



CITY UNION BANK LIMITED

CIN : L65110TN1904PLC001287

Regd. Office : 149, T.S.R: (Big) Street, Kumbakonam - 612 001, Thanjavur District, Tamil Nadu.

Telephone No : 0435 - 2402322 Fax : 0435 - 2431746

E-mail : shares@cityunionbank.com Website : www.cityunionbank.com

C.O/Shares/LR-5/2022-23

27th July, 2022

National Stock Exchange of India Limited
Exchange Plaza, 5th Floor,
Plot No.C/1, G Block,
Bandra-Kurla Complex,
Bandra (E),
Mumbai 400 051

BSE Ltd.
DCS – CRD
Phiroze Jeejeebhoy Towers
25th Floor, Dalal Street
Mumbai 400 001

Scrip Code: CUB

Scrip Code: 532210

Dear Sir / Madam,

Sub : Annual Report together with Notice for FY 2022

This is in continuation to our earlier communication dated 06th July 2022 intimating the date of ensuing Annual General Meeting.

Pursuant to Regulation 34(1) of SEBI Listing Regulations 2015 as amended from time to time, we hereby inform that the dispatch of Annual Report together with the Notice calling the ensuing Annual General Meeting of the Bank for FY 2022, has **commenced on 27th July, 2022** by electronic mode to the members of the Bank to their registered e-mail id's, as on the cut-off date being 15th July 2022. A copy of the Notice and Annual Report is enclosed to this communication and the same has also been made available in the Bank's website www.cityunionbank.com, the weblinks of which are as follows:

Annual Report	https://www.cityunionbank.com/downloads/ANNUALREPORT2021-22.pdf
Notice	https://www.cityunionbank.com/downloads/NOTICEFINAL2021-2022.pdf

Further, in line with the circulars issued by the Ministry of Corporate Affairs ("MCA") and the Securities Exchange Board of India ("SEBI") dated May 05, 2022 and May 13, 2022 respectively read with earlier circulars issued by the said authorities in this connection, the **Annual General Meeting of the Bank will be held through VC/ OAVM only on 18th August 2022 at 11:00 a.m.**, and accordingly attendance slips are not issued to the shareholders.

In addition to above, pursuant to the provisions of Section 108 of the Companies Act, 2013 r/w the Rules made there under and Regulation 44 of the SEBI Listing Regulations, the Bank will provide remote e-voting facility to its members holding shares in physical / De-mat mode, as on the **cut-off date**, being **11th August 2022**, to exercise their right to vote by electronic means on all relevant business items specified in the Notice. **The remote e-voting shall commence on Sunday, the 14th August 2022 (9:00 a.m. IST), and conclude on Wednesday, the 17th August 2022 (5:00 p.m. IST).**

This is for your kind information and dissemination to all concerned.

Thanking you

Yours faithfully
for **CITY UNION BANK LIMITED**

(V. RAMESH)
Sr. General Manager – CFO & CS



Encl.: a.a.

CITY UNION BANK LIMITED

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website: www.cityunionbank.com

NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE is hereby given that the Annual General Meeting of the members of **CITY UNION BANK LIMITED** will be held on **Thursday, the 18th day of August, 2022**, at **11:00 a.m.** The Annual General Meeting shall be held by the means of Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") on account of continuing COVID -19 pandemic and in accordance with the relevant circulars issued by the Ministry of Corporate Affairs, to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Bank for the Financial Year ended 31st March, 2022 and the reports of the Directors and Auditors thereon.
2. To declare dividend of 100 % (i.e. Re.1/- per equity share on face value of Re.1/- each fully paid up) for the Financial Year 2021-22.
3. Re-appointment of **M/s Jagannathan & Sarabeswaran**, Chartered Accountants, Chennai and **M/s K. Gopal Rao & Co.**, Chartered Accountants, Chennai, as the Joint Statutory Central Auditors of the Bank for a second term for FY 2022-23.

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 as may be applicable and the Banking Regulation Act, 1949 (including any statutory modifications or re-enactments thereof for the time being in force), the Rules, Circulars and Guidelines issued by the Reserve Bank of India from time to time and the approval from RBI vide its letter DOS.ARG.No.S1077/08.13.005/2022-23 dt.03.06.2022, approval of the members be and is hereby accorded 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 second term for FY 2022-23, from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Bank at an overall remuneration of ₹ **70,00,000/- (Rupees Seventy Lakhs only)** excluding applicable taxes to be allocated by the Bank between such joint Auditors as may be mutually agreed by the Bank and such joint auditors depending on their respective scope of work and reimbursement of out of pocket expenses that may be incurred by them during the course of Statutory Audit, Tax Audit & L FAR and issuing such other certifications as prescribed or as may be prescribed by the Regulators, with power to the Board, who may with the recommendations of the Audit Committee thereof, alter and vary the terms and conditions of their appointment, remuneration etc., including by reason of necessity on account of conditions as may be stipulated by RBI and / or any other authority, in such manner and to such extent as may be mutually agreed with the Joint Statutory Central Auditors."

SPECIAL BUSINESS

4. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT the Board of Directors of the Bank be and is hereby authorized to appoint, in consultation with the Joint Statutory Central Auditors of the Bank, the Branch Auditors who are qualified to act as Auditors, including Statutory Auditors pursuant to Section 139, 143(8) and other applicable provisions of the Companies Act, 2013 and the Rules made there under for the purpose of audit of the branches of the Bank for the financial year 2022-23 and to decide the Branches to be audited by such Branch Auditors and to fix their remuneration and reimbursement of out of pocket expenses incurred in connection with the Audit, based on the recommendation of the Audit Committee of the Board"

**NOTICE****5. Appointment of Shri Mahalingam Narayanan (DIN 00682297) as the Part-time Non-Executive Chairman of the Bank**

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to Article 26 of the Articles of Association of the Bank, the approval of RBI vide its letter no.DOR.GOV.No.S663/08.42.001/2022-23 dt.4th May 2022 in terms of

Section 10B (1A) of the Banking Regulation Act, 1949 and other applicable provisions of Companies Act, 2013, and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modifications or re-enactment thereof for the time being in force), the appointment of **Shri. Narayanan Mahalingam (DIN 00682297)** as the Part-time Non-Executive Chairman of the Bank for a period of two (2) years w.e.f., 4th May 2022 as per the following terms and conditions approved by RBI, be and is hereby ratified and approved."

Sl. No.	Terms of Appointment	
1	Remuneration	₹ 1,00,000/- per month
2	Sitting Fees for attending Board and Committee Meetings	As applicable to other Directors of the Bank
3	Conveyance Allowance	Office car with driver
4	Telephone	Provision of residential, mobile phone and internet facility
5	Travelling and Halting Allowances	As applicable to MD & CEO of the Bank
6	Insurance cover	Insurance cover upto ₹ 50,00,000/- for journey by Air/Road/Rail for official purposes

6. Re-appointment of Shri Narayanan Subramaniam (DIN 00166621), Director, as an Independent Director on the Board for a second term w.e.f. 23rd August 2022

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 149, 152, Schedule IV and other applicable provisions, if any, of the Companies Act 2013 read with Rules made there under ("the Act"), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 ("the SEBI Listing Regulations"), Section 10A(2A) and other relevant provisions of the Banking Regulations Act, 1949 ("Banking Act") (including any modifications or re-enactments thereof for the time being in force), Rules, Circulars, Guidelines issued by the Reserve Bank of India ("RBI") as applicable from time to time, provisions of Articles of Association of the Bank and pursuant to the recommendation of the Nomination Committee and the Board of Directors of the Bank, approval of

the members be and is hereby accorded for the re-appointment of **Shri Narayanan Subramaniam (DIN 00166621)** as an Independent Director on the Board of the Bank for a second term **w.e.f. 23rd August 2022** for the remaining period as permitted under Banking Regulation Act 1949 from the date of his first appointment in the Bank and being an Independent Director, he will not be liable to retire by rotation."

7. Appointment of Prof. Veezhinathan Kamakoti (DIN 03537382), as an Independent Director on the Board

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 149, 152, Schedule IV and other applicable provisions, if any, of the Companies Act 2013 read with Rules made thereunder ("the Act"), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 ("the SEBI Listing Regulations"),



Section 10A(2A) and other relevant provisions of the Banking Regulations Act, 1949 ("Banking Act") (including any modifications or re-enactments thereof for the time being in force), Rules, Circulars, Guidelines issued by the Reserve Bank of India ("RBI") as applicable from time to time, provisions of Articles of Association of the Bank and pursuant to the recommendation of the Nomination Committee and the Board of Directors of the Bank, approval of the members be and is hereby accorded for the appointment of **Prof. V. Kamakoti (DIN 03537382)** who was appointed as an Additional Director pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and who holds office up to the date of this Annual General Meeting, as an Independent Director on the Board of the Bank with effect from the date of passing of this resolution for a period of five (5) years and being an Independent Director, he will not be liable to retire by rotation."

8. Appointment of Shri. G Mahalingam (DIN 09660723), as an Independent Director on the Board

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 149, 152, Schedule IV and other applicable provisions, if any, of the Companies Act 2013 read with Rules made thereunder ("the Act"), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 ("the SEBI Listing Regulations"), Section 10A(2A) and other relevant provisions of the Banking Regulations Act, 1949 ("Banking Act") (including any modifications or re-enactments thereof for the time being in force), Rules, Circulars, Guidelines issued by the Reserve Bank of India ("RBI") as applicable from time to time, provisions of Articles of Association of the Bank and pursuant to the recommendation of the Nomination Committee and the Board of Directors of the Bank, approval of the members be and is hereby accorded for the appointment of **Shri. G. Mahalingam (DIN 09660723)** who was appointed as an Additional Director pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and who holds office up to the date of this Annual General Meeting, as an Independent Director on the Board of the Bank with effect from the date of passing of this resolution for a period of five (5) years and being an

Independent Director, he will not be liable to retire by rotation."

9. To authorize the Board to offer, issue and allot shares by way of Qualified Institutional Placement

To consider and if thought fit, to pass with or without modification(s), the following resolutions as **Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 62 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification or re-enactment thereof, for the time being in force) and enabling provisions of the Memorandum and Articles of Association of the Bank, the SEBI Listing Regulations, 2015 and subject to the provisions of Chapter VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018, the provisions of the Foreign Exchange Management Act, 1999, applicable rules, regulations, guidelines or laws and / or any approval, consent, permission or sanction of the Central Government, Reserve Bank of India, SEBI and any other appropriate authorities, institutions or bodies (hereinafter collectively referred to as the "appropriate authorities") and subject to such conditions as may be prescribed by any one of them while granting any such approval, consent, permission and / or sanction (hereinafter referred to as the "requisite approvals") which may be agreed to by the Board of Directors of the Bank (herein after called the "Board") which term shall be deemed to include any Committee which the Board may constitute and Board be and is hereby authorized, to offer, issue and allot, by way of Qualified Institutions Placement (QIP), to Qualified Institutional Buyers (QIB), in terms of Chapter VI of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, whether or not such investors are existing members of the Bank, through one or more placements to raise an amount not exceeding ₹ 500 crore (**Rupees Five Hundred crore only**) by issue of Equity shares of Re.1/- each at such price or prices, (whether at prevailing market prices or at permissible discount or premium to market prices in terms of applicable regulations) as the Board or the appointed Committee thereof may determine at its discretion in accordance with the relevant guidelines and where necessary in consultation with Lead Managers and / or Co-Managers and other Advisors."



"RESOLVED FURTHER THAT the QIP issue shall be completed within 365 days from the date of this resolution. The Bank may in accordance with applicable law, also offer a discount of such percentage as permitted under applicable law on the price calculated in accordance with the pricing formula provided under the ICDR Regulations."

"RESOLVED FURTHER THAT pursuant to Regulation 176 (1) of SEBI ICDR Regulations, the Bank be and is hereby authorised to offer equity shares at a discount of not more than 5% on the issue price or such other percentage as may be permitted under the applicable laws from time to time."

"RESOLVED FURTHER THAT the relevant date for the determination of applicable price for the issue of the QIP Securities shall be the date on which the Board of the Bank or the appointed Committee thereof decide to open the proposed issue as the case may be ("Relevant Date")."

"RESOLVED FURTHER THAT minimum 10% of the equity shares to be issued and allotted under QIP pursuant to Chapter VI of SEBI ICDR Regulations shall be allotted to Mutual Fund(s) and if the Mutual Fund(s) do not subscribe to said minimum percentage or any part thereof, such minimum portion or part thereof may be allotted to other QIBs."

"RESOLVED FURTHER THAT such of shares to be issued as are not subscribed may be disposed of by the Board to such persons and in such manner and on such terms as the Board in its absolute discretion thinks fit in accordance with the provisions of law."

"RESOLVED FURTHER THAT the equity shares so issued shall rank paripassu with the existing Equity shares of the Bank in all respects."

"RESOLVED FURTHER THAT the equity shares to be offered and allotted to the QIBs shall be in dematerialized form."

"RESOLVED FURTHER THAT for the purpose of giving effect to any offer, issue or allotment of equity shares the Board or a Committee be and is hereby authorized on behalf of the Bank to do all such acts, deeds, matters and things as it may, in absolute

discretion, deem necessary or desirable for such purpose, including without limitation, the determination of the terms thereof, for entering into arrangements for managing, underwriting, marketing, listing and trading, to issue placement document(s) and to sign all deeds, documents and writings and to pay any fees, commissions, remuneration, expenses relating thereto and with power on behalf of the Bank to settle all questions, difficulties or doubts that may arise in regard to such offer(s) or issue(s) or allotment(s) as it may, in its absolute discretion, deem fit."

"RESOLVED FURTHER THAT the Board or the Committee be and is hereby authorized to appoint the Lead Managers / Co-Managers / Advisors in the offerings of securities and to remunerate them by way of commission, brokerage, fees or the like and also to enter into and execute all such arrangements, agreements, memoranda, documents etc., with Lead Managers / Co-Managers / Advisors and to seek the listing of such securities."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to apply for listing of the new equity shares as may be issued with the BSE Limited and National Stock Exchange of India Limited."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to make necessary application(s) to the National Securities Depository Limited and / or Central Depository Services (India) Limited for admission of the above said Equity shares to be allotted on QIP basis."

"RESOLVED FURTHER THAT the Board shall have all the powers to modify, reapply, redo, make necessary changes, approach and to do all requisite filings / re-submission of any document(s) and other compliances and to do all such acts and deeds that are necessary to comply with the terms and conditions subject to which approvals, sanction, permission etc., as may be provided by the Stock Exchanges, SEBI, RBI, GOI and any other appropriate authority, without being required to seek any further approval of the members and that the members shall be deemed to have given their approval thereto for all such acts, deeds, matters and / or things expressly by the authority of this resolution."



NOTICE

"RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any Committee / Sub-Committee of the Board or the Managing Director

and Chief Executive Officer or any other Officer / Authorised representative of the Bank to give effect to the aforesaid resolution(s)."

