(b).	of which : total market risk weighted assets	<b>4468.90</b>	-
60(c).	of which : total operational risk weighted assets	<b>44784.40</b>	-
<b>Capital Ratios</b>			
61.	Common Equity Tier 1 (as a percentage of risk weighted assets)	21.27%	-
62.	Tier 1 (as a percentage of risk weighted assets)	21.27%	-
63.	Total Capital (as a percentage of risk weighted assets)	22.34%	-
64.	Institution specific buffer requirement (minimum CET1 requirement plus Capital conservation and countercyclical buffer requirements, expressed as a percentage of risk weighted assets)	9.50%	-
65.	of which : Capital conservation buffer requirement	2.50%	-
66.	of which : Bank specific countercyclical buffer requirement	-	-
67.	of which : G-SIB buffer requirement	-	-
68.	Common Equity Tier 1 available to meet buffers (as a percentage of RWA)	21.27%	-
<b>National Minima (if different from Basel III)</b>			
69.	National Common Equity Tier 1 minimum ratio (if different from Basel III minimum)	5.50%	-
70.	National Tier 1 minimum ratio (if different from Basel III minimum)	7.00%	-
71.	National total Capital minimum ratio (if different from Basel III minimum)	11.50%	-
<b>Amounts below the thresholds for deduction (before risk weighting)</b>			
72.	Non-significant investments in the capital of other financial entities	-	-
73.	Significant investments in the common stock of financial entities	-	-
74.	Mortgage Servicing Rights (net of related tax liability)	-	-
75.	Deferred tax assets arising from temporary differences (net of related tax liability)	-	-

Basel III common disclosure - 31 <sup>st</sup> March, 2023			Amount	Ref No.
(₹ in million)				
<b>Applicable caps on the inclusion of provisions in Tier 2</b>				
76.	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to Standardised Approach (prior to application of cap)	4455.95	-	
77.	Cap on inclusion of provisions in Tier 2 under standardised approach	3603.06	-	
78.	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to Internal Ratings-Based approach (prior to application of cap)	-	-	
79.	Cap for inclusion of provisions in Tier 2 under Internal Ratings-Based approach	-	-	
<b>Capital instruments subject to phase-out arrangements (only applicable between 31<sup>st</sup> March, 2018 and 31<sup>st</sup> March, 2023)</b>				
80.	Current cap on CET1 instruments subject to phase out arrangements	-	-	
81.	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	-	-	
82.	Current cap on AT1 instruments subject to phase out arrangements	-	-	
83.	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	-	-	
84.	Current cap on T2 instruments subject to phase out arrangements	-	-	
85.	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	-	-	

Notes to the template			Amount
(₹ in million)			
Row No. of the template	Particulars	Amount	
10.	Deferred Tax Assets associated with accumulated losses Deferred Tax Assets (excluding those associated with accumulated losses) net of Deferred Tax Liability Total as indicated in row 10	-	912.31 912.31
19.	If investments in insurance subsidiaries are not deducted fully from Capital and instead considered under 10% threshold for deduction, the resultant increase in the Capital of Bank of which : Increase in Common Equity Tier 1 Capital of which : Increase in Additional Tier 1 Capital of which : Increase in Tier 2 Capital	-	
26(b).	If investments in the equity capital of unconsolidated non-financial subsidiaries are not deducted and hence, risk weighted then : (i) Increase in Common Equity Tier 1 Capital (ii) Increase in Risk Weighted Assets	-	
44(a).	Excess Additional Tier 1 Capital not reckoned for Capital Adequacy (difference between Additional Tier 1 Capital as reported in row 44 and admissible Additional Tier 1 Capital as reported in 44a) of which : Excess Additional Tier 1 Capital which is considered as Tier 2 Capital under row 58b	-	
50.	Eligible Provisions included in Tier 2 Capital Eligible Revaluation Reserves included in Tier 2 Capital Total of row 50	4455.95	- 4455.95
58(a).	Excess Tier 2 Capital not reckoned for Capital adequacy (difference between Tier 2 Capital as reported in row 58 and T2 as reported in 58a)	852.89	