By Order of the Board
For **CITY UNION BANK LIMITED**

Place : Chennai
Date : 06th July, 2022

Sd/-
V. Ramesh
Company Secretary



NOTICE

NOTES:

1. The Ministry of Corporate Affairs vide its circulars dated 5th May, 2022 read with earlier circulars dated 13th January 2021, 13th April, 2020 and 8th April, 2020, ("collectively referred to as MCA circulars") directed the companies / issued clarifications / extended relaxations, to hold the Annual General Meetings through video conferencing ("VC") / Other Audio Visual Means ("OAVM") and accordingly the **Annual General Meeting of the Bank will be held through VC/ OAVM only. The physical attendance of members at the AGM venue has been dispensed** and attendance slips are not issued to the shareholders. Also, since AGM will be held through VC / OAVM, the route map is not annexed to this notice.
2. In compliance with the MCA circular dt. 5th May, 2022 and SEBI circular dated 13th May, 2022 on extended relaxations with regard to conduct of AGMs, the Notice of this AGM alongwith the Annual Report for FY 2021-22 is being sent through electronic mode only to those shareholders whose e-mail addresses are registered with the Bank / Depositories. Members may note that the Annual Report together with Notice shall be available in the website of the Bank and stock exchanges viz. www.cityunionbank.com; www.nseindia.com; www.bseindia.com. The shareholders who have not registered their e-mail id may like to obtain the Annual Report and Notice in the manner mentioned in the below paras.
Attending e-AGM & Remote e-Voting: Members will be provided with a facility to attend the e-AGM through video conferencing platform provided by **National Securities Depositories Limited ("NSDL")**. In terms of Section 108 of the Companies Act, 2013 read with the Rules made there under and Regulation 44 of the SEBI Listing Regulations, the Bank is providing remote e-voting facility to its members holding shares in physical / de-mat mode, as on the cut-off date. Such remote e-voting platform is also provided by NSDL only. The user manual for the above is set out at the end of this notice.
3. The attendance of the Members attending the EGM / AGM through VC / OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
4. At the time of logging-in to the system to attend the AGM or during the course of AGM, if a member loses the connection, the same shall not be a ground for complaint.
5. **The Chairman reserves the right to limit the number of Members asking questions depending on either the availability of time or live streaming concerns or any other unforeseen situations if any, at the time of AGM.**
6. **PROXY**
Since the AGM is being conducted through VC / OAVM, the facility of Proxy form is not applicable. However, the Body Corporates are entitled to appoint authorised representatives to attend the EGM/AGM through VC / OAVM and participate thereat and cast their votes through e-voting.
7. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF / JPG format) of its Board or governing body Resolution / Authorization etc., authorizing its representative to attend the e-AGM on its behalf and to vote either through remote e-voting or during the e-AGM. The e-mail may be sent directly to the scrutinizer at scrutinizer@cityunionbank.in with a copy marked to RTA at evoting@nsdl.co.in.
8. **EXPLANATORY STATEMENT**
The relative explanatory statement pursuant to Section 102(1) of the Companies Act, 2013, in respect of the relevant Ordinary Business and for all the Special Business is annexed hereto.
9. All relevant documents referred to in this Notice requiring the approval of the members at the meeting shall be available for inspection by the members at the registered office of the Bank on all working days between 10:00 a.m. to 12:00 noon up to the date of AGM i.e. 17th August 2022. However, members seeking to inspect are requested to drop an e-mail to shares@cityunionbank.in.
10. **DIVIDEND ENTITLEMENT**
The Board of Directors at its meeting held on 27th May, 2022 has recommended a dividend of Re.1/- per equity share of face value of Re.1/- each for the financial year 2021-22, subject to approval of members at the ensuing AGM. The **record date** to determine eligibility of members for payment of dividend is **Thursday, 11th August, 2022**. Dividend will be paid within the statutory timelines from the conclusion of the AGM, electronically through various online transfer modes to those members who have updated their bank account details. For members who have not updated their Bank



account details, dividend warrants will be sent to their registered addresses. In terms of the provisions of the Income-tax Act, 1961, ("IT Act") and Finance Act, 2020 as amended thereof, the Bank is required to deduct tax at source from dividend paid to members, at the rates prescribed under the Finance Act, 2020 and the amendments thereof. The tax rates would vary depending on the residential status of the member and the exemptions as enumerated in the IT Act subject to fulfilling the documentary requirements, such as submission / non submission of Pan, 15G/15H as applicable. Accordingly, members are requested to submit pre-requisite forms to the Bank / RTA by e-mail to **shares@cityunionbank.in or corpserv@integratedindia.in on or before 17th August 2022.**

Dividend, on approval at the AGM, will be paid to such members whose names appear in the Register of Members of the Bank as on the record date.

11. DEMATERIALIZATION OF SHARES

The shares of the Bank have been traded compulsorily in dematerialized form with effect from 25th June, 2001 in the Stock Exchanges viz., "The National Stock Exchange of India Limited" & "BSE Limited". The shareholders who have not so far dematerialized their shares are requested to do so in their own interest having regard to the safety and benefits attached thereto. As per SEBI circular all share transfers shall only take place in demat mode with effect from 01st April 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 securities holder/claimant shall submit duly filled up Form ISR-4 (available in the website of the Bank / RTA) to the RTA, in respect of any of above mentioned claims and the RTA shall process the same by way of issuing Letter of Confirmation. Within 120 days of issue of the letter, the securities holder/claimant shall submit the demat request, along with the letter or copy of email to their Depository Participant. In case of non-receipt of

demat request from the securities holder/claimant, within 120 days of the issue of Letter of Confirmation, the shares will be credited to Escrow Demat Account of the Bank by RTA.

12. UNCLAIMED DIVIDENDS / SHARE TRANSFERRED TO IEPF AUTHORITY

In terms of the relevant provisions of Section 124 and 125 of the Companies Act, 2013 and the relevant Rules of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended from time to time, the unclaimed dividend and the underlying equity shares of the Bank for FY2013-14 has been transferred to IEPF authority.

The unclaimed dividend for FY 2014-15 and also the underlying shares will be transferred to IEPF authority pursuant to aforesaid provisions, in the current financial year. For details on year wise unclaimed dividends to be transferred / shares already transferred to IEPF, kindly refer to the Corporate Governance section of the Annual Report. The shareholders are therefore requested to contact its RTA for claiming their unclaimed Dividend and / or shares transferred to IEPF Authority and also visit the website of the Bank in this regard.

Further, the dividend warrants if any, lying with the shareholders in respect of such period(s) have to be submitted for revalidation to the Company Secretary, City Union Bank Limited, "NARAYANA", Administrative Office, No. 24-B, Gandhi Nagar, Kumbakonam - 612 001.

13. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the RTA.

14. The shareholders holding securities in physical form are requested to update their Bank Mandate by way of submitting duly signed copy of PAN card along with cancelled cheque leaf with the Bank / RTA, along with form ISR-2 for receiving the corporate benefits by way of electronic credit to their respective Bank account in time. Members holding shares in electronic form are requested to update their Bank account details with their respective Depository Participants.



15. The Bank continues to support the "Green Initiative" announced by the Government of India, and in this regard the shareholders who have not registered their email address so far are requested to register their email address (for demat holders - with their respective DPs and for holders in physical form - with our RTA) to enable the bank to send all future correspondence through email.
16. Electronic copy of the Annual Report and Notice for FY 2021-22, indicating the process and manner of e-voting is being sent to all the members whose email IDs are registered with the Bank / Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. Members may further note that the Notice and the Annual Report for FY 2021-22 is available on the Bank's website **www.cityunionbank.com** for download.
17. **Voting through electronic means**

In terms of Section 108 of the Companies Act, 2013 and the Companies (Management and Administration) Rules, 2014, as amended and read with Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, the Bank is pleased to provide its members holding shares in physical / de-mat mode, facility to exercise their right to vote at the Annual General Meeting by electronic means through 'Remote e-Voting' services provided by National Securities Depository Limited (NSDL).
18. The "**cut-off date**" for the "**Remote e-Voting**" is **11th August, 2022**. The instructions for e-voting are appended to this notice. The **remote e-voting will commence on 14th August, 2022 (9:00 a.m.), and close on 17th August, 2022 (5:00 p.m)**. Consequently, as per the applicable statutory provisions, voting by show of hands will not be available to the shareholders at the AGM.
19. In Compliance with the Companies (Management and Administration) Amendment Rules, 2015, the Bank is also pleased to provide the electronic voting system during the AGM. The said facility shall be in operation till all the resolutions are considered and voted upon in the meeting and may be used for voting only by the members attending the meeting and who have not exercised their right to vote through remote e-voting. The Shareholders, who are eligible to vote as on the "cut-off" date, but have not exercised their right to vote through remote e-voting shall cast their votes at the AGM through e-voting for all the resolutions set out in the Notice. Shareholders who have already exercised their right to vote through remote e-voting may attend the AGM but shall not vote at the AGM.
20. The Board of Directors of the Bank has appointed M/s B.K. Sundaram & Associates, Practicing Company Secretaries, Tiruchirapalli, as Scrutinizer to scrutinize and report the voting process in a fair and transparent manner.
21. **Update your KYC:** The shareholders holding the shares in Physical / Demat to update their KYC details with the Bank / RTA or with their respective Depository Participant (DP) by submitting -
 - a) ID Proof : Self Attested copy of PAN Card
 - b) Address Proof : Self Attested copy of Passport / Aadhar Card / Bank Pass Book / Voter Card / Driving License

**EXPLANATORY STATEMENT**

[Pursuant to Section 102 of the Companies Act, 2013 and Regulation 36(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

Item no. 3

EXPLANATORY STATEMENT FOR THIS ORDINARY BUSINESS ITEM IS NOT REQUIRED UNDER THE PROVISIONS OF THE COMPANIES ACT, 2013. HOWEVER THE EXPLANATORY STATEMENT IS BEING GIVEN PURSUANT TO THE PROVISIONS OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) (AMENDMENT) REGULATIONS, 2018

The Shareholders at the AGM held on 19th August 2021 had appointed **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 on a first term for FY 2021-2022 to hold the office until the conclusion of the ensuing Annual General Meeting of the Bank ('AGM').

Further, in response to the application made by the Bank, the RBI vide its letter DOS.ARG.No.S1077/08.13.005/2022-23 dt.03.06.2022, 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 **second term** for **FY 2022-2023**.

Profile of SCAs / Credentials:

<p>M/s Jagannathan & Sarabeswaran, Chartered Accountants, Chennai (FRN 001204S)</p>	<p>M/s Jagannathan & Sarabeswaran, Chartered Accountants was established in the year 1969 at Chennai. The firm consists of 5 (five) full time partners and 20 professional staffs and has over 52 years of rich experience in diverse sectors viz., Banking, Information Technology, Tourism & Hotels, Hospital, Engineering, Manufacturing etc. The head office is located at Alwarpet, Chennai. The firm also specializes in Tax Audit, Tax Representation and Tax Advisory services. With special reference to professional services in the field of Banking, Finance and Insurance, the firm offers Central Statutory Audit Services, Branch Audits, Concurrent Audits to various Public and Private Sector Banks and also Statutory Central Audit to Foreign Bank. Besides providing above services, they are also specialized in performing credit audits. To mention, they have provided Concurrent Audit to the Reserve Bank of India during the period 2005 to 2008. They have also handled due diligence, project consultancy and financial advisory services.</p>
<p>M/s K. Gopal Rao & Co., Chartered Accountants, Chennai (FRN 000956S)</p>	<p>M/s K. Gopal Rao & Co., Chartered Accountants was established in the year 1978. The firm consists of 12 (Twelve) full time partners and 30 professional staffs. The firm is headquartered at Chennai with branch offices at Tiruvallur and associate offices at Madurai, Trichy, Bangalore, Coimbatore and Hyderabad. The firm offers Audit and Assurance, Tax advisory and consulting services to various sectors. With special reference to Professional Services in the field of Banking, the firm offers Central Statutory Audit services, Branch Audits, Concurrent Audits to various Public & Private sector Banks. As part of Tax advisory services, the firm offers services on International Taxation, Transfer Pricing, Business Tax Advisory, Taxation for Non Profit Organizations and Indirect Taxation. The firm is also a registered Public Accounting firm with the Comptroller and Auditor General of India Office, New Delhi. It has diversified clientele with National and International operations. Apart from Statutory Audits, it also offers Information systems Audit and Internal Audit services. As part of Internal Audit Services, the firm is also experienced to conduct Risk Based Internal Audit of the Banks as per BASEL II norms.</p>

**NOTICE**

M/s Jagannathan & Sarabeswaran, Chartered Accountants, Chennai (FRN 001204S) and M/s K. Gopal Rao & Co., Chartered Accountants, Chennai (FRN 000956S) were appointed by the Shareholders in the Annual General Meeting held on 19th August, 2021 as the Joint Statutory Central Auditors of the Bank on a first term for FY 2021-2022. As per the approval received, the Bank has paid a total remuneration of ₹ 60 Lakhs to the Joint Statutory Central Auditors as mutually agreed by the Bank and such Joint Auditors along with such out of pocket expenses as was incurred during the course of the audit work entrusted. Now, the Bank, as recommended / approved by the Audit Committee of the Board and the Board of Directors respectively has placed before the shareholders for approval for re-appointment of the said Firms as the Joint Statutory Central Auditors of the Bank for a second term for the FY 2022-23 at a total remuneration ₹ 70,00,000/- plus out of pocket expenses but excluding applicable taxes payable. The total remuneration will be allocated between the two Firms depending upon their respective scope of work as may be mutually accepted.

Further, considering their past profile, expertise, knowledge and rich experience in the audit field besides the work carried out by the Firms during their first term with the Bank, in the opinion of the Board, the proposed Auditors are eligible for re-appointment as the Joint Statutory Central Auditors of the Bank and fulfill all the conditions specified in relevant provisions of the Companies Act, 2013, the guidelines issued by the Reserve Bank of India for appointment of Statutory Auditors of Private Sector Banks and the Banking Regulation Act, 1949. The proposed Auditors are independent of the Management of the Bank. Hence, the Board recommends to shareholders 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**) for a second term for FY 2022-23 to hold the office from the conclusion of the ensuing AGM until the conclusion of the next AGM of the Bank on a total remuneration / fees as mentioned above. Further the above remuneration may vary depending upon the number of branches taken up by them for the financial year and also on account of any other special assignments to be handled by them as per the requirement of regulators / statutory authorities.

None of the Directors and Key Managerial Personnel and their relatives are concerned or interested in this resolution.

The Board recommends the Resolution set out at Item No.3 of the Notice for approval of members by passing ordinary resolution.

Item No.4

In terms of the provisions of the Companies Act, 2013 and the Rules made thereunder, the Branches of the Bank have to be audited either by Statutory Central Auditors or by other qualified Auditors as a regular audit work on a yearly basis. Accordingly, the Bank intends to entrust the Audit of its Branches either to the Statutory Central Auditors or to other qualified Auditors in consultation with Statutory Central Auditors on such remuneration and on such terms and conditions as the Board deems fit based on the recommendations of the Audit Committee of the Board.

None of the Directors and Key Managerial Personnel and their relatives are concerned or interested in this resolution.

The Board recommends the Ordinary Resolution set out at Item No.4 of the Notice for approval by members by passing ordinary resolution.

Item No.5

The Reserve Bank of India vide its letter no. DBR.APPT.No.8631/08.42.001/2018-19 dt.10th April 2019 accorded its approval for the appointment of Shri. R. Mohan to hold the office in capacity of Part-time Chairman till 03rd May 2022 and on the said date, after the close of business hours, Shri. R. Mohan retired as the Part-time Chairman of the Bank. To fill the imminent vacancy, the Board of Directors at their meeting held on 04th February, 2022, proposed the name of **Shri. Narayanan Mahalingam (DIN 00682297)**, Independent Director on the Board to succeed Shri. R. Mohan, as Part-time Chairman of the Bank. A thorough evaluation and fit and proper exercise for such appointment was made and recommended to the Board by the Nomination Committee of the Board.

The Bank made an application to the RBI for the appointment of Shri. Narayanan Mahalingam as the Part-time Chairman of the Bank and the RBI vide its letter no.DOR.GOV.No.S663/08.42.001/2022-23 dt.4th May 2022, has accorded its approval for such appointment for a period of two years w.e.f. 4th May 2022 on the terms as set out in the agenda. The appointment is in conformity with the provisions of Section 10B (1A) r/w Section 35B of the Banking Regulation Act, 1949 and Article 26 of the Articles of Association of the Bank.

Approval of the shareholders is sought for the ratification and confirmation of the appointment of Shri. Narayanan Mahalingam as per the terms of appointment approved by RBI.

The Board recommends the Resolution set out at Item No.5 of the Notice for approval by members as a Ordinary Resolution.

**NOTICE**

Save and except Shri. Narayanan Mahalingam and his relatives who are the shareholders of the Bank, none of

the Directors and Key Managerial Personnel and their relatives are concerned or interested in this resolution.

Additional Details pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosures Requirements) Regulation 2015 and Secretarial Standard issued by ICSI

Name of the Director	Narayanan Mahalingam
Father's Name	Shri M. Mahalingam
Date of Birth / Age	05-04-1959 / 63 years
Qualification	B Sc., FCA, Grad CWA, DISA
Brief resume including experience	<p>Expertise: Accountancy, Agriculture & Rural Economy and Information Technology</p> <p>Shri. M. Narayanan, aged 63 years is a graduate in Mathematics (B.Sc) from Loyola College, Chennai and is a qualified Chartered Accountant ("CA"), Cost Accountant and System Auditor (DISA). Presently he is practicing as a Chartered Accountant since 2003, handling Taxation, providing virtual CFO and Management Consultancy services to MSME companies, undertaking Internal Audit of corporates in all segments (MSME to Large). Prior to taking up CA Practice, he served in Industry for over 20 years in companies of repute like BHEL, Dalmia Cements, Fenner, RAMCO Cements and Dishnet whereat he has handled Finance, Accounts & Taxation at various levels up to CFO.</p> <p>Recently, he had completed the certification programme in IT & Cyber security for Board members conducted by Institute for Development and Research in Banking technology (IDRBT), Hyderabad. Shri. M Narayanan hails from an Agricultural family he has been actively involved in Agriculture for over 30 years.</p> <p>Shri. Narayanan has an in-depth understanding of agriculture & rural economy and well rounded experience in the field of Accountancy & Finance, Taxation, Information Technology at operational, supervisory and executive levels.</p>
Nature of expertise in specific functional areas	Accountancy & Finance, Information Technology & Cyber Security, Agriculture and Rural Economy
Date of appointment in the Bank (in current term)	Appointed as Part-time Chairman w.e.f.04th May, 2022 and initially appointed as Independent Director on the Board w.e.f. 3rd May, 2016.
Relationship with other Directors or Key Managerial Personnel of the Bank	Nil

**NOTICE**

Membership in Board committees	Refer Corporate Governance section forming part of Annual Report 2021-22.
Other outside Directorships held	Nil
Listed entities from which he has resigned in the past three years	Nil
Remuneration sought to be paid	He will receive a remuneration for holding the office of Part-time Chairman, as per the terms approved by the RBI together with sitting fee for attending each Board & Committee meetings, wherever he is a member and reimbursement of out of pocket expenses for attending such meetings.
Remuneration last drawn	₹ 23,15,000/-
Number of Board meetings attended during the year	12 Board meetings were held during FY 2021-22 and all the meetings were duly attended by him.
Equity Shareholding as on 31 st March 2022 including shareholding as a beneficial owner	21,589
Skills and capabilities required for the role and the manner in which he meets such requirements	Hailing from an Agrarian family and being a Chartered Accountant, Cost Accountant and qualified System Auditor (DISA), Shri. Narayanan has an in-depth understanding on Agriculture & Rural economy and well rounded experience in the field of Accounts, Finance, Taxation and Information Technology at operational, supervisory and executive levels.