Table DF - 12

Step 1		COMPOSITION OF CAPITAL - RECONCILIATION REQUIREMENTS		(₹ in million)
Particulars as on 31 <sup>st</sup> March, 2023	Balance Sheet as in financial statements	Balance Sheet under regulatory scope of consolidation		
<b>A Capital &amp; Liabilities</b>				
<b>I Total Capital</b>	<b>74572.10</b>			
Paid-Up Capital	740.42			
Reserves & Surplus	73831.68			
Minority Interest	-			
<b>II Deposits</b>	<b>523978.58</b>			
of which : Deposits from Banks	2095.96			
of which : Customer Deposits	521882.62			
of which : Other Deposits (pl. specify)	-			
<b>III Borrowings</b>	<b>46880.95</b>			
of which : From RBI (REPO)	0.00			
of which : From Banks	0			
of which : From other Institutions & Agencies	44826.70			
of which : Others (pl. specify) Outside India	2054.25			
of which : Capital Instruments	0			
<b>IV Other Liabilities &amp; Provisions</b>	<b>20513.99</b>			
<b>Total Liabilities</b>	<b>665945.62</b>			
<b>B Assets</b>				
<b>I Cash and Balances with Reserve Bank of India</b>	<b>33023.60</b>			
<b>Balance with Banks and Money at Call and Short Notice</b>	<b>33469.15</b>			
<b>II Investments</b>	<b>143326.28</b>			
of which : Government Securities	142464.93			
of which : Other Approved Securities	-			
of which : Shares	55.02			
of which : Debentures & Bonds	803.39			
of which : Subsidiaries / Joint Ventures / Associates	-			
of which : Others (Commercial Papers, Mutual Funds etc.)	2.94			
<b>III Loans and Advances</b>	<b>430533.46</b>			
of which : Loans and Advances to Banks	250.05			
of which : Loans and Advances to Customers	430283.41			
<b>IV Fixed Assets</b>	<b>2393.25</b>			
<b>V Other Assets</b>	<b>23199.88</b>			
of which : Goodwill and Intangible Assets	-			
of which : Deferred Tax Assets	2513.12			
<b>VI Goodwill on Consolidation</b>	<b>-</b>			
<b>VII Debit Balance in Profit &amp; Loss Account</b>	<b>-</b>			
<b>Total Assets</b>	<b>665945.62</b>			

NOT  
APPLICABLE



**Step 2**

- 1) As the Bank is not having any subsidiary, no disclosure relating to any legal entity for regulatory consolidation is made.
- 2) Break up for DF-11 items is given below as shown in the Bank's financial statements:

**Common Equity Tier 1 Capital : Instruments and Reserves**

Ref. No.	As per Balance Sheet	₹ in million	As shown in DF-11 Composition of Capital	As shown in DF-12 (Step1) Balance Sheet
a)	Paid-up Capital	740.42	Sl.No.1	Paid-up Capital
b)	Share Premium	9017.85		Reserves & Surplus
c)	Statutory Reserves	20260.00	Sl.No.2	Reserves & Surplus
d)	Capital Reserves	3196.25		Reserves & Surplus
e)	General Reserves	33165.00		Reserves & Surplus
f)	Special Reserve under IT	6360.00		Reserves & Surplus
g)	Balance in P&L (less dividend payable)	350.37		Reserves & Surplus
<b>Total</b>		<b>73089.89</b>		

**Common Equity Tier 1 Capital : Regulatory Adjustments (deductions)**

Ref. No.	As per Balance Sheet	₹ in million	As shown in DF-11 Composition of Capital	As shown in DF-12 (Step1) Balance Sheet
h)	Intangible Assets (Application software)	362.86	Sl.No.9	Included in Fixed Assets
i)	Deferred Tax Assets (net)	912.31	Sl.No.10	Other Assets / Liabilities
<b>Total</b>		<b>1275.17</b>		

**Tier 2 Capital : Instruments and Provisions (Additions)**

Ref. No.	As per Balance Sheet	₹ in million	As shown in DF-11 Composition of Capital	As shown in DF-12 (Step1) Balance Sheet
j)	Investment Reserve	741.80	Sl.No.50	Reserves & Surplus
k)	Provision for Standard Assets	2856.30		Other Liabilities & Provisions
l)	Provision for Country Risk Exposure	42.50		
m)	Provision for Unhedged Foreign Currency Exposure (UFCE)	27.24		
n)	Provision for impact of COVID - 19	788.11		
<b>Total</b>		<b>4455.95</b>		

ESG Report

Statutory Reports

Financial Statements

List of Branches

Basel III

Step 3

(₹ in million)

**Extract of Basel III common disclosure template (with added column) - Table DF - 11  
(Part I / Part II whichever, applicable)  
Common Equity Tier 1 Capital : Instruments and Reserves**

Sl. No.	Particulars	Component of Regulatory Capital reported by Bank	Source based on reference numbers / letters of the Balance Sheet under the regulatory scope of consolidation from step 2
1.	Directly issued qualifying common share (and equivalent for Non-Joint Stock Companies) Capital plus related stock surplus	9758.27	2(a) & 2 (b)
2.	Retained Earnings	63331.62	2(c) to 2 (g)
3.	Accumulated other Comprehensive Income (and Other Reserves)	-	
4.	Directly issued Capital subject to phase out from CET1 (only applicable to Non-Joint Stock Companies)	-	
5.	Common Share Capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	-	
6.	Common Equity Tier 1 Capital before Regulatory Adjustments	73089.89	(Sum of 1 & 2 above)
7.	Prudential valuation adjustments	-	
8.	Goodwill (net of related tax liability)	-	