Item No.6

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 10 A (2) of the Banking Regulation Act, 1949 ('Banking Act') specifies that the overall tenure of non-executive Directors should not exceed a period of eight (8) consecutive years.

Shri. Narayanan Subramaniam (DIN 00166621) currently an Independent Director on the Board of the Bank was co-opted as an Additional Director w.e.f., 20th June, 2017 and he was elected as an Independent Director

by the shareholders in their meeting held on 23rd August, 2017. His current term as an Independent Director is due to expire on 22nd August 2022.

Pursuant to the recommendations of the Nomination Committee of the Bank, the Board of Directors of the Bank at its meeting held on 06th July, 2022 has considered and approved the proposal to re-appoint Shri. Narayanan Subramaniam as Independent Director for a second term w.e.f. 23rd August 2022 for the remaining period as permitted under the Banking Regulation Act, 1949 from the date of his first appointment in the Bank subject to approval by shareholders.

The appointment of Shri. Narayanan Subramaniam is in compliance with the provisions of Section 10A of the Banking Regulation Act, 1949. He is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as

**NOTICE**

Director on a second term. The Bank has also received a declaration from him that he meets the criteria of Independence as prescribed under Section 149(6) of the Companies Act, 2013 and SEBI Listing Regulations, 2015. In the opinion of the Board, he fulfils the conditions as specified in the Companies Act, 2013, Banking Regulation Act, 1949 and SEBI Listing Regulations, 2015 for such re-appointment and should continue his term to complete the balance tenure under the Banking Act as an Independent Director. Shri Narayanan Subramaniam is Independent of the management and possesses appropriate skills, experience and knowledge to effectively represent the Board of the Bank. Further, in terms of section 149 (13), being an Independent Director, he shall not retire by rotation.

Further, the Board of Directors at its meeting held on 06th July, 2022, evaluated the performance of Shri Narayanan Subramaniam for FY 2021-22 on various

parameters as approved by the Nomination Committee viz., Qualification, Experience, Knowledge & Competency, Availability & Attendance, Independence, Contribution, Integrity, Independent views and judgment etc. The overall involvement and performance of the Director was found to be satisfactory.

Save and except Shri Narayanan Subramaniam and the shareholders who are his relatives, none of the Directors and Key Managerial Personnel and their relatives are concerned or interested in the agenda item.

The Board recommends the appointment of Shri Narayanan Subramaniam as an Independent Director on the Board of the Bank not liable to retire by rotation as set out at Item No.6 of the Notice for approval by Members as a Special Resolution, in terms of Regulation 25 (2A) of SEBI Listing Regulations, 2015.

Additional Details pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosures Requirements) Regulation 2015 and Secretarial Standard issued by ICSI

Name of the Director	Narayanan Subramaniam
Father's Name	Shri. RV Narayanan
Date of Birth / Age	02 nd August 1961 / 60 years
Qualification	PGDM-IIM(A), FCA, FCS, CWA
Brief resume including experience	Shri. Narayanan Subramaniam is one of the pioneers of private equity in India since 1997. He is a qualified Chartered Accountant, Cost Accountant, Company Secretary and PGDM from IIM (A). He has spent 12 very successful years as founding partner with Baring Partners (India) handling the entire private equity life cycle from sourcing, Investing, value-addition to exit. He has over 31 transactions and 8 exits to his credit and investment experience across multiple asset classes including currencies, bonds, listed equities and private equity. Prior to his stint at Barings, he was the CEO of First India Asset Management Company Ltd. He has also handled treasury services for Bank of America and Abu Dhabi Commercial Bank, UAE. He has two decades experience in Capital Market activities predominantly in fund management, private equity investments. He is the founding Chairman of Venture Capital Association of India (VCAI).
Nature of expertise in specific functional areas	Finance and Accountancy, Payment & Settlement, Treasury, Risk Management, Information Technology & Business Management.
Date of appointment in the Bank (in current term)	23 rd August, 2017

**NOTICE**

Relationship with other Directors or Key Managerial Personnel of the Bank	Nil
Membership in Board committees	Refer Corporate Governance section forming part of Annual Report 2021-22.
Other outside Directorships held	<ol style="list-style-type: none">i. Mcap Fund Advisors Pvt. Ltd.ii. NCS Softsolutions Pvt. Ltd.iii. Asset Reconstruction Company (India) Ltd.iv. Rural Mandi Fintech Pvt. Ltd.v. Rudra Labs Pte. Ltd., Singapore
Listed entities from which he has resigned in the past three years	<ol style="list-style-type: none">i. Nucleus Software Exports Ltd.ii. Avon Mobility Solutions Pvt. Ltd.iii. Ganesha Ecosphere Ltd.iv. Dixcy Textiles Pvt. Ltd.
Remuneration sought to be paid	The Director is not liable for any remuneration except sitting fee for attending Board and Committee meetings together with reimbursement of out of pocket expenses for attending the meetings and Profit Linked Commission for each financial year depending on the performance of the Bank & within the overall limit as approved by the shareholders at their meeting held on 01 st September 2018.
Remuneration last drawn	₹ 23,60,000/-
Number of Board meetings attended during the year	12 Board meetings were held during FY 2021-22 and all the meetings were duly attended by him.
Equity Shareholding as on 31 st March 2022 including shareholding as a beneficial owner	2
Skills and capabilities required for the role and the manner in which he meets such requirements	Shri Subramaniam brings into the Board the skill sets of Accountancy and Finance, Payment & Settlement system, Treasury, Risk Management, Business Management and also Information Technology through his experience in serving the Board of IT companies.



NOTICE

Item No.7

In accordance with the provisions of Section 149 read with Schedule IV of the Companies Act, 2013, the appointment of an Independent Director requires approval of members.

Based on the recommendation of the Nomination Committee, the Board of Directors of the Bank, pursuant to provisions of Section 161 of the Companies Act, 2013 and Article 19 of the Articles of Association of the Bank, co-opted **Prof. V. Kamakoti (DIN 03537382)** as Additional Director on the Board of the Bank in its Meeting held on 27th May 2022.

To mention, earlier he had served on the Board from 27th April 2011 and completed his first 8 year term on 26th April 2019 and his contributions were immense in the technological advancement of the Bank. As per RBI circular no.DOR.GOV.REC.8/29.67.001/2021-22 dated 26th April, 2021, having completed the cooling period of 3 years on 26-04-2022, Prof. Kamakoti is eligible for re-appointment for a further term.

The appointment of Prof. V. Kamakoti is in compliance with the provisions of Section 10A of the Banking Regulation Act, 1949. He is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as Director. The Bank has also received a declaration from him stating that he meet the criteria of Independence as

prescribed under Section 149 (6) of the Companies Act, 2013 and SEBI Listing Regulations, 2015. In the opinion of the Board, he fulfills the conditions as specified in the Companies Act, 2013, Banking Regulation Act, 1949 and SEBI Listing Regulations, 2015 for appointment as an Independent Director and is Independent of the management and possesses appropriate skills, experience and knowledge to effectively represent on the Board of the Bank.

Prof. V. Kamakoti holds vast experience and knowledge in the field of Information Technology and Cyber Security. In view of his expertise and the performance demonstrated by him in his earlier stint in the Board, the Board is of the opinion that his appointment could guide the Bank in the matters relating to his expertise area which would assist the Board to take informative decisions and get updated knowledge in the field of Information Technology and Cyber Security.

Save and except Prof. V. Kamakoti and his relatives who are the shareholders of the Bank, none of the Directors and Key Managerial Personnel and their relatives are concerned or interested in this agenda item.

The Board recommends the appointment of Prof. V. Kamakoti as an Independent Director on the Board of the Bank not liable to retire by rotation as set out at Item No.7 of the Notice for approval by Members as a Special Resolution, in terms of Regulation 25 (2A) of SEBI Listing Regulations, 2015.

Additional Details pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosures Requirements) Regulation 2015 and Secretarial Standard issued by ICSI

Name of the Director	Prof. Veezhinathan Kamakoti
Father's Name	Shri. Veezhinathan
Date of Birth / Age	21-07-1968 / 53 years
Qualification	B.E., M.S., Ph.D.
Brief resume including experience	Expertise: Information Technology & Cyber Security Prof. V. Kamakoti holds a Master of Science degree in Bachelor of Engineering from the Indian Institute of Technology – Madras and a doctorate of Philosophy in Computer Science and one of the youngest to adorn the post of Professorship, in the Department of Computer Science and Engineering and now the post of Director in one of the prestigious Institutions of India namely IIT, Madras.



	He has expert knowledge in Computer Science & Technology. His forte being Information Technology related Secured Systems Engineering and Security related software engineering, he can effectively represent the Majority Sector "Information Technology" in the Bank and offer valuable suggestions on the subject considering the global banking trend. Also, he has done a project titled "Regenerative Agriculture Stack Architecture (RASA)" and holds & manages agricultural land carrying on agricultural activities which makes him fit to represent Agriculture & Rural Economy as well.
Nature of expertise in specific functional areas	Information Technology & Cyber Security, Agriculture and Rural Economy
Date of appointment in the Bank (in current term)	27 th May, 2022
Relationship with other Directors or Key Managerial Personnel of the Bank	Nil
Membership in Board Committees	Refer Corporate Governance section forming part of Annual Report 2021-22.
Other outside Directorships held	<ul style="list-style-type: none"> i. IITM Pravartak Technologies Foundation ii. IITM Incubation Cell iii. IIT Foundation for Accreditation and Assessment iv. IIT Madras Research Park
listed entities from which he has resigned in the past three years	Silint Consulting Private Limited
Remuneration sought to be paid	The Director is not liable for any remuneration except sitting fee for attending Board and Committee meetings together with reimbursement of out of pocket expenses for attending the meetings and Profit Linked Commission for each financial year depending on the performance of the Bank & within the overall limit as approved by the shareholders at their meeting held on 01 st September 2018.
Remuneration last drawn	Nil
Number of Board meetings attended during the year	NA
Equity Shareholding as on 31 st March, 2022, including Shareholding as a beneficiary owner	1,512
Skills and capabilities required for the role and the manner in which he meets such requirements	Considering his skill sets & expertise mentioned in aforesaid paras and also his proven abilities in earlier stint on the Board of the Bank, Prof. V. Kamakoti can effectively represent the majority sector Information Technology & Cyber Security, Agriculture and Rural Economy on the Board and offer his expert guidance in those fields.



NOTICE

Item No.8

In accordance with the provisions of Section 149 read with Schedule IV of the Companies Act, 2013, the appointment of an Independent Director requires approval of members.

Based on the recommendation of the Nomination Committee, the Board of Directors of the Bank, pursuant to provisions of Section 161 of the Companies Act, 2013 and Article 19 of the Articles of Association of the Bank, co-opted **Shri. G. Mahalingam (DIN 09660723)** as Additional Director on the Board of the Bank in its Meeting held on 06th July, 2022.

The appointment of Shri G. Mahalingam is in compliance with the provisions of Section 10A of the Banking Regulation Act, 1949. He is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as Director. The Bank has also received a declaration from him stating that he meet the criteria of Independence as prescribed under Section 149 (6) of the Companies Act, 2013 and SEBI Listing Regulations, 2015. In the opinion of the Board, he fulfills the conditions as specified in the Companies Act, 2013, Banking Regulation Act, 1949 and

SEBI Listing Regulations, 2015 for appointment as an Independent Director and is Independent of the management and possesses appropriate skills, experience and knowledge to effectively represent on the Board of the Bank.

Shri. Mahalingam is a career regulator in the Financial Sector having worked for 34 years in RBI and 5 years in SEBI. As a person who has served in two important regulatory institutions at a senior position and who has an indisputably wholesome experience in financial sector, the Board is of the opinion that his association with our Bank would be most beneficial to us particularly in Regulatory matters, Finance, Forex & Treasury etc.

Save and except Shri. G. Mahalingam and his relatives who are the shareholders of the Bank, none of the Directors and Key Managerial Personnel and their relatives are concerned or interested in this agenda item.

The Board recommends the appointment of Shri. G. Mahalingam as an Independent Director on the Board of the Bank not liable to retire by rotation as set out at Item No.8 of the Notice for approval by Members as a Special Resolution, in terms of Regulation 25 (2A) of SEBI Listing Regulations, 2015.

Additional Details pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosures Requirements) Regulation 2015 and Secretarial Standard issued by ICSI

Name of the Director	G.Mahalingam
Father's Name	Shri.Gurumoorthy
Date of Birth / Age	16-11-1956 / 65 years
Qualification	M.Sc (Stat.), MBA, CAIIB
Brief resume including experience	<p>Expertise: Finance, Banking, Economics and Capital Markets</p> <p>Shri. G. Mahalingam is a career regulator in the Financial Sector having worked for 34 years in RBI and 5 years in SEBI. He retired as a Whole-time Member of SEBI on 8th November 2021 after a successful 5 year term. Prior to this assignment, his long career with RBI culminated in his assuming charge of Market operations as an Executive Director.</p> <p>He has extensive experience in banking regulation and supervision as also market regulation and operations. He was one of the key members of the RBI senior management team which navigated the financial sector through the global financial crisis as well as the temper tantrums of 2013. He has a rich policy experience in regard to current and capital account convertibility.</p>



	<p>His stint with SEBI as a Member of the Board paved the way for his dealing with Mutual funds, FPIs, Listed companies and securities law enforcement. As a quasi judicial member, he has passed more than 500 orders during his tenure in SEBI dealing with a variety of subjects in capital markets.</p> <p>He holds a Masters degree in Statistics and Operations research from IIT Kanpur and MBA in International banking from UK.</p>
Nature of expertise in specific functional areas	Accountancy, Banking, Finance, Economics, Risk Management and Business Management
Date of appointment in the Bank (in current term)	06th July, 2022
Relationship with other Directors or Key Managerial Personnel of the Bank	Nil
Membership in Board committees	As on this date, he is a member in Audit, Credit, Risk Management and Stakeholders Relationship Committee of the Board.
Other outside Directorships held	Life Insurance Corporation of India Ltd.
Listed entities from which he has resigned in the past three years	Nil
Remuneration sought to be paid	The Director is not liable for any remuneration except sitting fee for attending Board and Committee meetings together with reimbursement of out of pocket expenses for attending the meetings and Profit Linked Commission for each financial year depending on the performance of the Bank & within the overall limit as approved by the shareholders at their meeting held on 01st September 2018.
Remuneration last drawn	NA
Number of Board meetings attended during the year	NA
Equity Shareholding as on 31 st March 2022 including shareholding as a beneficial owner	Nil
Skills and capabilities required for the role and the manner in which he meets such requirements	With reference to his qualification and experience stated above, he can well represent the Bank and offer Independent guidance in the areas of Accountancy, Banking, Finance, Economics, Risk Management, Business Management and Capital Markets.



NOTICE

Item No.9

The present Authorized Capital of the Bank is ₹ 100 crores and the Issued and Paid up Capital is ₹ 73.96 crores divided into 73,95,84,913 fully paid equity shares of Re.1/- each. The net worth of the Bank at the end of Financial Year 2021-22 stood at ₹ 6,549.75 crores.

As per statutory guidelines, the special resolution has a validity period of 365 days and that if this agenda is approved by the members by way of a special resolution, practically the Bank can raise funds through QIP at shorter notice as a matter of operational convenience. It is in this context, the Bank has been seeking shareholders approval with an enabling resolution to go for QIP issue almost every year.

The resolution proposed is an enabling resolution and the detailed terms and conditions of the issue of the Securities, including the exact price, proportion and timing of the issue of the Securities, and the number of tranches in which such issue be undertaken will be decided by the Board in consultation with lead managers, advisors and such other authorities and agencies as may be required.

The proposal therefore seeks to confer upon the Board / Committee the absolute discretion to determine the terms of issue.

Though we sought shareholders approval in earlier years, we utilized it only once during July 2014 considering the capital requirements and market trend. Similarly, we now seek the members approval for QIP issue upto ₹ **500 crores (Rupees Five hundred crores only) including premium**. It will be used judiciously at appropriate time depending upon the need and opportunity available. The issue / allotment would be subject to the applicable regulatory approvals, if any.

None of the Directors and Key Managerial Personnel and their relatives are concerned or interested in this resolution.

The proposed resolution is in the best interests of the Bank and hence the Directors recommend passing of resolution set out under Item No.9 as a Special Resolution.

By Order of the Board

For CITY UNION BANK LIMITED

Sd/-

V. Ramesh

Company Secretary

Place : Chennai

Date : 06th July, 2022



INSTRUCTIONS FOR REMOTE E-VOTING AND E-VOTING AT THE AGM

The remote e-voting period **begins on 14th August, 2022 at 9:00 A.M. (IST) and ends on 17th August, 2022 at 5:00 P.M. (IST)** The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the **record date (cut-off date) i.e. 11th August, 2022**, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsd.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select "Register Online for IDeAS Portal" or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password / OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience.



Type of shareholders	Login Method
	<p>NSDL Mobile App is available on</p> <p> App Store  Google Play</p> <div style="display: flex; justify-content: space-around;">   </div>
<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<ol style="list-style-type: none"> Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi/Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. After successful login of Easi / Easiest, the user will be also able to see the e-Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. If the user is not registered for Easi/Easiest, option to register is available at: https://web.cdslindia.com/myeasi/Registration/EasiRegistration Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.
<p>Individual Shareholders (holding securities in demat mode) login through their depository participants</p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>

IMPORTANT NOTE: Members who are unable to retrieve User ID / Password are advised to use Forget User ID and Forget Password option available at above mentioned website.



Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-23058738 or 022-23058542-43

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is

available under 'Shareholder/Member' section.

3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen. Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your **User ID details** are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***



NOTICE

5. **Password Details** for shareholders other than Individual shareholders are given below:
 - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
 - c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The ".pdf" file contains your 'User ID' and your 'initial password'.
 - (ii) If your email ID is not registered, please follow steps mentioned below in **Process for those shareholders whose email-ids are not registered.**
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - a) Click on "**Forgot User Details/Password?**" (If you are holding shares in your demat account with NSDL or CDSL) option available on **www.evoting.nsdl.com.**
 - b) **Physical User Reset Password?** (If you are holding shares in physical mode) option available on **www.evoting.nsdl.com.**
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at **evoting@nsdl.co.in** mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to **scrutinizer@cityunionbank.in** with a copy marked to **evoting@nsdl.co.in**. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "**Upload Board Resolution / Authority Letter**" displayed under "**e-Voting**" tab in their login.



NOTICE

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the **"Forgot User Details / Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.**
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of **www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Shri. Sivapazham P.A. at evoting@nsdl.co.in**

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to **corpserv@integratedindia.in or shares@cityunionbank.in**.
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to **corpserv@integratedindia.in or shares@cityunionbank.in**. If you are an Individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e. [Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.](#)**
3. Alternatively shareholder/members may send a request to **evoting@nsdl.co.in** for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE EGM/AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the EGM/AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the EGM/AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the EGM/AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the EGM/AGM. However, they will not be eligible to vote at the EGM/AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the EGM/AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE EGM/AGM THROUGH VC/ OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the EGM/AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under **"Join meeting"** menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.



5. Shareholders who would like to express their views/ have questions may send their questions in advance mentioning their name demat account number/ folio number, email id, mobile number at shares@cityunionbank.in. The same will be replied by the company suitably.

6. **Speaker Registration before e-AGM:**

Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered e-mail address mentioning their name, DP ID and Client ID / folio number, PAN,

mobile number at shares@cityunionbank.in from **11th August 2022 at 9.00 A.M.** and **till 15th August 2022 at 5.00 P.M.** Those Members who have registered themselves as a speaker will only be allowed to express their views / ask questions during the AGM. The Bank reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

7. Speakers are requested to keep their questions / clarifications on the business items as short as possible and to the point.



NOTICE

CUB CITY UNION BANK LIMITED

A series of horizontal dotted lines for writing, spanning the width of the page.

ANNUAL REPORT 2021 - 22



CUB
Trust and Excellence
SINCE 1904

CITY UNION BANK LIMITED



Launching of our RuPay On-the-Go wearable keychain by Shri. Ashwini Vaishnaw, Hon'ble Union Minister for Railways, Communications, Electronics & Information Technology at Azadi ka Digital Mahotsav at New Delhi



City Union Bank in association with GoQii & RuPay launched Cub Easy Pay Fitness Watch Debit Card on 24.01.2022. Shri. V R Venkataachalam, Chancellor, Sri Ramachandra Institute of Higher Education and Research received the first Fitness watch Debit Card from our MD&CEO.

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Joint Statutory Central Auditors

M/s. Jagannathan & Sarabeswaran
Chartered Accountants,
No.4/9, 1st Floor, 2nd 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 Auditors

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

Registrar & Share 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.
Ph:044-28140801-803
Fax: 044-28142479
e-mail:corpserv@integratedindia.in

Registered Office

149, T.S.R (Big) Street,
Kumbakonam - 612 001.
Phone: 0435 - 2432322
e-mail: shares@cityunionbank.in
Website: 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
Website: www.cityunionbank.com

Customer Call Center

044 - 71225000, 7299075077 / 78 / 79 / 80 / 81 / 82
e-mail: customercare@cityunionbank.com



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BOARD OF DIRECTORS

NON-EXECUTIVE PART-TIME CHAIRMAN



R. MOHAN
B.Sc., MBA, CAIIB.
(Upto 03rd May, 2022)



M. NARAYANAN
B.Sc., F.C.A., Grad CWA., DISA.
(w.e.f. 04th May, 2022)



Dr. N. KAMAKODI B.Tech., MBA, CAIIB, Ph.D.
MANAGING DIRECTOR & CEO



ABARNA BHASKAR
B.A., F.C.A.



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



V.N. SHIVA SHANKAR
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

SENIOR GENERAL MANAGERS



V. RAMESH



S. MOHAN



K. MAHARAJAN

GENERAL MANAGERS



S. RAMESH



J. SRIDHARAN



R. LAKSHMINARAYANAN



S. RAJAM



G. SANKARAN



V. GOPALAKRISHNAN



K. JAYARAMAN



M. KALYANARAMAN

DEPUTY GENERAL MANAGERS

**GANESAN C
BALAJI R
GANESAN V
VENKATESAN S
VENKATESH S
UMA R**

**VENKATASUBRAMANIAN V
VENKAT KISHNA V
SUNDARARAMAN G
BALACHANDAR K V
GANESAN J
MOHAN S**

**SIVAKUMAR V
NARAYANAN R
SUBBARAMAN R
VENKATAKRISHNAN K
SADAGOPAN J**

ASSISTANT GENERAL MANAGERS

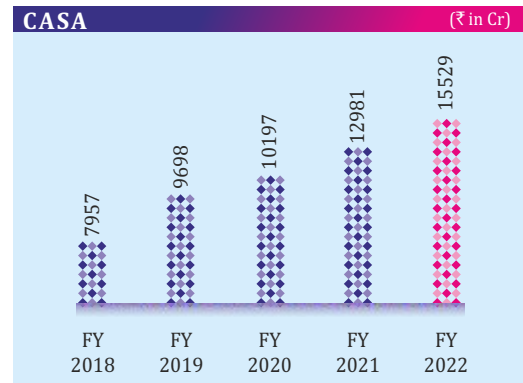
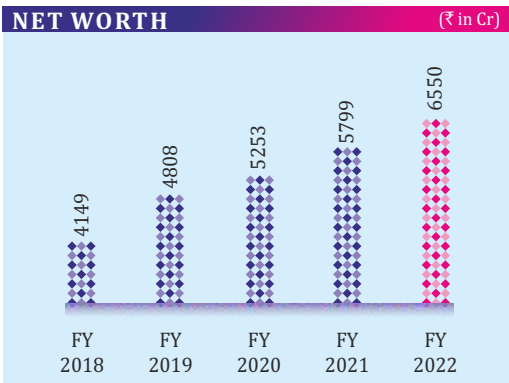
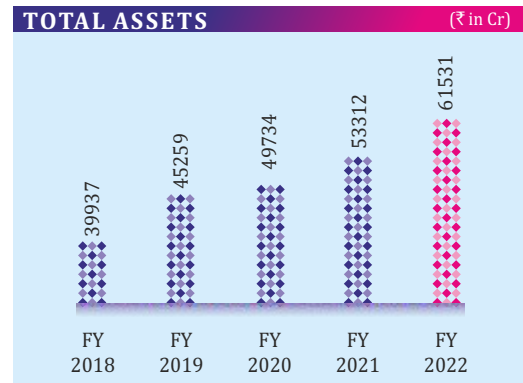
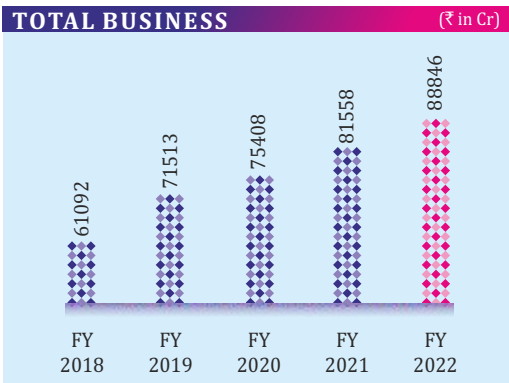
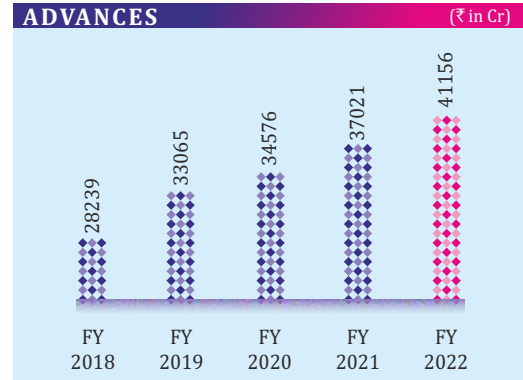
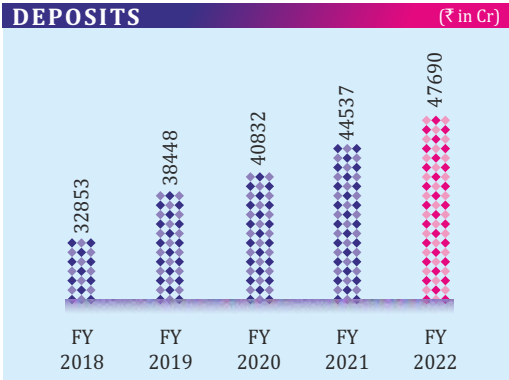
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SURESH T V
RAJA B
SWAMINATHAN K
SADIQ BATCHA I
NAZEER AHAMED M
MOHANKUMARAMANGALAM N
VAIDYANATHAN N
KANNAPIRAN C
SWAMINATHAN R
SUYAMBULINGA RAJA G**

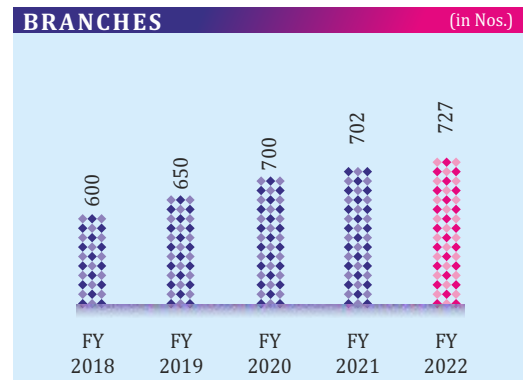
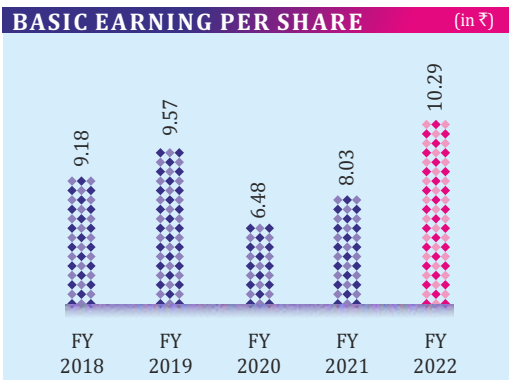
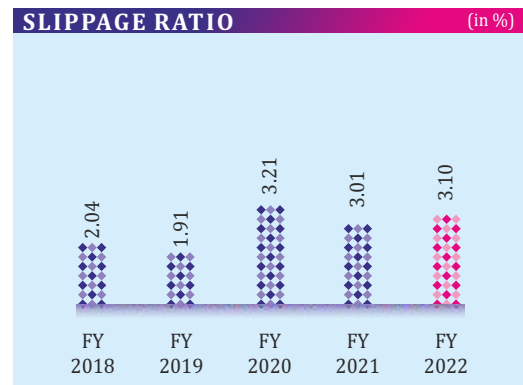
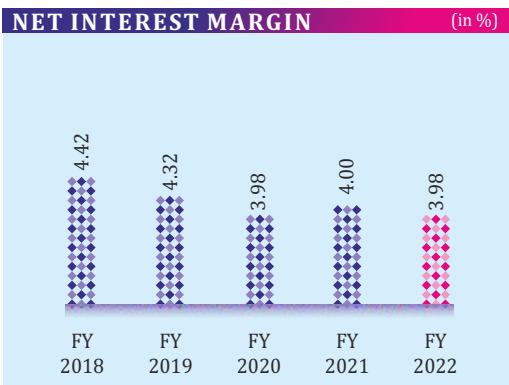
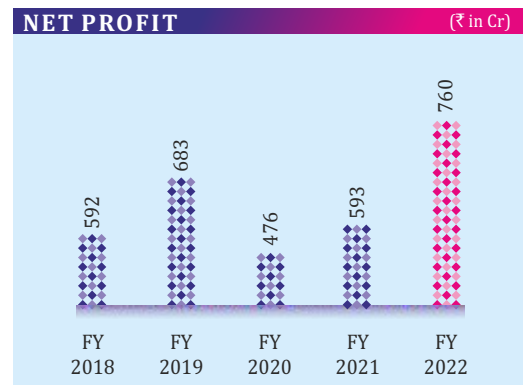
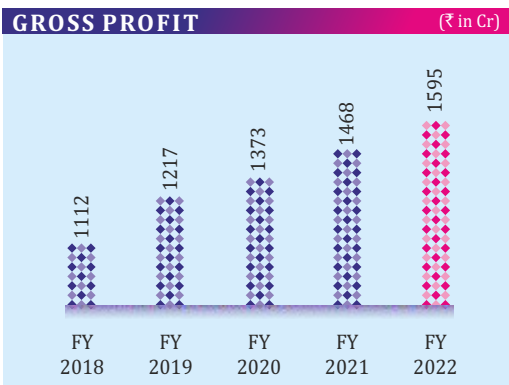
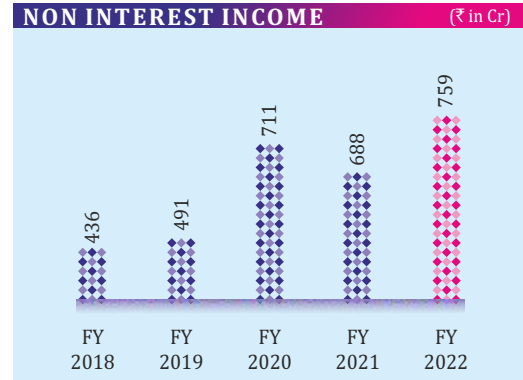
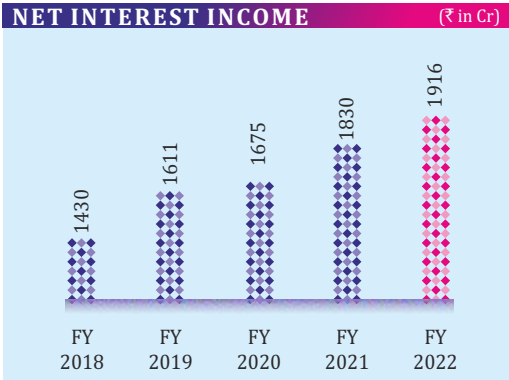
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RAMAKRISHNA G
SRINIVASAN R
GANESAN S
GANESAN P
SENTHILKUMAR T
SENTHILKUMAR S
GANESH V
MUTHUKUMARAN P
T S AMIRTHAGANESH**

**K V SATHYANARAYANAN
V SRINIVASAN
R. NATARAJAN
P. RAMAKRISHNAN
J. SIVANESAKUMAR
G VENKATESAN
S MANOJ KUMAR
K RAMAKRISHNAN
S KALAYANASUNDARAM
J JAISANKAR
RAMESH SUBRAMANIAM
L PAVAN KUMAR**