Table DF - 13

MAIN FEATURES OF REGULATORY CAPITAL INSTRUMENTS

Main Features of Regulatory Capital Instruments ( Equity Shares & Bond Series I, II )				
Sl.No.	Description	Equity Shares	Bond Series II	
1.	Issuer	City Union Bank Ltd	↑ NIL ↓	
2.	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for Private Placement)	INE491A01021		
3.	Governing law(s) of the instrument	Applicable Indian Statutes and Regulatory Requirements		
<b>Regulatory Treatment</b>				
4.	Transitional Basel III Rules	Common Equity Tier I		
5.	Post-transitional Basel III Rules	Common Equity Tier I		
6.	Eligible at solo / group / group & solo	Solo		
7.	Instrument type	Common Equity Shares		
8.	Amount recognized in Regulatory Capital (₹ in million, as of most recent reporting date)	740.42 million		
9.	Par value of instrument	₹ 1 per equity share		
10.	Accounting classification	Shareholder's Equity		
11.	Original date of issuance	Various Dates		
12.	Perpetual or Dated	Perpetual		
13.	Original Maturity date	No Maturity		
14.	Issuer call subject to prior supervisory approval	Not Applicable		
15.	Optional call date, contingent call dates and redemption amount	Not Applicable		
16.	Subsequent call dates, if applicable Coupons / Dividends	Not Applicable Dividend		
17.	Fixed or Floating Dividend / Coupon	Not Applicable		
18.	Coupon Rate and any related index	Not Applicable		
19.	Existence of a Dividend Stopper	Not Applicable		

ESG Report

Statutory Reports

Financial Statements

List of Branches

Basel III



**Table DF - 15**

**REMUNERATION**

**Qualitative Disclosures :**

(a)	Information relating to the composition and mandate of the Remuneration Committee.	The Compensation & Remuneration Committee comprised of 4 members constituted to oversee the framing, review and implementation of Compensation Policy of the Bank.
(b)	Information relating to the design and structure of remuneration processes and the key features and objectives of remuneration policy.	<p>Key Features:</p> <ul style="list-style-type: none"> <li>a) Board oversees the design of the compensation package and operations.</li> <li>b) Compensation commensurate with the responsibility and accountability.</li> </ul> <p>Objectives:</p> <ul style="list-style-type: none"> <li>a) Alignment of compensation with prudent risk taking.</li> <li>b) Effective Supervisory oversight.</li> <li>c) Sound Compensation Practices.</li> </ul>
(c)	Description of the ways in which current and future risks are taken in to account in the remuneration processes. It should include the nature and type of the key measures used to take account of these risks.	Compensation related to the types of risks and symmetric with risk outcomes.
(d)	Description of the ways in which the bank seeks to link performance during a performance measurement period with levels of remuneration.	Qualitative features such as skills, knowledge and abilities are factored in.
(e)	A discussion of the bank's policy on deferral and vesting of variable remuneration and a discussion of the bank's policy and criteria for adjusting deferred remuneration before vesting and after vesting.	<ul style="list-style-type: none"> <li>a) ESOP and Reservation in Rights Issue to be the components of share based payment.</li> <li>b) Exgratia payment to be denied only in extreme cases of indiscipline, misuse of trust etc.</li> </ul>
(f)	Description of the different forms of variable remuneration (i.e. cash, shares, ESOPs and other forms) that the bank utilizes and the rationale for using these different forms.	Exgratia, Performance Linked Pay (PLP) and ESOPs form part of variable remuneration components.

ESG Report

Statutory Reports

Financial Statements

List of Branches

Basel III

**Quantitative Disclosures:** The quantitative disclosures pertaining to the MD & CEO as on 31<sup>st</sup> March, 2023 and 31<sup>st</sup> March, 2022 is given below:

Particulars		Current Year 31 <sup>st</sup> March, 2023	Previous Year 31 <sup>st</sup> March, 2022
(a)	Number of meetings held by the Remuneration Committee during the financial year and remuneration paid to its members.	7 meetings (Compensation & Remuneration Committee) were held during the financial year.  The total remuneration and commission paid to the members during the year is ₹31,00,000/- (including commission of ₹24,00,000/-)	3 meetings (Compensation & Remuneration Committee) were held during the financial year.  The total remuneration and commission paid to the members during the year is ₹27,00,000/- (including commission of ₹24,00,000/-)
(b)	1. Number of employees having received a variable remuneration award during the financial year.	1	1
	2. Number and total amount of sign – on awards made during the financial year.	NIL	NIL
	3. Details of guaranteed bonus, if any, paid as joining/sign on bonus.	NIL	NIL
	4. Details of severance pay, in addition to accrued benefits, if any.	NIL	NIL
(c)	1. Total amount of outstanding deferred remuneration, split into cash, shares and share-linked instruments and other forms.	<b>Deferred Variable Pay (FY 2022): NIL</b>  <b>Outstanding Deferred Variable Pay FY 2021:</b> i. Cash: ₹21,19,109/- ii. Non Cash: 26,950 Stock Options approved by the CRC at its meeting held on 08.08.2022 amounting to ₹42,38,217/- (overall approved limit of RBI) which is deferred over a period of 3 years.	Deferred Variable Pay FY 2021:  Variable pay to MD & CEO for FY 2021 was approved by RBI vide its letter dated 30.12.2021 consisting of Cash and Non-Cash component.  i. Cash component of ₹42,38,217 of which an amount of ₹21,19,109/- has been deferred for a period of 3 years.  ii. Non-cash component of ₹42,38,217/- which is deferred for period of 3 years.
	2. Total amount of deferred remuneration paid out in the financial year.	NIL	NIL

**Quantitative Disclosures:** The quantitative disclosures pertaining to the MD & CEO as on 31<sup>st</sup> March, 2023 and 31<sup>st</sup> March, 2022 is given below:

Particulars		Current Year 31 <sup>st</sup> March, 2023	Previous Year 31 <sup>st</sup> March, 2022
(d)	Breakdown of amount of remuneration awards for the financial year to show fixed and variable, deferred and non-deferred	<p><b>Fixed Pay:</b></p> <p>₹1,78,13,112/- per annum (including perquisites) w.e.f. 01.05.2021 approved by RBI vide its letter dt.17.02.2023</p> <p><b>Variable Pay:</b></p> <p>Variable pay to MD &amp; CEO for FY 2022 was approved by RBI vide its letter dt. 17.02.2023 - ₹84,76,435/-. However as per such approval, he is eligible for only upfront portion under cash component for ₹21,19,109/- pursuant to para 2.1.3 (c) of RBI guidelines on Compensation to Whole time Directors / Chief Executive Officers / Material Risk Takers and Control Function Staff dt.4.11.2019.</p>	<p><b>Fixed Pay:</b></p> <p>₹1,55,38,391/- per annum (including perquisites and encashment of privilege leave)</p> <p><b>Variable pay:</b></p> <p>Variable pay to MD &amp; CEO for FY2020-21 was approved by RBI vide its letter dated 30.12.2021 consisting of Cash and Non-Cash component.</p> <p><b>a) Cash Components</b></p> <p><b>i) Deferred</b></p> <p>Cash component of ₹42,38,217 of which an amount of ₹21,19,109/- has been deferred for a period of 3 years.</p> <p><b>ii) Non -deferred</b></p> <p>₹21,19,109/- paid on 31<sup>st</sup> January, 2022 for FY 2021 (approved by RBI vide its letter dt. 30.12.2021).</p> <p><b>b) Non Cash Components (Fully deferred)</b></p> <p>₹42,38,217/- for FY 2021 approved by RBI to be paid in 3 years. This is yet to be sanctioned by the Bank.</p> <p>No. of stock options granted during FY 2021-22: Nil</p>

ESG  
Report

Statutory  
Reports

Financial  
Statements

List of  
Branches

Basel III



**Quantitative Disclosures:** The quantitative disclosures pertaining to the MD & CEO as on 31<sup>st</sup> March, 2023 and 31<sup>st</sup> March, 2022 is given below:

Particulars		Current Year 31 <sup>st</sup> March, 2023	Previous Year 31 <sup>st</sup> March, 2022
(e)	1. Total amount of outstanding deferred remuneration and retained remuneration exposed to ex-post explicit and/or implicit adjustments.	NIL	NIL
	2. Total amount of reductions during the financial year due to ex-post explicit adjustments.	NIL	NIL
	3. Total amount of reductions during the financial year due to ex-post implicit adjustments.	NIL	NIL
(f)	Number of MRTs identified	NIL	NIL
(g)	1. Number of cases where malus has been exercised.	NIL	NIL
	2. Number of cases where clawback has been exercised.	NIL	NIL
	3. Number of cases where both malus and clawback have been exercised.	NIL	NIL
(h)	<b>General Quantitative Disclosure:</b> The mean pay for the bank as a whole (excluding sub-staff) and deviation of the pay of each of its WTDs from the mean pay.	₹ 1,16,02,686.00	₹ 1,70,78,288.50

**Table DF - 16****EQUITIES - DISCLOSURE FOR BANKING BOOK POSITIONS**

There are no equity investments as on 31<sup>st</sup> March, 2023 under Banking Book (HTM).

**Table DF - 17****LEVERAGE RATIO**

Leverage ratio is a non-risk based measure of all exposures for the Tier-I capital. The leverage ratio is calibrated to act as a credible supplementary measure to the risk based capital requirements. The Basel III leverage ratio is defined as the capital measure (the numerator) divided by the exposure measure (the denominator), with this ratio expressed as a percentage. Previously, the

indicative benchmark Leverage Ratio prescribed was 4.50% (minimum), which has been reduced to 3.50% (minimum) as per the RBI circular on "Basel III Capital Regulations - Implementation of Leverage Ratio", vide DBR.BP.BC.No.49/21.06.201/2018-19 dated 28<sup>th</sup> June, 2019.

$$\text{Leverage Ratio} = \frac{\text{Capital Measure (Tier I Capital)}}{\text{Exposure Measure}}$$

**SUMMARY COMPARISON OF ACCOUNTING ASSETS VS. LEVERAGE RATIO EXPOSURE MEASURE-31<sup>st</sup> March, 2023**

(₹ in million)

Sl. No.	Item	Amount
1.	Total consolidated assets as per published financial statements	6,65,945.62
2.	Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	7.54
3.	Adjustment for fiduciary assets recognized on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure	-
4.	Adjustments for derivative financial instruments	2,742.35
5.	Adjustment for securities financing transactions (i.e. repos and similar secured lending)	-
6.	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off- balance sheet exposures)	22,974.75
7.	Other adjustments (intangible)	(1,275.17)
	<b>Leverage Ratio exposure</b>	<b>6,90,395.09</b>

ESG  
ReportStatutory  
ReportsFinancial  
StatementsList of  
Branches

Basel III

**Table DF - 18**

**LEVERAGE RATIO COMMON DISCLOSURE TEMPLATE – 31<sup>st</sup> March, 2023**

(₹ in millions)