CHIEF FINANCIAL OFFICER & COMPANY SECRETARY

V. RAMESH





CUB - CSR Initiatives

Cleaning and Desilting work at Kuttalam Temple Tank, Mayiladuthuri District, Tamilnadu



(Before)



(After)

CUB - CSR Initiatives

Cleaning and Desilting work at Thirukadaiyur Temple Tank, Nagapattinam District, Tamilnadu



(Before)



(After)

CUB - CSR Initiatives

**Cleaning and Desilting work at Thulasendrapuram Vadakku Eri,
Thiruvarur District, Tamilnadu**



(Before)



(After)

CUB - CSR Initiatives

Renovation of Toilets at Government Higher Secondary School Valangaiman, Thiruvavarur District, Tamilnadu



(Before)



(After)

CUB - CSR Initiatives



**Contribution towards construction of class rooms
at Vallalar Hr. Secondary School, East Kottaiyur, Kumbakonam**



CUB - CSR Initiatives



Bank's contribution handed over to Hon'ble Chief Minister of Tamilnadu Thiru. M.K. Stalin towards State Disaster Management Authority - COVID Relief Measure

CUB - CSR Initiatives



Tempo Traveller Van Donated to Mercy Home, Kilpauk, Chennai



Ambulance with ICU Facility Donated to Nesakkaram Charity, Mannargudi

Make Contactless Payments **ON THE GO**



CUBFit Watch Debit Card



CUB Keychain Debit Card

5
New Current Accounts

- 01 **Start Up** Current Account
- 02 **Regular** Current Account
- 03 **Silver** Current Account
- 04 **Gold** Current Account
- 05 **Platinum** Current Account

For Assistance: Call our 24x7 Customer Care at 044-7122 5000
To Download CUB eWallet, give a Missed Call to - 92781 77555

Download "CUB Easy" App for Google Play and other App Stores

EXPERIENCE THE POWER OF

CUB ALL IN ONE APP





1 Instant Account Opening - Savings / Current Account

2 Apply CUBFit watch & keychain Debit Card

3 Fund Transfer through RTGS / NEFT / IMPS

4 UPI - Scan & Pay

5 Bharat Bill Payment System (BBPS)

6 Mutual Funds

7 Online ASBA

8 Loan against deposit (Open / Closure)

9 Fee Payment

10 NSDL Demat Account opening

11 Cardless Withdrawal

12 Manage Cards - Limits, International, Enable / Disable



AVAIL ALL OUR
DIGITAL BANKING SERVICES
FROM YOUR DOORSTEP



Download the CUB All in one mobile App from Playstore or Appstore

For assistance, Call our 24 x 7 Customer Care at
044 7122 5000

ENVIRONMENT, SOCIAL AND GOVERNANCE ("ESG") REPORT

City Union Bank Limited ("the Bank or CUB") has been a conscientious organisation that has laid equal amount of stress on Environmental, Social and Governance ("ESG") aspects as much as its business. This report covers the bank's ESG activities, performance, and approach for the Financial Year 2021-22, focusing on the issues it has determined to be of material importance from an ESG perspective. ESG has been in the DNA of the Bank for ages. It is a part of the Bank's business model and embedded in the products and services it offers. The Bank's ESG model addresses societal challenges, including workforce development, sustainability, physical and social infrastructure, and financial inclusion. The Bank's ESG priorities continue to evolve to address ever-changing realities in the path of the bank's growth. The Bank remains committed to sharing its progress as it believes that transparency and accountability is the key to its success.

CUB's Strategic ESG Objectives

- ▮ Conserve precious natural resources for a sustainable future through engagement of stakeholders
- ▮ Business Growth enhancing value to all stakeholders
- ▮ Performance conforms to high standards of Governance

ENVIRONMENT

Conservation of Water bodies

CUB plays a leading role in creating a sustainable future. Considering the need of the hour, the Bank has been progressively investing in protecting water bodies in and around its headquarters at Kumbakonam, Tamilnadu and

also in various other districts viz., Thiruvarur and Nagapattinam. The Bank concentrates on de-silting of storage water tanks of ancient temples / lakes / ponds to keep the water level high. Small Water Bodies have always been a part of the rural landscape which enables agriculture, irrigation, drinking water supply etc.

Several projects have been undertaken by the Bank for the rejuvenation of lakes and large water bodies. Continuous recharging has resulted in a higher groundwater table which has helped farmers. CUB's contribution towards rebuilding of "Bamini River" canals in the delta region has provided connectivity between lakes. The Government officials have acknowledged that CUB's water conservation initiatives have resulted in better coordination of government programmes. Some of the key initiatives are - Deepening and widening of the existing Nagakudaiyan Lake in Vedaranyam area of Nagapattinam district. CUB undertook rejuvenation and de-silting work along with clearing of wild plants that had grown and covered major portion of the Udaiyarpalayam (28 acres) under rejuvenation of Heritage structure - contributing around Rs.80 lacs in 2019-20 under water bodies' conservation and restoration.

The benefits of the above work include the availability of water for agriculture throughout the year, rise in water table, conserving the flora and fauna to attract migratory birds resulting in growth of ecotourism etc. It is noteworthy that the PWD department engineers too participated in these programs.

An overview of the amount sanctioned to various Govt. bodies towards the above cause in the previous three years from the CSR budget is as follows:

(₹ in crore)

Period (FY)	Overall Amount Sanctioned Under CSR to Various Activities	Amount Provided to Water Bodies
2019-20	16.05	2.96
2020-21	15.49	4.49
2021-22	14.76	4.64

CSR Initiatives

Statutory Reports

Financial Statements

List of Branches

Basel III

Environment Conscious Business Operations

CUB's banking operations is assisted by a matured Information Technology platform which encourages paper less banking thereby reducing carbon foot print which includes saving in electricity, fuel spent on mobility by the stakeholders etc. The Bank has been driving energy efficiency across all its offices having installed solar power panels and is considering to extend the same to all its offices subject to feasibility.

Social

CUB has been substantially contributing towards community development, particularly towards raising the standards of the underprivileged sections for many years. CUB's CSR initiatives towards community development include improving hygiene and clean environment, Promoting and developing the skill sets of various art forms, promote education including smart classrooms etc., In order to provide access to quality

education, the Bank has contributed a sum of Rs. 40 lakhs for setting up of 200 smart classes during the period 2018-19 to 2021-2022.

As part of Covid-19 relief measures our Bank has contributed an amount of ₹181 lakhs towards purchase of 228 Oxygen Concentrators during FY 2021-22. Further as part of the Disaster Management Relief Measures an amount of ₹100 lakhs was contributed by the Bank to the "Chief Minister, Govt. of Tamil Nadu" under the State Disaster Management Authority in FY2021-22.

Clean Environment

Connected to CUB's core belief in raising the standard of living, the Bank has always remained keen to support the "Swachh Bharat Mission" of the Central Government, since its inception. CUB has contributed substantially over the years towards fostering cleanliness all around. An overview of the Bank's contribution towards such mission is as follows:

Period (FY)	Amount Sanctioned for Swachh Bharat Mission (₹ In Crores)	Number of Beneficiaries
2015 - 2022	21.76	More than 30,000* numbers

**includes 15,000 lives benefitted from construction of Toilets under Individual Household Latrine (IHHL) Scheme besides general public in respect of other works under the mission.*

In addition to above, the Bank has notably undertaken Solid Waste Management (SWM) project based on the request of the Kumbakonam Municipal Corporation during the Mahamaham festival in the year 2016. Based on the success of this endeavour, the Corporation requested CUB for CSR funds for further clearing of "legacy waste" in Karikulam, Kumbakonam. The site had been a dump yard of urban waste for over 30 years having an estimated quantum of solid waste of about 60,308 metric cubes spread over an area of 10.5 acres. The Bank had contributed ₹ 2.08 crores towards this cause and this activity resulted in reclamation of land to set up a processing plant and a compost plant which continuously utilises the waste after segregation. The SWM project carried out in the Karikulam region of Kumbakonam has been received well by the inhabitants in the neighbourhood and local bodies. Going forward, CUB would be collaborating with leading institutions such as IIT Madras to sponsor scientific research on waste management.

Stakeholders

CUB continues to stay a customer-oriented banking service provider by following the 'Principles of Responsible Banking' since its inception. Over the years, the bank has endeavoured to maximize customer satisfaction by identifying their needs and tailoring banking services accordingly. While Customers - retail and corporate, are the key stakeholders for the bank's growth in business, there are other key stakeholders like the Government, the Regulator, Shareholders, Business enablers like the NPCL, technology service providers, employees, other key vendors and above all, the community who support the Bank's business.

Employees

CUB recognizes the fact that it is the active involvement of the work force that determines the success of the organisation. CUB's strategic approach to its employees is to engage them with employee friendly measures and

investing in improving their skills and equipping them with necessary education to make them contribute to the success of the organisation. The bank has offered many training programs across various levels to raise employee's functional value. These include offering management education, leadership development, imparting IT skills etc. The Bank has in-house training centres at Kumbakonam and R.A. Puram, Chennai. In

addition, the Bank has also trained its staff members by making arrangements with premier management institutes like Indian Institute of Management - Ahmedabad, Great Lakes Institute of Management - Chennai, IT & Cyber Security programs from IDBRT for members of the Board and senior executives. The details of training programs offered to employees in FY 2022 are as follows:

Particulars	Employee count / percentage
Total number of employees as on 31.03.2022	5,367
Total number of training programmes	206
Total number of participants attended	3,231
Overall percentage to total number of employees	67%

The bank appreciates the value created out of these programs and more such programs in the future would eventually lead the bank towards reaching its objective of 'Business Growth enhancing value to all stakeholders'.

Socially conscious growth - Paperless operations

CUB's foray into digital banking was by design and not by default. Since early 90's almost all its branches had computers & were operating in a LAN environment. Later in the years, after the evolution of Net Banking and Mobile Banking, CUB's focus on tech-based solutions to meet various needs of customers is ever growing. CUB has been consistently investing in improving its tech platform for the benefit of its customers over the last decade. Today over 96% of transactions of CUB customers are through its digital platform.

Besides offering fund transfer payment solutions in collaboration with NPCI, there's a host of other services like being offered by the Bank viz. generating PIN online - popularly known as Green PIN, Opening, or closing FD, pre-closure of FD, Opening RD, submission of form 15G / 15H, Loan against Deposit, Loans online for various customer needs like Insta-loan, enabling investments through online ASBA, tracking of customer spends, cardless withdrawals at ATMs etc. Besides these, the facility of cardless withdrawal has now been extended through UPI's QR code also.

Technology & Innovation

CUB is among the first few banks in the country to introduce robot in service to customers. "Lakshmi" the humanoid robot was introduced to answer regular day to day banking queries of customer. Of late, CUB has introduced a range of contactless payment solutions through wearables - Debit card in Key Chain and a health care Smart Watch. CUB's popular "All in One Mobile Banking App" allows customers to enjoy banking from any corner of the globe. To top it all, early adoption of video KYC enabled the bank to offer account opening services to new customers online with minimal or no physical contact.

Cyber Security

Digitalisation of the banking process has its own downside too in terms of cyber risks. New kinds of cyber frauds are emerging as much as there is emergence of new digital channels. CUB places Cyber Security as its top priority and has created a robust IT infrastructure to detect frauds and respond immediately. CUB's strong cyber security measures guard its customers transactions end to end. Cyber security solutions cover protection, detection and response for all cyber security threats and risks. The Bank has established a 24x7 Security Operation Centre (SOC). The SOC takes steps to prevent attempts from the IOC ("Indicators of Compromise") and IOA

("Indicators of Attack") which are received from regulators. The Bank participates in the quarterly cyber drills conducted by IDRBT to enhance our threat detection and prevention capabilities. CUB continuously educates and trains its staff enabling them to ensure efficient implementation of security processes.

Rising to the occasion

CUB has never been a mute spectator of disruptions caused to life in society owing to natural disasters or situations like the Covid-19 Pandemic. The bank has always responded immediately to such needs directly or through the Government or providing services to the Government's administrative machinery. Here are some instances of such rising to the occasion.

During March 2020, CUB extended ₹1 crore each to PM CARES FUND & CM Relief Fund towards the above causes including Staff contribution. Besides, CUB had incurred ₹25 lakhs in enabling various government bodies including Municipalities, Village panchayat for provision of Relief materials.

During FY 2020-21 CUB sanctioned a sum of ₹125 lakhs for the COVID 19 relief measures and disbursed the same by supporting the Govt., and other agencies as mentioned below;

- ▮ At the request of District Collector, Thanjavur, CUB provided Infrastructure to COVID Care Centre for ₹40 lakhs.
- ▮ Provision of relief materials to Kumbakonam Municipality such as Mask / Sanitiser etc, and other Municipalities Trichy, Namakkal, Karur etc., including COVID awareness camp conducted at Bangalore for ₹46 lakhs.
- ▮ Distribution of Rice, Grocery, and other relief measures to public/poor at various places for ₹39 lakhs. CUB also disbursed a sum of ₹93.00 lakhs towards special disaster Ex-Gratia payment to temporary/casual/daily wage workers etc., of our Bank through the agencies concerned.

Inclusive Banking

CUB has always been extending a helping hand to create wealth and improve prosperity of the community around their offices. CUB is one of the few Private Sector Banks which still have a bare minimum of Rs.100 to open a Fixed

Deposit ("FD") or a Recurring Deposit ("RD"). This has not been changed for decades now. This encourages the local vendors to open an account and save in FDs/RDs. With its headquarters and maximum number of branches in the Cauvery Delta region, majority of farmers get benefited by opening an account with CUB as the bank extends agricultural loans through different schemes to farmers at affordable interest rates. CUB promotes awareness for Government Schemes for Pension, Insurance etc., such as Atal Pension Yojana, MUDRA, PMJJBY, PMSBY etc. Now, CUB has 63591 PMJJBY accounts, 1,03,356 PMSBY accounts and 30,255 PMAPY schemes. The bank has opened over eighty thousand PMJDY accounts over the last three years. The bank has over 130 Banking Correspondents rendering service to remote customers as on 31st March, 2022. The Bank has established e-KYC system and Aadhaar enabled Payment System (AePS) which helps to render quick services to the rural poor. Besides, the Bank has deployed POS machines at various locations which enable merchant transactions.

Conservation and promotion of local culture

Fostering and Promoting local culture - various classical art forms, music and theatre is a way of CUB engaging with the local milieu. A large part of its endeavour goes towards conservation of places of worship in and around Thanjavur district most of which having record history of over 1000 years. One such endeavour is renovation of the Sanctum Sanctorum at Sri Brahadeeswarar temple which is a UNESCO recognized popular and ancient monument. CUB has contributed ₹1 crore in FY 2020-21 to the Archaeological Survey of India.

GOVERNANCE

The Bank has been growing steadily for over 118 years without any compromise on its Governance. CUB's governance structure aims at satisfaction and maximisation of returns of all its stakeholders. The Bank's governance framework recognizes Transparency, Integrity, Honesty, Responsibility and Accountability.

CUB's Board of Directors play an important role in providing oversight of its efforts to ensure responsible business practices. 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.

As per the policy of succession planning, the Board of the Bank has always been selective in identifying the right mix of candidate to fit role of Director and as on date pursuant to the Bank's policy on Board Diversity, there exists persons with diverse qualification & expertise with all the Directors being Independent except the MD & CEO. Also, none of the Directors of the Bank are related to one another which add up in taking unbiased decisions.

In order to take effective decisions and considering the subject matter expertise of the individual Directors, the Board has formed various sub committees with a clear role charter, some of which are mandatory as per statute and other being voluntary formed. These are:

- | Audit Committee
- | Nomination Committee
- | Compensation & Remuneration Committee
- | Stakeholders Relationship Committee
- | Risk Management Committee
- | Credit Committee

- | Corporate Social Responsibility Committee
- | Committee of the Board for Reviewing NPA and Suit accounts
- | Customer Service Committee
- | Committee for monitoring & follow - up of frauds
- | IT & Strategy Committee
- | Premises Committee

The complete details on the meetings of the Board and Committees held during FY 2022, Directors Attendance, Remuneration, Shareholding, Compliance of all applicable law, Fines and Penalties etc., have been set out in a separate section on Corporate Governance forming part of this Annual Report.

The Bank strictly adheres to the Laws and Regulations both in letter and spirit and its employees are committed to following ethical practices in all facets of Banking to ensure efficiency in operations and maximisation of value to all stakeholders.



Launching of our Rupay Credit Card by Shri Ashwini Vaishnaw, Hon'ble Union Minister for Railways, Communications, Electronics & Information Technology & Shri Rajeev Chandrasekhar, Hon'ble Minister of State for Skill Development and Entrepreneurship at Azadi ka Digital Mahotsav at New Delhi



APY Award of Excellence received from Secretary, Department of Financial Services, Ministry of Finance.