Sl. No.	Item	Amount
<b>On - Balance Sheet Exposures</b>		
1.	On-Balance Sheet items (excluding Derivatives and SFTs, but including Collateral)	6,65,945.62
2.	(Asset amounts deducted in determining Basel III Tier 1 Capital)	(1,282.70)
3.	<b>Total On-Balance Sheet exposures (excluding Derivatives and SFTs) (sum of lines 1 and 2)</b>	<b>6,64,662.92</b>
<b>Derivative Exposures</b>		
4.	Replacement cost associated with all Derivative transactions (i.e. net of eligible cash variation margin)	2,742.35
5.	Add-on amounts for PFE associated with all Derivative transactions	-
6.	Gross-up for derivatives collateral provided where deducted from the Balance Sheet Assets pursuant to the operative accounting framework	-
7.	(Deductions of receivables assets for cash variation margin provided in Derivative transactions)	-
8.	(Exempted CCP leg of client-cleared trade exposures)	-
9.	Adjusted effective notional amount of written Credit Derivatives	-
10.	(Adjusted effective notional offsets and add-on deductions for written Credit Derivatives)	-
11.	<b>Total Derivative Exposures (sum of lines 4 to 10)</b>	<b>2,742.35</b>
<b>Securities financing transaction exposures</b>		
12.	Gross SFT Assets (with no recognition of netting), after adjusting for sale accounting transactions	-
13.	(Netted amounts of cash payables and cash receivables of gross SFT Assets)	-
14.	CCR exposure for SFT Assets	-
15.	Agent transaction exposures	-
16.	<b>Total securities financing transaction exposures (sum of lines 12 to 15)</b>	<b>-</b>
<b>Other Off-Balance sheet exposures</b>		
17.	Off-Balance Sheet exposure at gross notional amount	68,452.94
18.	(Adjustments for conversion to credit equivalent amounts)	(45,478.19)
19.	<b>Off-Balance Sheet items (sum of lines 17 and 18)</b>	<b>22,974.75</b>
<b>Capital and total exposures</b>		
20.	Tier 1 Capital	<b>71,807.18</b>
21.	Total exposures (sum of lines 3, 11, 16 and 19)	<b>6,90,380.02</b>
<b>Leverage Ratio</b>		
22.	<b>Basel III Leverage Ratio (20/21)</b>	<b>10.40%</b>

## DECADE OF PROGRESS

Year	(₹ in crore)									
	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023
Paid up capital	54.27	59.66	59.82	60.11	66.47	73.45	73.73	73.88	73.96	74.04
Reserve fund and Other Reserves	1970.66	2635.87	2992.18	3510.09	4096.76	4767.31	5222.34	5768.59	6511.75	7383.17
Deposits	22016.89	24074.96	27158.13	30115.74	32852.62	38447.95	40832.49	44537.36	47689.67	52397.86
Advances	16096.84	17965.50	21056.92	23832.70	27852.79	32673.34	33927.45	36157.83	40358.47	43053.35
Investments	5953.56	5870.67	6826.45	7031.45	7879.11	7712.20	9116.79	9435.94	12221.22	14332.63
Net Profit	347.07	395.02	444.69	502.77	592.00	682.85	476.32	592.82	760.16	937.48
Dividend	100%	110%	120%	30%	30%	50%	50%	50%*	100%	100%
No. of Branches	425	475	525	550	600	650	700	702	727	752
Total No. of Staff	4215	4364	4517	4688	5319	5518	5741	5843	5367	6019
Intrinsic value of Shares (₹)	37.31	45.18	51.02	59.40	62.63	65.91	71.83	79.08	89.04	100.72
Earning Rate (%)	639.52	662.12	743.38	836.42	890.63	929.68	646.03	802.41	1027.80	1266.18

\* 30% as Interim dividend declared during May 2021

Basel III

List of Branches

Financial Statements

Statutory Reports

ESG Report

“Now your voice is your password”

City Union Bank launched  
“ **Voice Biometric Authentication**”  
in CUB All in One Mobile App  
to login to your mobile banking



**CITY UNION BANK**

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Simply give a missed call to  
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**Form ISR - 1**

(see SEBI circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2021/655 dated November 03, 2021 on Common and Simplified Norms for processing investor's service request by RTAs and norms for furnishing PAN, KYC details and Nomination)

**REQUEST FOR REGISTERING PAN, KYC DETAILS OR CHANGES / UPDATION THEREOF**

[For Securities (Shares / Debentures / Bonds, etc.) of listed companies held in physical form]

Date: \_\_ / \_\_ / \_\_\_\_

A. I / We request you to Register / Change / Update the following (Tick  relevant box)

<input type="checkbox"/> PAN	<input type="checkbox"/> Postal Address
<input type="checkbox"/> Bank Details	<input type="checkbox"/> E-mail Address
<input type="checkbox"/> Signature	<input type="checkbox"/> Mobile Number
<input type="checkbox"/> Demat Account Details	

B. Security Details:

Name of the Issuer Company		Folio No. :
Name(s) of the Security holder(s) as per the Certificate(s)	1. 2. 3.	
Number & Face value of securities		
Distinctive number of securities	From	To

C. I / We are submitting documents as per Table below (tick  as relevant, refer to the instructions):

<input checked="" type="checkbox"/>	Document / Information / Details	Instruction / Remark
1	PAN of (all) the (joint) holder(s)	
	PAN Whether it is Valid (linked to Aadhaar): <input type="checkbox"/> yes <input type="checkbox"/> No	<div style="text-align: center;"> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> </div> PAN shall be valid only if it is linked to Aadhaar by March 31, 2021*  For Exemptions / Clarifications on PAN, please refer to Objection Memo in page 4



2	Demat Account Number	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	Also provide Client Master List (CML) of your Demat Account, provided by the Depository Participant.
3	Proof of Address of the first holder	<ul style="list-style-type: none"> <li>● Client Master List (CML) of your Demat Account, provided by the Depository Participant</li> <li>● Valid Passport / Ration Card / Registered Lease or Sale Agreement of Residence / Driving License / Flat Maintenance bill.</li> <li>● Utility bills like Telephone Bill (only land line), Electricity bill or Gas bill - Not more than 3 months old.</li> <li>● Identity card / document with address, issued by any of the following: Central/State Government and its Departments, Statutory / Regulatory Authorities, Public Sector Undertakings, Scheduled Commercial Banks, Public Financial Institutions.</li> <li>● For FII / sub account, Power of Attorney given by FII / sub-account to the Custodians (which are duly notarized and / or apostilled or consularised) that gives the registered address should be taken.</li> <li>● The proof of address in the name of the spouse</li> </ul>	
4	Bank Details	Provide the copy of the bank statement with details of bank name, branch, account number and IFS Code or copy of cheque leaf. Alternatively, Bank details available in the CML will be updated in the folio.	
5	E-mail Address	<hr/> <p>Alternatively the e-mail address available in the CML will be updated in the folio</p>	
6	Mobile	<hr/> <p>Alternatively the mobile number available in the CML will be updated in the folio</p>	
7	Specimen Signature	<ul style="list-style-type: none"> <li>● Provide banker's attestation of the signature of the holder(s) as per <b>Form ISR - 2</b> in SEBI circular SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 03, 2021) and</li> <li>● Original cancelled cheque</li> </ul>	
8	Nomination **	<ul style="list-style-type: none"> <li>● Providing Nomination: Please submit the duly filled up Nomination Form (SH-13) or 'Declaration to Opt out of Nomination' as per <b>Form ISR - 3</b>, in SEBI circular SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 03, 2021</li> <li>● Change in Existing Nomination: Please use <b>Form SH-14</b> in SEBI circular SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 03, 2021</li> <li>● Cancellation of Existing Nomination: Please use <b>Form SH-14</b> and <b>Form ISR - 3</b></li> </ul>	

\* or any date as may be specified by the CBDT

\*\* **Nomination (Form SH-13 or SH-14) / 'Declaration to Opt-Out of nomination' (Form ISR - 3), has to furnished by the holder(s) separately for each listed company.**



**Mode of submission of documents to the RTA**

Please use any one of the following mode;

1. In Person Verification (IPV): by producing the originals to the authorized person of the RTA, who will retain copy(ies) of the document(s)
2. In hard copy: by furnishing self-attested photocopy(ies) of the relevant document, with date
3. Through e-mail address already registered with the RTA, with e-sign of scanned copies of documents
4. Service portal of the RTA with e-sign with scanned copies of documents, if the RTA is providing such facility

**Note**

- It is mandatory for holders of physical securities in listed company to furnish PAN, full KYC details (address proof, bank details, e-mail address, mobile number) and Nomination (for all the eligible folios).
- Upon receipt or up-dation of bank details, the RTA automatically, pay electronically, all the moneys of / payments to the holder that were previous unclaimed / unsuccessful.
- RTA shall update the folio with PAN, KYC details and Nominee, within seven working days of its receipt. However, cancellation of nomination, shall take effect from the date on which this intimation is received by the company / RTA.
- RTA shall not insist on Affidavits or Attestation / Notarization or indemnity for registering / up-dating / changing PAN, KYC details and Nomination.

**Authorization:** I / We authorise you (RTA) to update the above PAN and KYC details in my / our folio (s) \_\_\_\_\_, \_\_\_\_\_, in which I / We are the holder(s) (strike off what is not applicable).

**Declaration:** All the above facts stated are true and correct.

	Holder 1	Holder 2	Holder 3
Signature	✓	✓	✓
Name	✓	✓	✓
Full Postal Address	✓	✓	✓
PIN	✓ <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	✓	✓

(Page 4 is for information to investors; print out of the same is not needed.)

### Objection Memo that can be raised by the RTA

(only if the relevant document / details is / are not available in the folio or if there is a mismatch / discrepancy in the same or change thereof)

Note RTAs shall raise all objections, if any / at all, in one instance only; the RTA shall not raise further objections on the same issue again and again, after the holder / claimant furnishes all the prescribed documents and details, unless there is any deficiency / discrepancy in the same.