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 31st March, 2022.

ECONOMY OVERVIEW

In the beginning of the year 2022, as the World was emerging out of the pandemic which had ravaged the globe for the past two years, the global economy was once again exposed to turbulence with the emergence of the war in Europe, followed by sanctions on Russia by the Western Allies, and escalating geopolitical tensions. This has crippled the financial architecture with the Russian banks not participating in International Payment and Settlement systems as the fear of de-globalization looms large with various protectionist trade barriers. The expected positive benefits from the declining Omicron wave has been offset by the sharp escalation in geo political tensions. Global commodity and financial markets have been rattled on account of geopolitical tensions which includes the prices of crude oil, Gold, global food, etc. The Equity markets have seen sharp corrections since January 2022 amidst the global tensions with the market volatility index rising to one year high. The resurgence of the Covid-19 pandemic in some major economies such as China and Korea in March 2022, followed by the associated lockdowns severely impacted their domestic manufacturing leading to shortage of essential components in the global markets. The emergence of Russia Ukraine war in early March 2022 further dented the global trade.

In India, the real GDP rose by 8.9% in FY 2021-22 as per estimates revised by the National Statistical Office (NSO). During 2021-22, weakness in economic activity

resurfaced in Q3 and aggravated further due to the emergence of the Omicron variant in January 2022. There was a gradual turnaround in February and March 2022 with an increase in urban demand for domestic air traffic due to ease in restrictions. Several high frequency service sector parameters viz; railway freight, GST Collections, toll collections, electricity & fuel consumption and capital goods imports showed a robust year-on-year expansion in February - March 2022. Merchandise exports remained buoyant and clocked double digit growth in March 2022. The Food grains production touched a new record in 2021-22. Capacity utilization in the manufacturing sector recovered to 72.4 percent in Q3 2021-22. Our country's foreign exchange reserves increased by US\$30.3 billion to US\$607.3 billion in 2021-22. The ongoing Russian-Ukraine war has increased the prices of International crude oil due to which our currency has also slumped over 5% this year. India's rupee is likely to stabilize at around 79-80 against the US dollar in the near term. Taking all these factors into consideration the real GDP growth for FY 2022-23 is projected at 7.2% with Q1 at 16.25%, Q2 at 6.2%, Q3 at 4.1% and Q4 at 4.0%.

BANK'S PERFORMANCE

Under the above circumstances, the Bank recorded a total business of ₹ 88,846 crores, an increase of 9% over the previous year figure of ₹ 81,558 crores in FY 2021. The Net Profit of the Bank has increased to ₹ 760 crores from ₹ 593 crores. The Net Interest Income of the Bank stood at ₹ 1,916 crores, a 5% increase over FY 2021 position.

The key performance indicators i.e., the Return on Assets of the Bank stood at 1.35%, Return on Equity stood at 12.31%, the Net Interest Margin of the Bank stood at 3.98% and the Cost to Income ratio stood at 40.37% 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 727 branches and has 1,732 ATM's as at

31st March 2022. On the digital front, the Bank had introduced debit card embedded smart watch and key chain - first time in India. It also continued to upgrade and strengthen its Information Technology framework to ensure smooth and secure customer friendly Banking. 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)

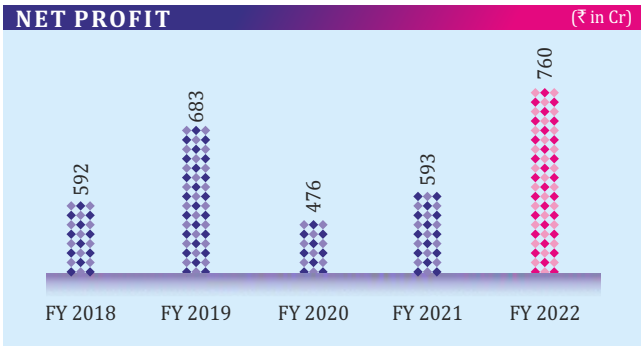
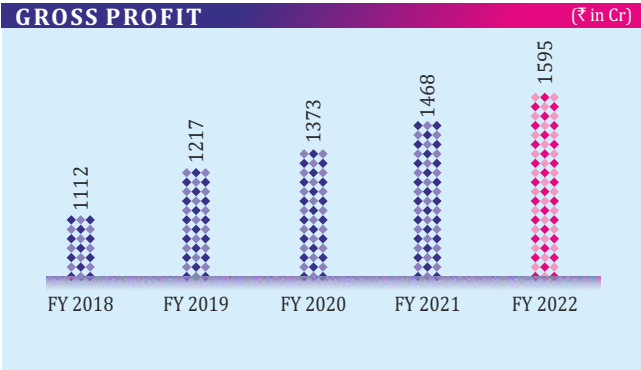
Particulars	2021-22	2020-21	Growth (%)
Share Capital	74	74	-
Reserves & Surplus	6,512	5,769	13%
Deposits	47,690	44,537	7%
Advances (Gross)	41,156	37,021	11%
Investments (Gross)	12,294	9,523	29%
Total Assets / Liabilities	61,531	53,312	15%
Total Income	4,864	4,823	1%
Total Expenses	3,269	3,356	-
Net Interest Income	1,916	1,830	5%
Operating Profit	1,595	1,468	9%
Provisions & Contingencies	835	815	-
Net Profit (A)	760	593	28%
Appropriations			
Balance of Profit brought forward (B)	61	58	-
Amount available for appropriations (A+B)	821	651	-
Transfers to:			
- Statutory Reserve	200	150	-
- Capital Reserve	4	105	-
- General Reserve	405	220	-
- Investment Reserve Account	1	0	-
- Special Reserve under IT Act, 1961	75	70	-
- Dividend	37	45	-
- Balance of Profit carried forward	99	61	-
Total	821	651	-

The Deposits and Advances for the current year stood at ₹ 47,690 crores and ₹ 41,156 crores respectively. The total business stood at ₹ 88,846 crores as compared to ₹ 81,558 crores for the previous year registering a growth of 9%.

The size of the Balance Sheet as on 31st March, 2022 is ₹ 61,531 crores as compared to ₹ 53,312 crores last year recording an increase of 15%.

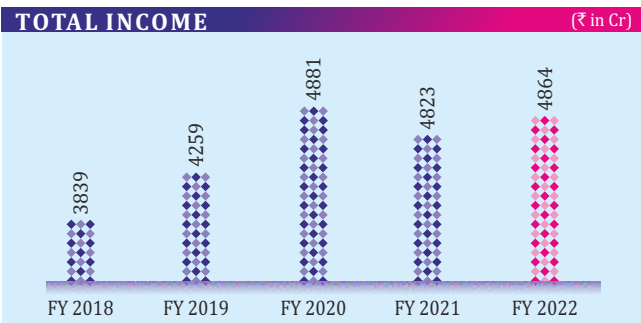
PROFIT

During the year the Bank earned a Gross profit of ₹1,595 crores as compared to previous year's figure of ₹1,468 crores registering an increase of 9%. The Net profit of the Bank for the current year was ₹760 crores as against ₹593 crores last year.



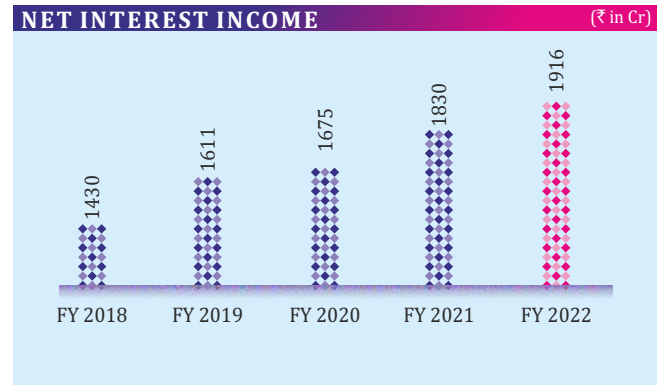
TOTAL INCOME

The Total Income earned by the Bank marginally increased for FY 2022 to record ₹ 4,864 crores as against ₹ 4,823 crores in FY 2021. The non-interest income of the Bank increased from ₹ 689 crores to ₹ 759 crores registering a growth of 10% on account of recoveries made from NPA. The total expenditure of the Bank decreased by 3% to record ₹ 3,269 crores as compared to ₹ 3,356 crores, in the previous year due to decrease in cost of deposits.



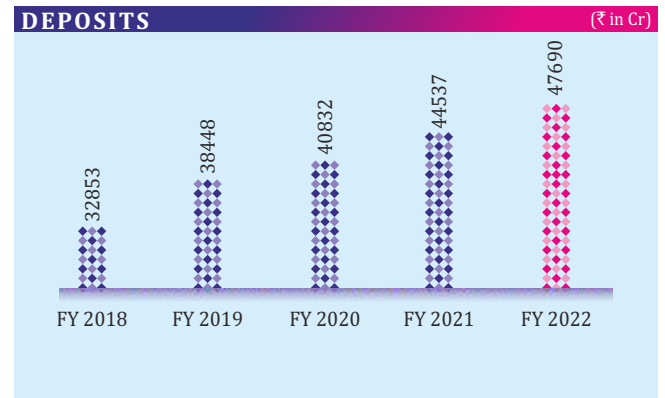
NET INTEREST INCOME

The Net Interest Income for FY 2022 stood at ₹1,916 crores as compared to ₹1,830 crores in the last year recording an increase of 5%.



DEPOSITS

The Bank's total Deposits for the year under review increased by ₹3,153 crores to record ₹47,690 crores from ₹44,537 crores registering a growth of 7% over previous year. During the current year CASA increased by ₹2,548 crores to record ₹15,529 crores from ₹12,981 crores depicting a growth of 20%. The cost of deposit of the Bank decreased to 4.68% from 5.36% in the previous year.



ADVANCES

Gross Advances of the Bank increased by ₹ 4,135 crores to ₹ 41,156 crores from ₹ 37,021 crores, posting a growth of 11%. The yield on advances declined to 9.36% from 9.91% during the reporting year. The decline in yield is due to reduction in rate of interest given to many borrowers on account of stiff competition and increase in Jewel loan & ECLGS portfolio which comprises of lower ROI. For FY 2022, the Bank achieved the target / sub-targets prescribed by the RBI for Priority sector, Agriculture, Micro Enterprises, Small / Marginal farmers and weaker section.

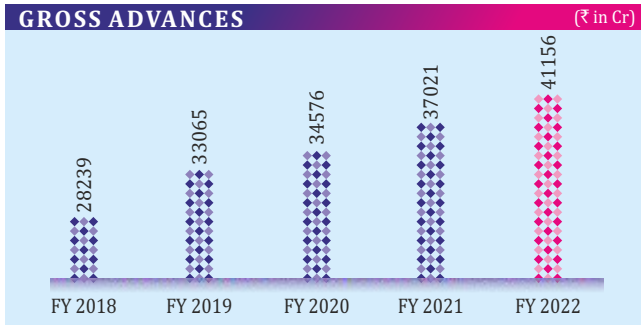
CSR Initiatives

Statutory Reports

Financial Statements

List of Branches

Basel III



The Gross NPA and Net NPA for the year under review stood at 4.70% and 2.95% respectively as compared to 5.11% and 2.97% in the previous year.

The provision for tax for the reporting year increased to ₹ 225 crores from ₹ 100 crores in previous year. The provision made for NPA for the financial year was ₹ 554 crores vis-a-vis ₹ 599 crores last year. The total provision decreased by ₹ 40 crores to ₹ 835 crores from ₹ 875 crores in the previous year.

TREASURY OPERATIONS

Domestic Treasury

The gross Investment increased by ₹2,771 crores to ₹12,294 crores as on 31st March 2022 from ₹9,523 as on 31st March 2021. Out of this, the investments in Government bonds alone remained at ₹12,137 crores constituting 98.72% of the total investment. The Non-SLR investments declined by ₹33 crores mainly on account of reduction in Security Receipts. In first half of financial year, yields were range bound as Regulator kept the system in surplus liquidity and through conducting Government Securities acquisition programme. In the second half, the withdrawal of Government Securities Acquisition programme ("G-SAP") and subsequent high borrowing projected in FY2023, led the yields to spike. Towards the end of financial year global uncertainties clouded the market with high inflation and commodities prices started to drag the global growth. During the year, the Bank utilized the volatile yield movements and through timely sale of securities, booked a profit to the tune of ₹62.10 crores.

Forex Treasury

During the financial year 2021-22, Indian Rupee weakened against USD by 3.21%. Indian rupee against USD opened at ₹73.42 and closed at ₹75.78. Major reasons

attributed for weaker rupee were hawkish fed amid rising inflation, persistent surge in crude oil price, rising bond yields and weak risk appetite. During the fourth quarter of the FY 2021-22, outbreak of the war between Ukraine and Russia impacted the local currency and favoured US dollar. The intervention of the RBI at timely intervals through its monetary policy reduced the pace of depreciation of the rupee. During the FY 2021-22, profit on our foreign exchange operation stood at ₹194.74 crores as against ₹91.91 crores during the previous financial year

NET WORTH & CAPITAL ADEQUACY RATIO

Net Worth

The paid-up Share Capital of the Bank increased to ₹ 73.96 crores as on 31st March, 2022 from ₹ 73.88 crores as on 31st March, 2021. During the reporting period the Bank has allotted 7,62,802 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 ₹ 6,549.75 crores as on 31st March, 2022 from ₹ 5,798.85 crores as on 31st March, 2021.

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 31st March, 2015 @ 0.625% in each year up to 31st March, 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 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. The CRAR required to be maintained for the period ended 31.03.2022 is 11.50 %. The Bank has maintained Tier I CRAR of 19.78% and total CRAR of 20.85% as at 31st March, 2022 which are well above the norms prescribed by the RBI.

DIVIDEND

The Board of the Bank at its meeting held on 27th May, 2022 had recommended Dividend of 100% (i.e ₹ 1/- per equity share on face value of ₹ 1/- each fully paid up) for the year ended 31st March, 2022 subject to the approval of shareholders at the ensuing Annual General Meeting (“AGM”). The dividend, if any, 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 2022 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/downloads/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”).

BRANCH EXPANSION

Our Bank did not go for any aggressive branch expansion during the year and it added only 25 branches to total 727 as on 31st March, 2022. The total number of ATMs stood at 1,732 (includes 789 Bulk Note Recycler Machines (BRM) which performs the job of accepting and dispensing cash). As on 31st March, 2022 the Bank had a total of 1,110 onsite ATMs 622 offsite ATMs.

During the reporting year, the Bank has replaced old BRM machines with new ones and closed loss making off site ATMs, the details of which are as follows:

Particulars	ATM	BRM	Total
Opened	55	72	137
Closed	70	49	119

As for the branch spread, as on date, 89% of branches are operational in South, 6% in West, 4% in North 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 forms of discrimination as well as to ensure even the under privileged get easy access to

banking channels. The objectives of financial inclusion are to provide 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 85,477 accounts as on March 2022. The Bank has 3,75,425 Basic Savings Bank Deposit accounts, including 1,07,859 accounts sourced through Business Correspondents (BCs). To cater to the needs of customers of unbanked areas, the bank has established BC Outlets in those places and is providing all banking services through Business Correspondents (BCs). Your bank has 131 BCs and 6 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 41,292 APY accounts, 69,521 PMJJBY accounts and 1,12,306 PMSBY accounts under the schemes.

Your Bank has got eKYC 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 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 abilities.

During the year, Human Resource function played a pivotal role to provide a cordial safe work atmosphere to all employees by implementing the COVID guidelines issued by health ministry and state guidelines on staff strength at workplace. Further, awareness is being created on regular basis with regard to precautions and safety measures to be adopted by employees while on and off the work place.

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 even been a single occasion of employee unrest in the Banking history of CUB. Continuous efforts are being made to enhance the quality and efficiency of existing personnel.

As on 31st March, 2022, the Bank has 5,367 on-roll employees, comprising of 59 employees in Executive cadre, 2,271 in Management cadre and 3,037 in Workmen cadre.

EMPLOYEES STOCK OPTION SCHEME (ESOS)

The Bank has 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 31st March, 2022, the Bank has granted 4,83,08,740 options and only 16,91,260 options are yet to be granted under the 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://cityunionbank.com/downloads/CUB_ESOS_Report_2020.pdf)

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. During the reporting year 5,12,800 stock options were granted to the eligible employees under CUB ESOS Scheme 2017. As on

31st March, 2022, the Bank has granted 39,74,800 options (including 34,62,000 options granted during previous year) and 2,60,25,200 options are yet to be granted under the scheme.

AUTOMATION / DIGITAL BANKING



Banking service now-a-days has moved from branch banking to palm of customer to do banking on their convenience and comfort. With the advancement of information technology and availability of easy access of network through mobile phones, there has been a surge in the use of digital payments in the economy which is encouraging cashless transactions. Thus digital banking has become the order of the day.