No.	Item	Documents / Details to be provided to the RTA by the holder(s) / claimant(s)
1.	PAN - Exceptions and Clarification	'Exemptions/clarifications to PAN', as provided in clause D to 'Instructions/Check List for Filing KYC Forms' in Annexure - 1 to SEBI circular No. MIRSD/SE/Cir-21/2011 dated October 05, 2011 on Uniform Know Your Client (KYC) Requirements for the Securities Market, shall also applicable for holder(s) / claimant(s) of securities held in physical mode.
2.	Minor mismatch in Signature - minor	The RTA shall intimate the holder at the existing address, seeking objection, if any, within 15 days
3.	Major mismatch in Signature or its non-availability with the RTA	<ul style="list-style-type: none"> <li>● Banker's attestation of the signature of the holder(s) as per Form ISR - 2</li> <li>● Original cancelled cheque</li> </ul>
4.	Mismatch in Name	<p>Furnish any one of the following documents, explaining the difference in names;</p> <ul style="list-style-type: none"> <li>● Unique Identification Number (UID) (Aadhaar)</li> <li>● Valid Passport</li> <li>● Driving license</li> <li>● PAN card with photograph</li> <li>● Identity card / document with applicant's Photo, issued by any of the following: Central / State Government and its Departments, Statutory / Regulatory Authorities, Public Sector Undertakings, Scheduled Commercial Banks, Public Financial Institutions</li> <li>● Marriage certificate</li> <li>● Divorce decree</li> </ul>
5.	Present address of the holder is not matching with the address available in the folio	<p>RTA shall issue intimation to both the old and new addresses. If the letters sent to either the old and or new addresses is / are undelivered or if there is an objection in response to this letter, then provide any one of the following;</p> <ul style="list-style-type: none"> <li>● any one of the documents in row 3 in Table C, reflecting the old address or</li> <li>● Counterfoil of dividend warrant received from the company or</li> <li>● Bank statement showing the credit of previous dividend received The above procedure will be applicable for request for change in address of the holder also</li> </ul>

(Page 4 is for information to investors; print out of the same is not required)

### Form ISR - 2

(see circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2021/655 dated November 03, 2021 on Common and Simplified Norms for processing investor's service request by RTAs and norms for furnishing PAN, KYC details and Nomination)

### Confirmation of Signature of securities holder by the Banker

1. Bank Name and Branch			
2. Bank contact details Postal Address Phone number E-mail address			
3. Bank Account number			
4. Account opening date			
5. Account holder(s) name(s)	1)	2)	3)
6. Latest photograph of the account holder(s)	<div style="display: flex; justify-content: space-around; align-items: center;"> <div style="border: 1px solid black; width: 150px; height: 100px; display: flex; align-items: center; justify-content: center;">1st Holder</div> <div style="border: 1px solid black; width: 150px; height: 100px; display: flex; align-items: center; justify-content: center;">2nd Holder</div> <div style="border: 1px solid black; width: 150px; height: 100px; display: flex; align-items: center; justify-content: center;">3rd Holder</div> </div>		
7. Account holder(s) details as per Bank Records	<p>a) Address</p> <p>b) Phone number</p> <p>c) Email address</p> <p>d) Signature(s)</p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">1) <div style="border: 1px solid black; width: 100px; height: 30px;"></div></div> <div style="text-align: center;">2) <div style="border: 1px solid black; width: 100px; height: 30px;"></div></div> <div style="text-align: center;">3) <div style="border: 1px solid black; width: 100px; height: 30px;"></div></div> </div> <p style="text-align: right;">Signature verified as recorded with the Bank</p>		
Seal of the Bank			
	(Signature)		
Place :	Name of the Bank Manager		
	Employee Code		
Date :	E-mail Address		

## Form No. SH-13

### Nomination Form

[Pursuant to section 72 of the Companies Act, 2013 and rule 19(1) of the Companies (Share Capital and Debentures) Rules 2014]

To

Name of the company:

Address of the company:

I/We ..... the holder(s) of the securities particulars of which are given hereunder wish to make nomination and do hereby nominate the following persons in whom shall vest, all the rights in respect of such securities in the event of my/our death.

(1) PARTICULARS OF THE SECURITIES (in respect of which nomination is being made)

Nature of securities	Folio No.	No. of securities	Certificate No.	Distinctive No.

(2) PARTICULARS OF NOMINEE/S —

- (a) Name:
- (b) Date of Birth:
- (c) Father's/Mother's/Spouse's name:
- (d) Occupation:
- (e) Nationality:
- (f) Address:
- (g) E-mail id:
- (h) Relationship with the security holder:

(3) IN CASE NOMINEE IS A MINOR—

- (a) Date of birth:
- (b) Date of attaining majority
- (c) Name of guardian:
- (d) Address of guardian:

Name:

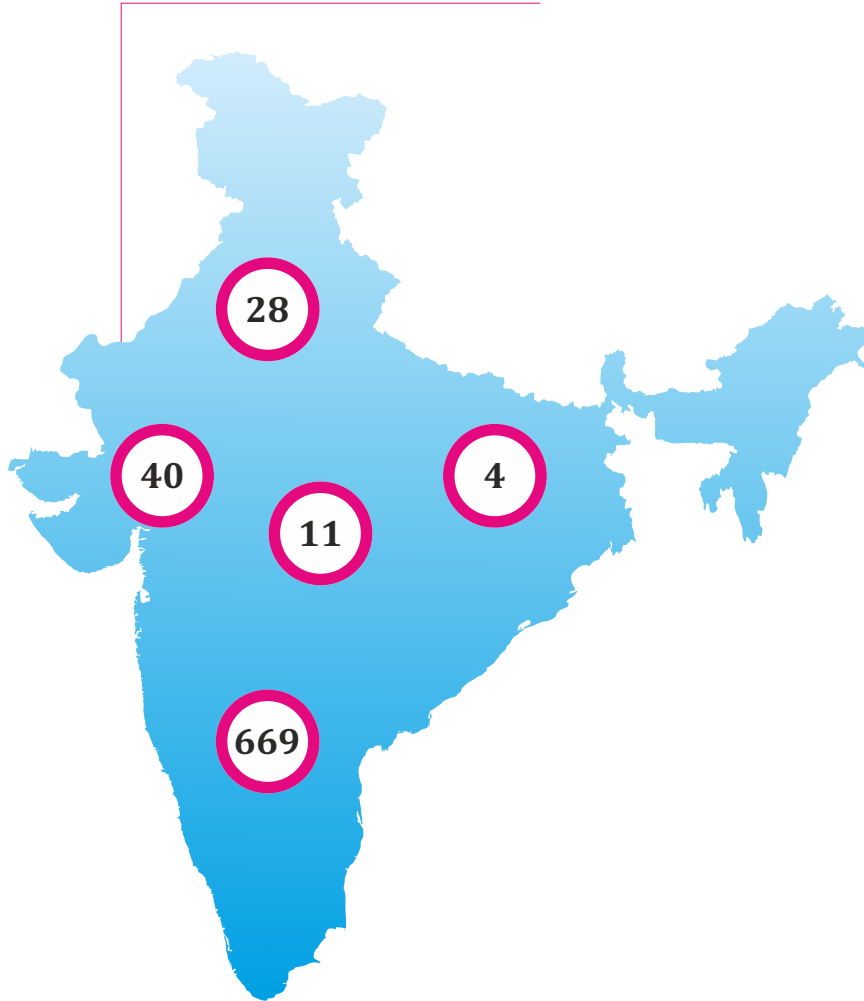
Address:

Name of the Security Holder(s)

Signature

Witness with name and address

### REGIONWISE BRANCHES



### BANK NETWORK

**1678**

ATMs  
OF WHICH

**822** (BRM)

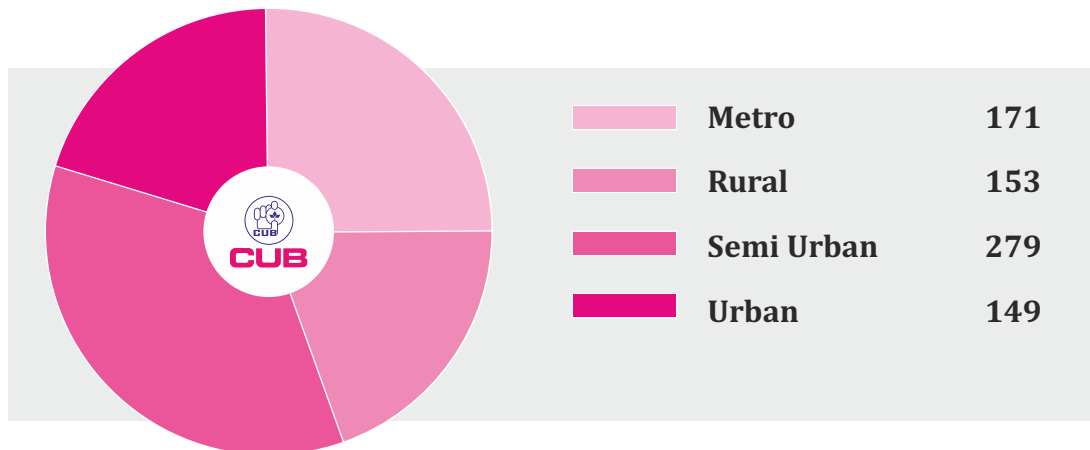
BULK NOTE  
RECYCLER  
MACHINE

**856**

CASH  
WITHDRAWAL  
MACHINE

**752**

BRANCHES



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Banking  
Journey  
Continues!*



**Thank you stakeholders**

**For your continued support and patronage**









# CITY UNION BANK LIMITED

CIN: L65110TN1904PLC001287

## Registered Office

149, T.S.R (Big) Street,  
Kumbakonam - 612 001.  
e-mail: [shares@cityunionbank.in](mailto:shares@cityunionbank.in)  
Website: [www.cityunionbank.com](http://www.cityunionbank.com)

## Administrative Office

"Narayana", No. 24-B, Gandhi Nagar,  
Kumbakonam - 612 001.  
Phone: 0435 - 2402322, 2401622, 2402412  
Fax: 0435 - 2431746  
e-mail: [shares@cityunionbank.in](mailto:shares@cityunionbank.in)  
Website: [www.cityunionbank.com](http://www.cityunionbank.com)

## Customer Call Center

044 - 71225000, e-mail: [customercare@cityunionbank.com](mailto:customercare@cityunionbank.com)