Banking services through digital banking has embraced major section of the public across the globe which gained momentum since the beginning of the pandemic.

- | The bank as on 31st March 2022 had 727 branches and 1,732 ATMs (includes 789 Bulk Note Recycler Machine).
- | Bank also deployed 610 passbook kiosk and 589 cheque deposit kiosk across its branches.
- | The bank has also 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.
- | 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 utilising V-CIP (VKYC) for customer onboarding 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 Multi-language on 24x7 basis.
- | Bank has PCI DSS certification for the digital card environment

Wearable Keychain and CUBFit Watch

- | In order to make payment on the go, your bank 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 wearables 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, your bank 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.
- | The Bank's Customers can get more details from the Bank's website. (Weblink: <https://www.cityunionbank.com/upi-123pay>)

Enhanced UI of CUB BHIM UPI application

- | We have enhanced our CUB BHIM UPI Application with added features like Pay to contact, Self Pay etc.

Apply Card Online

- | Introduced the 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

- In an enrichment to our CUB All in one Mobile app, the Bank has now integrated 'Easy Buy', a shopping platform in the mobile app comprising marketplace modules 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.

RuPay Credit Card

- The Bank has acquired BIN (Bank Identification Number) from RuPay for issuance of secured RuPay Discover Credit Card which can be used internationally with features like lounge access, insurance coverage upto ₹ 2 Lakhs and other applicable offers issued by RuPay.

Cyber Security Measures

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

- The Bank has implemented latest technology tools to cover the protection, detection and response for all cyber security threats and risks.
- The Bank has established a 24*7 Security Operation Centre (SOC). 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 to enhance our threat detection and prevention capabilities.
- The Bank provides training on information security and cyber security to the concerned employees of the bank.
- The Bank conducts Readiness Assessment among

employees to detect and respond for a cyber-incident.

OTHER BUSINESS ACTIVITY

During FY 2019, the Bank started the marketing and distribution of Health Insurance and Mutual Fund products in tie up with following organizations, to offer additional services to all its stakeholders.

- Star Health and Allied Insurance Co. Ltd., for distribution of Health Insurance products.
- Integrated Enterprises India Ltd., for distribution of Mutual Fund products through online platform to our customers in Demat form and through branch network.
- BSE Star Mutual Fund to offer Mutual Fund products through web based platform and through branch network.
- Finwizard Technology Pvt. Ltd. (widely known as FISDOM) to offer Mobile based Mutual Fund Investment solution.

The above services are fully functional. During the reporting year the Bank has earned an income of ₹ 21.03 crores as against ₹ 16.49 crores in the previous year from Bancassurance income.

Further, taking benefit of the revised the IRDAI's guidelines on "Open Architecture Policy on Insurance Distribution", for augmenting the Bank's Non-Interest income, it is proposed by the Board on this report date that the Bank would be signing agreements as Corporate Agent in Life Insurance, General Insurance and Health Insurance business for marketing / distribution of their products through the Branch network of the Bank, the details of which is set out below:

Life Insurance

Tata AIA Life Insurance Company
Bajaj Allianz Life Insurance Company

General Insurance

Shriram General Insurance Company
Royal Sundaram General Insurance Company

Health Insurance

Care Health Insurance Company
Aditya Birla Health Insurance Company

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 has completed his tenure on 03rd May, 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.

Appointment / Re-appointment

Shri. M. Narayanan (DIN 00682297)

Pursuant to the provisions of Section 35B and Section 10B (1A) of the Banking Regulation Act, 1949, Shri. M. Narayanan, Independent Director, has been appointed as the Part-Time Chairman of the Bank for a period of two (2) years w.e.f 04th May 2022. After the retirement of Shri R. Mohan, the Reserve Bank of India has accorded its approval in this regard vide its letter no. DOR.GOV. No.S663/08.42.001/2022-23 dated 04th May, 2022.

Shri. M Narayanan, aged 63 years is a graduate in Mathematics (B.Sc) from Loyola College, Chennai and is a qualified Chartered Accountant ("CA"), Cost Accountant

and System Auditor (DISA). Presently he is practicing as a Chartered Accountant since 2003, handling Taxation, providing virtual CFO and Management Consultancy services to MSME companies, undertaking Internal Audit of corporates in all segments (MSME to Large). Prior to taking up CA Practice, he served in Industry for over 20 years in companies of repute like BHEL, Dalmia Cements, Fenner, RAMCO Cements and Dishnet whereat he has handled Finance, Accounts & Taxation at various levels up to CFO. Recently, he had completed the certification programme in IT & Cyber security for Board members conducted by Institute for Development and Research in Banking technology (IDRBT), Hyderabad. Shri. M Narayanan hails from an Agricultural family and he has been actively involved in Agriculture for over 30 years.

The Board recommends his appointment as the Part-Time Chairman of the Bank for approval by shareholders in the Notice calling this Annual General Meeting. The relevant details of Shri. M. Narayanan pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended and Secretarial Standard - 2 is disclosed separately in such Notice.

Professor Veezhinathan Kamakoti (DIN 03537382)

Prof. V Kamakoti was co-opted as Additional Director on the Board of the Bank w.e.f 27th May, 2022 to hold office till the ensuing Annual General Meeting of the Bank.

Prof. V Kamakoti, B.E., M.S., Ph.D, aged 53 years is the Director of IIT Madras. He has special knowledge in secured system engineering & security in information technology. Being a professor in Computer Science he will add more value to the Bank on improvement and development in technology front. Further he has done a project titled "Re-generative Agriculture Stack Architecture (RASA)" executed by IIT Madras. Earlier he was on the Board of the Bank from 27th April, 2011 to 26th April, 2019. Pursuant to RBI circular no.DOR.GOV.REC.8/29.67.001/2021-22 dated 26th April, 2021, he has been co-opted for a second term on completion of the mandatory cooling period. He is quite a knowledgeable person whose contribution in the first term was very useful to the Bank, especially in the area of Information Technology and cyber security.

In the opinion of the Board, Prof. V Kamakoti, can effectively participate and represent in the Board of the Bank. The Board recommends his appointment 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 Prof. V Kamakoti pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard - 2 is disclosed separately in such Notice.

Shri. Gurumoorthy Mahalingam (DIN 09660723)

Shri. G Mahalingam was co-opted as an Additional Director on the Board of the Bank w.e.f 06th July, 2022 to hold office till the ensuing Annual General Meeting.

Shri. G. Mahalingam, M.Sc. (Stat.), MBA., CAIIB., aged 65 years is a career Regulator in the Financial Sector having worked for 34 years in RBI holding the position of Executive Director at the time of retirement and 5 years in Securities and Exchange Board of India ("SEBI"). He holds a Masters degree in Statistics and Operations Research from IIT Kanpur and MBA in International Banking from the UK. Shri. Mahalingam has extensive experience in Banking Regulation and Supervision as also in market regulation and operations. His stint with SEBI as a Member of the Board paved the way for his dealing with Mutual funds, FPIs, Listed companies and securities law enforcement. As a quasi judicial member, he has passed more than 500 orders during his tenure in SEBI dealing with a variety of subjects in capital markets.

The appointment of Shri. G Mahalingam, a person who has served in two important regulatory institutions at a senior position and who has an indisputably wholesome experience in financial sector, would be most beneficial to the Bank particularly in Regulatory matters, Finance, Forex & Treasury etc.

The Board recommends his appointment 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. G Mahalingam pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended and Secretarial Standard - 2 are disclosed separately in such Notice.

Shri. Narayanan Subramaniam (DIN : 00166621)

Shri. Narayanan Subramaniam currently an Independent Director on the Board of the Bank was co-opted as an Additional Director w.e.f. 20th June, 2017, which was duly approved by the shareholders in their meeting held on 23rd August, 2017. His current term is due to expire on 22nd August, 2022.

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 at its meeting held on 06th July, 2022 considered and approved a proposal to re-appoint Shri. Narayanan Subramaniam as Independent Director on the Board of the Bank w.e.f., 23rd August, 2022 for the remaining period up to 19th June, 2025 as permitted under the Banking Regulation Act, 1949 from the date of his first appointment in the Bank subject to the 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. Narayanan Subramaniam 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. Narayanan Subramaniam pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended 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 and Shri. V. Ramesh, Chief Financial Officer & Company Secretary of the Bank, continue to be the "Key Managerial Personnel" of the Bank pursuant to the provisions of Section 2(51) read with Section 203 of the Companies Act, 2013.

AUDITORS

Statutory Central Auditor

M/s. Jagannathan & Sarabeswaran, Chartered Accountants, Chennai and M/s. K Gopal Rao & Co., Chartered Accountants, Chennai were appointed as the

Joint Statutory Central Auditors of the Bank in the previous Annual General Meeting ('AGM') held on 19th August, 2021. The term of the present Joint Auditors 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 present Auditors 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 approval for the 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 2022-23. Based on the above, RBI vide its letter no. ARG. No.S1077/08.13.005/2022-23 dated 3rd June, 2022 has given its approval for their appointment for FY 2022-23. Members are requested to consider and approve their appointment as the Joint Statutory Central Auditors of the Bank for FY 2022-23.

The Statutory Central Auditors have furnished their Report for FY 2022 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 has 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 2021-2022. 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 31st March, 2022, on compliance of all applicable SEBI regulations and circulars / guidelines issued thereunder and the copy of the same was submitted with the stock exchanges.

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 of Rs.1 crores by RBI on account of non-compliance of its direction relating to waiver of margin / security requirements.

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/downloads/InsiderTrading_Mar2020.pdf

The Bank has taken necessary steps with Integrated Registry Management Services Private Limited, for incorporating the PAN in the database to facilitate reporting of trading by designated persons and other connected persons in accordance with SEBI PIT Regulations.

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., 31st March, 2022 and the date of Directors Report i.e., 06 July, 2022.

During the year under review, no significant and material orders have been passed by the Regulators. However, in May, 2021, the Reserve Bank of India has imposed a monetary penalty of Rs.1 crore (Rupees One crore only) for non compliance with certain RBI directions (procedural aspects) relating to obtaining of collaterals in respect of some loans to MSME Sector & Education, and prescribing margin for Agriculture Credit.

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 REPORT

As per Regulation 34(2)(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, your Bank has prepared the Business Responsibility Report describing the Bank's social, environmental and governance aspects. The same is set out 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/downloads/documents/CUB_Related_Party_Transaction.pdf)

LOANS, GUARANTEES OR INVESTMENTS

All 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/downloads/FY%202019-2020.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, 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 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 alongwith 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 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.

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.

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, the ICC received 3 complaints out of which 2 complaints have been duly resolved by the ICC and 1 complaint has been withdrawn by the complainant. As on 31st March, 2022 no complaints are pending.

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 as well as intranet.

(weblink: <https://www.cityunionbank.com/downloads/Whistleblower%20Policy.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 2021-2022.

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.

Place : Chennai
Date : 06th July, 2022

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 (RBI), 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 warm appreciation for the committed services rendered by the Bank's Executives and all other employees.

For and on behalf of the Board

M. Narayanan
DIN: 00682297
Chairman

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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 three (3) 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	Intrinsic Value Method	

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 payout by the Bank.

Particulars	ESOS 2008						
	Series I	Series II	Series III	Series IV	Series V	Series VI	Series VII
Total number of options granted (Including additional grant upon Rights & Bonus Issue)	2,27,81,250	3,70,071	31,68,056	46,78,936	1,09,45,549	17,55,378	46,09,500
Pricing Formula	₹ 11.60	₹ 29.60	₹ 41.60	₹ 46.95	₹ 93.20	₹ 88.05	₹ 179.00
Revised price due to rights & bonus issue	₹ 10.55	₹ 26.91	₹ 37.82	₹ 42.68	₹ 84.73	₹ 80.05	0
No. of options outstanding as on 1st April, 2021	0	0	0	1,32,677	10,54,475	5,24,045	40,51,300
No of additional options granted pursuant to Bonus Issue during the year	0	0	0	0	0	0	0
No. of fresh options granted during the year	0	0	0	0	0	0	0
No. of options lapsed during the year	0	0	0	24,805	1,20,603	14,943	2,73,000
No. of options exercised during the year	0	0	0	83,672	2,94,389	1,53,241	0
No. of shares arising as a result of exercise of options during the year	0	0	0	83,672	2,94,389	1,53,241	0
Variation in terms of options	Not Applicable						
Vesting Period	1 st Year - 15%, 2 nd Year - 15%, 3 rd Year - 15%, 4 th Year - 25% and 5 th Year - 30%						
Money realized by exercise of options during the year	0	0	0	32,46,474	2,26,76,785	1,11,51,348	0
Loan repaid by the trust during the year from the exercise price received	Not Applicable						
Total Number of options outstanding at the end of the year 31st March, 2022	0	0	0	24,200	6,39,483	3,55,861	37,78,300
Employee wise details of options granted							
i) Senior Management Personnel	NIL	NIL	NIL	NIL	NIL	NIL	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	NIL	NIL	NIL	NIL	NIL	NIL

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Particulars	ESOS 2008						
	Series I	Series II	Series III	Series IV	Series V	Series VI	Series VII
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	NIL	NIL	NIL	NIL	NIL	NIL
Allotment of shares made during the Financial Year under ESOS							
Employee wise details of the shares allotted to							
i) Senior Managerial Personnel							
Shri. V. Ramesh	-	-	-	-	-	3,630	-
Shri. V. Ganesan	-	-	-	-	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	NIL	NIL	NIL	NIL	NIL	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	NIL	NIL	NIL	NIL	NIL	NIL

Particulars	ESOS 2017	
	Series I	Series II
Total number of options granted (Including additional grant upon rights & bonus issue)	34,62,000	5,12,800
Pricing Formula	₹ 132.95	₹ 144.80
Revised price due to rights & bonus issue	-	-
No of options outstanding as on 01.04.2021	34,62,000	NA
No of additional options granted pursuant to Bonus Issue during the year	-	-
No. of fresh options granted during the year	-	5,12,800
No of options lapsed during the year	1,35,675	-
No of options exercised during the year	2,31,500	-
No. of shares arising as a result of exercise of option during the year	2,31,500	-
Variation in terms of Options	NA	NA

Particulars	ESOS 2017	
	Series I	Series II
Vesting Period	1st year - 15%, 2nd year - 15%, 3rd year - 15%, 4th year - 25% and 5th year - 30%.	
Money realized by exercise of Options during the year	3,07,77,925	NA
Loan repaid by the Trust during the year from the exercise price received	NA	NA
Total Number of Options outstanding at the end of the year 31.03.2022	30,94,825	5,12,800
Employee wise details of Options granted		
i) Senior Management Personnel		
Mohan S	10,000	-
Sridhar K P (Retired on 30-06-2020)	50,000	-
Lakshminarayanan R	10,000	-
Rajam S	10,000	-
Sankaran G	10,000	-
Gopalakrishnan V	10,000	-
Jayaraman K	10,000	-
Ganesan V	20,000	-
Balaji R	20,000	-
Uma R	10,000	-
Venkatesan S	20,000	-
Ramaswamy J (Retired on 30-06-2021)	10,000	-
Ganesan C	10,000	-
Gurumurthy V (Retired on 31-03-2021)	10,000	-
Chandrasekar J (Retired on 30-06-2020)	20,000	-
Ravi V (Retired on 30-06-2020)	20,000	-
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	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	Nil

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Particulars	ESOS 2017	
	Series I	Series II
Allotment of shares made during the Financial Year under ESOS		
Employee wise details of the shares allotted to		
i) Senior Managerial Personnel		
Mohan S	1,500	-
Sridhar KP (Retired on 30-06-2020)	50,000	-
Lakshminarayanan R	1,500	-
Uma R	1,500	-
GurumurthyV (Retired on 31-03-2021)	10,000	-
Chandrasekar J (Retired on 30-06-2020)	20,000	-
Ravi V (Retired on 30-06-2020)	20,000	-
Sankaran G	1,500	-
Jayaraman K	1,500	-
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	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	NIL

Employee compensation cost calculated as per the intrinsic value method for the financial year 2021-22 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 2021-22 would be ₹ 3,96,37,806/-. Consequently, net profit would have been reduced by ₹ 3,96,37,806/- and EPS would have been reduced by ₹ 0.0536/- per share.

Weighted Average Details

Particulars	ESOS 2008	ESOS 2017
Weighted Average Market Price (In ₹)	160.15	134.62
Weighted Average Exercise Price (In ₹)	160.15	134.63
Weighted Average Risk Free Interest Rate (%)	7.44	5.57
Weighted Average Stock Volatility	0.01	0.04
Weighted Average Fair Value of Options (In ₹)	47.92	38.19

ANNEXURE - II

**SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2022
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 31st March 2022.

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

Based on our verification of the 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 31st March 2022 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 31st March 2022, 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
- 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

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- k) The Negotiable Instruments Act, 1881
- l) Insurance Regulatory and Development Authority of India Act, 1999

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 event, having a major bearing on the Bank's affairs in pursuance of the above referred Laws, Rules, Regulations, Guidelines, Standards, etc., referred to above:

- RBI under Section 47A (1)(c) read with Section 46(4)(i) of the Banking Regulation Act, 1949 had imposed monetary penalty of ₹ 1 Crore on Bank for non-compliance of its directions relating to waiver of margin/ security requirements.

For **M/s. B.K. Sundaram & Associates**
Company Secretaries

Sd/-
B. Kalyanasundaram
Company Secretary

ACS. No. A672 CP. No. 2209
UDIN: A000672D000391810
Peer Review Cert No. : 1215/2021
ICSI Unique code: S1994TN013100

Place : Tiruchirapalli
Date : 26th May, 2022

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 31ST MARCH, 2022**

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 the compliance 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: A000672D000391810
Peer Review Cert No. : 1215/2021
ICSI Unique code: S1994TN013100

Place : Tiruchirapalli
Date : 26th May, 2022

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ANNEXURE - III
ANNUAL RETURN ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. Brief outline on CSR Policy of the Company

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 2021-22 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 and Social Community Development
- f) Animal Welfare
- g) Disaster Relief

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	Chairman of the Committee	4	4
2	R. Mohan	Member	4	4
3	V. N. Shiva Shankar	Member	4	4
4	Dr. T. S. Sridhar	Member	4	4
5	T.K. Ramkumar	Member	4	4
6	K Vaidyanathan	Member	4	4

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/images/csr2021.pdf>

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

The impact Assessment Report on the CSR projects related to the FY 2022 as applicable in pursuance of the aforesaid rule is provided after this report.

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
1	2020 - 2021	Nil	Nil
2	2019-2020	Nil	Nil
3	2018-2019	Nil	Nil
TOTAL		Nil	Nil

6. Average net profit of the company as per section 135(5) : ₹ 7,33,85,60,214/-*

*Net Profits computed after making necessary adjustments u/s 198 of the Companies Act, 2013.

7. (a) Two percent of average net profit of the company as per section 135(5) : ₹ 14,67,71,204/-

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years : NIL

(c) Amount required to be set off for the financial year, if any : NIL

(d) Total CSR obligation for the financial year (7a+7b- 7c) : ₹14,67,71,204/-

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in Rs.)	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
11,81,44,857	2,94,65,143	21.04.2022		Nil	

NOTE: CSR FY 2022 - An amount of ₹14,76,10,000/ has been budgeted which is in excess by ₹8,38,796/- over the actual CSR obligation mentioned above depending on the proposals received during the year.

(b) Details of CSR amount spent against ongoing projects for the financial year:

Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes / No)	Location of the project		Project duration	Amount allocated for the project (in ₹)	Amount spent in the current financial Year (in ₹)	Amount transferred to unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementation Direct (Yes / No)	Mode of Implementation through Direct Implementing Agency	
				State	District						Name	CSR Registration No.
1	Sanitation, Swachh Bharat and Health care	Clause I of Sch VII	No	Tamilnadu	Krishnagiri	3 Yrs	850000	824577	25423	Yes	No	NA
			No	Tamilnadu	Thiruvarur, Coimbatore		3700000	3679204	20796	Yes	No	NA
			Yes	Tamilnadu	Thanjavur		5800000	3700000	2100000	Yes	No	NA
			No	Tamilnadu	Kanyakumari		700000	500000	200000	Yes	No	NA
2	Education & literacy and livelihood enhancement Project	Clause II of Sch VII	Yes	Tamilnadu	Thanjavur	2500000	1000000	1500000	Yes	No	NA	
			No	Tamilnadu	Thiruvarur	500000	497377	2623	Yes	No	NA	
3	Assistance for olde age home	Clause III of Sch VII	No	Tamilnadu	Thiruvarur, Nagapattinam	1130000	500000	630000	Yes	No	NA	
4	Manintenance & Renovation / Desiltation of Lakes/Tank and protection of flora & fauna	Clause IV of Sch VII	No	Tamilnadu	Thiruvarur	850000	500000	350000	Yes	No	NA	
			No	Tamilnadu	Coimbatore	5000000	0	5000000	No	No	NA	
			No	Tamilnadu	Thiruvarur, Thiruvallur	1700000	1250000	450000	Yes	No	NA	
			Yes	Tamilnadu	Thanjavur	2800000	0	2800000	No	No	NA	
			Yes	Tamilnadu	Thanjavur	4000000	0	4000000	No	No	NA	
5	Renovation & maintenance of Historical Sites and promotion of culture	Clause V of Sch VII	No	Tamilnadu	Tirunelveli	474000	473611	389	Yes	No	NA	
			No	Tamilnadu	Thanjavur	2000000	0	2000000	No	No	NA	
			Yes	Tamilnadu	Thanjavur	3000000	0	3000000	No	No	NA	
			Yes	Tamilnadu	Thanjavur	2000000	800000	1200000	Yes	No	NA	
6	Disaster Management	Clause XII of Sch VII	No	Tamilnadu	Cuddalore	2400000	1505600	894400	Yes	No	NA	
			No	Tamilnadu	Thiruvarur	2000000	1000000	1000000	Yes	No	NA	
			No	Tamilnadu	Thiruvarur	2500000	1500000	1000000	Yes	No	NA	
			Yes	Tamilnadu	Thiruvarur, Nagai, Pudukottai, Chennai etc	18100000	18011472	88528	Yes	No	NA	
7	Rural Development	Clause X of Sch VII	No	Tamilnadu, Andhra Pradesh (AP), Kerala	Vijaywada, Coimbatore, Tirunelveli, Tuticorin, Kottayam, Thrissur	800000	721500	78500	Yes	No	NA	
			Yes	Tamilnadu	Trichy	1000000	500000	500000	Yes	No	NA	
			Yes	Tamilnadu	Thanjavur	300000	0	300000	No	No	NA	
			Yes	Tamilnadu	Thanjavur	2800000	518516	2281484	Yes	No	NA	
			Yes	Tamilnadu	Thanjavur	525000	482000	43000	Yes	No	NA	
Total							67429000	37963857	29465143			

(c) Details of CSR amount spent against other than ongoing projects for the Financial year:

Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project (in ₹)	Mode of Implementation Direct (Yes/No.)	Mode of Implementation through Direct Implementing Agency	
				State	District			Name	CSR Registration No.
1	Desiltation works, Sanitation, Swachh Bharat, safe drinking water, Health care, medical equipment and hospital maintenance	Clause I of Sch VII	No	Tamilnadu	Erode	800000	Yes	No	NA
			No	Telangana	Hyderabad	5000000	Yes	No	NA
			Yes	Tamilnadu	Thanjavur	1000000	Yes	No	NA
			Yes	Tamilnadu	Thanjavur	5000000	Yes	No	NA
			No	Tamilnadu	Chennai	640000	Yes	No	NA
			No	Tamilnadu	Chennai	485000	Yes	No	NA
			Yes	Tamilnadu	Thanjavur	3500000	Yes	No	NA
2	Promoting education / special education and livelihood enhancement project	Clause II of Sch VII	No	Tamilnadu	Chennai	1000000	Yes	No	NA
			No	Tamilnadu	Trichy	1500000	Yes	No	NA
			No	Tamilnadu	Chennai	750000	Yes	No	NA
			No	Kerala	Alapuzha	956000	Yes	No	NA
			Yes	Tamilnadu	Madurai				
3	Rural Development project	Clause X of Sch VII	No	Tamilnadu	Nagapattinam	4000000	Yes	No	NA
4	Environment Sustainability, conservation of natural resources, and maintaining quality of air, soil and water	Clause IV of Sch VII	No	Tamilnadu	Nagapattinam	1000000	Yes	No	NA
			No	Tamilnadu	Thiruvarur	10000000	Yes	No	NA
			No	Tamilnadu	Thiruvarur	1400000	Yes	No	NA
			Yes	Tamilnadu	Kanyakumari	5000000	Yes	No	NA
			No	Tamilnadu	Chennai	1000000	Yes	No	NA
			Yes	Tamilnadu	Thanjavur	600000	Yes	No	NA
			No	Tamilnadu	Coimbatore	450000	Yes	No	NA
Yes	Tamilnadu	Thanjavur	1000000	Yes	No	NA			
5	Renovation of Historical Sites / temple and construction of school to promote cultural music	Clause V of Sch VII	No	Tamilnadu	Trichy & Nagapattinam	900000	Yes	No	NA
			Yes	Tamilnadu	Thanjavur	1000000	Yes	No	NA
			No	Tamilnadu	Chennai	1000000	Yes	No	NA
6	Rural sports	Clause VII of Sch VII	Yes	Tamilnadu	Thanjavur	700000	Yes	No	NA
7	Disaster management	Clause XII of Sch VII	NA	Tamilnadu	Chennai	1000000	Yes	No	NA
			Yes	Tamilnadu	Thanjavur	1000000	Yes	No	NA
			No	Tamilnadu	Chennai	2500000	Yes	No	NA
Total						80181000	-	-	-

- (d) Amount spent in Administrative Overheads : Nil
- (e) Amount spent on Impact Assessment, if applicable : NA
- (f) Total amount spent for the Financial Year (8b+8c+8d+8e) : ₹ 11,81,44,857
- (g) Excess amount for set off, if any

Sl. No.	Particulars	Amount (in ₹)
(i)	Two percent of average net profit of the company as per Section 135(5)	146,77,12,04
(ii)	Total amount spent for the Financial Year	118,14,48,57
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	0
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	0
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	0

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

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under Section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹).	Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
1	2020-2021	45375117	26153421				19221696
	TOTAL	45375117	26153421	Nil			19221696

(b) Details of CSR amount spent in the Financial Year for ongoing projects of the preceding Financial Year(s):

Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year (in ₹)	Status of the project - Completed / Ongoing
1	CSR5	Cleanliness	2020-21		1300000	300000	1300000	Completed
2	CSR6	Healthcare	2020-21		1700000	40364	1700000	Completed
3	CSR7	Protection of Art & Culture including Restoration of sites of historical importance	2020-21		1950000	102000	1902000	Ongoing
4	CSR8	Environment Sustainability	2020-21		3300000	800000	3300000	Completed
5	CSR9A	Environment Sustainability	2020-21		11600000	1000000	10810000	Ongoing
6	CSR10	Cleanliness	2020-21		800000	0	0	Ongoing
7	CSR11	Disaster Relief	2020-21		9300000	57000	9300000	Completed
8	CSR12	Disaster Relief	2020-21		7500000	1194379	7500000	Completed
9	CSR14	Cleanliness	2020-21		2500000	0	1000000	Ongoing
10	CSR16	Literacy and Rural Sports	2020-21		1500000	100000	500000	Ongoing
11	CSR19	Protection of Art & Culture including Restoration of sites of historical importance	2020-21	3 Yrs	800000	429422	800000	Completed
12	CSR20	Environment Sustainability	2020-21		250000	36940	249792	Ongoing
13	CSR21	Environment Sustainability	2020-21		2000000	0	0	Ongoing

Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year (in ₹)	Status of the project - Completed / Ongoing
14	CSR22	Environment Sustainability	2020-21	3 Yrs	1800000	500000	1800000	Completed
15	CSR23	Environment Sustainability	2020-21		1000000	1000000	1000000	Completed
16	CSR25	Disaster Relief	2020-21		5000000	213799	5000000	Completed
17	CSR26	Cleanliness	2020-21		7500000	2000000	4460141	Ongoing
18	CSR27	Cleanliness	2020-21		5000000	2500000	5000000	Completed
19	CSR28	Cleanliness	2020-21		1400000	1400000	1400000	Completed
20	CSR29	Cleanliness	2020-21		3000000	29500	3000000	Completed
21	CSR30	Cleanliness	2020-21		1500000	71428	1500000	Completed
22	CSR31	Literacy and Rural Sports	2020-21		6650000	4997000	6647000	Ongoing
23	CSR32	Literacy and Rural Sports	2020-21		2550000	1670000	2550000	Completed
24	CSR33	Literacy and Rural Sports	2020-21		2000000	1000000	2000000	Completed
25	CSR35	Healthcare	2020-21		1700000	350000	1700000	Completed
26	CSR36	Healthcare	2020-21		735000	734466	734466	Ongoing
27	CSR37	Healthcare	2020-21		1750000	1750000	1750000	Completed
28	CSR38	Healthcare	2020-21		2200000	330295	2196051	Ongoing
29	CSR39	Protection of Art & Culture including Restoration of sites of historical importance	2020-21		2550000	847901	2547901	Ongoing
30	CSR40	Protection of Art & Culture including Restoration of sites of historical importance	2020-21		1500000	533182	1500000	Completed
31	CSR41	Environment Sustainability	2020-21		1250000	858220	1246293	Ongoing
32	CSR42	Environment Sustainability	2020-21		1450000	1141780	1450000	Completed
33	CSR43	Literacy and Rural Sports	2020-21		1000000	0	0	Ongoing
34	CSR45	Cleanliness	2020-21		877000	448	876704	Ongoing
35	CSR46	Literacy and Rural Sports	2020-21		700000	0	695000	Ongoing
36	CSR48	Environment Sustainability	2020-21		700000	135000	685000	Ongoing
37	CSR49	Administration / Overheads	2020-21		1000000	30297	989956	Ongoing
38	CSR6	Healthcare	2019-20		600000	100000	600000	Completed
39	CSR07	Healthcare	2019-20		6825000	2000000	6825000	Completed
40	CSR17	Literacy and Rural Sports	2019-20		4400000	2035000	4400000	Completed
41	CSR18	Cleanliness	2019-20		3530000	472000	3530000	Completed
42	CSR21	Environment Sustainability	2019-20		4075000	768489	4075000	Completed
43	CSR24	Literacy and Rural Sports	2019-20		15150000	234493	15150000	Completed
44	CSR25	Environment Sustainability	2019-20	2305000	1000000	2305000	Completed	
45	CSR27	Environment Sustainability	2019-20	23200000	3292150	23200000	Completed	
46	CSR28	Environment Sustainability	2019-20	4600000	20618	4600000	Completed	
47	CSR30	Promoting Education	2019-20	5500000	1666934	5500000	Completed	
48	CSR36	Environment Sustainability	2019-20	115000	15000	115000	Completed	
49	CSR37	Healthcare	2019-20	1512000	600	1512000	Completed	
50	CSR38	Environment Sustainability	2019-20	4150000	42934	4150000	Completed	

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Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year (in ₹)	Status of the project - Completed / Ongoing
51	CSR43	Healthcare	2019-20	3 Yrs	750000	43627	750000	Completed
52	CSR44	Protection of National Heritage & Sites of Historical importance	2019-20		1800000	1090000	1800000	Completed
53	CSR45	Protection of National Heritage & Sites of Historical importance	2019-20		900000	200000	900000	Completed
54	CSR46	Environment Sustainability	2019-20		1050000	214	1050000	Completed
55	CSR01	Environment Sustainability	2018-19		28000000	524463	28000000	Completed
56	CSR03	Swachh Bharat Mission	2018-19		10000000	4800	10000000	Completed
57	CSR05	Literacy and Rural Sports	2018-19		5000000	509000	5000000	Completed
58	CSR10	Literacy and Rural Sports	2018-19		1900000	154526	1900000	Completed
59	CSR22	Animal Welfare	2018-19		900000	171120	900000	Completed
60	CSR23	Protection of National Heritage & Sites of Historical importance	2018-19		1450000	4178	1450000	Completed
61	CSR33	Cleanliness	2018-19		1050000	441991	1050000	Completed
62	CSR34	Environment Sustainability	2018-19		1000000	13500	1000000	Completed
63	CSR35	Cleanliness	2018-19		1150000	159580	1150000	Completed
64	CSR36	Cleanliness	2018-19		1500000	1015900	1500000	Completed
65	CSR37	Literacy and Rural Sports	2018-19		1700000	64300	1700000	Completed
66	CSR38	Promoting Education	2018-19		1016000	56946	1016000	Completed
67	CSR40	Protection of Flora & Fauna	2018-19		300000	655	300000	Completed
68	CSR41	Protection of National Heritage & Sites of Historical importance	2018-19		1450000	53000	1450000	Completed
69	CSR42	Animal Welfare	2018-19		300000	100	300000	Completed
70	CSR43	Literacy and Rural Sports	2018-19		200000	51400	200000	Completed
71	CSR49	Environment Sustainability	2018-19		385000	261781	385000	Completed
72	CSR50	Cleanliness	2018-19		475000	231	475000	Completed
73	CSR52	Protection of Art & Culture including Restoration of sites of historical importance	2018-19		900000	300000	900000	Completed
74	CSR59	Literacy and Rural Sports	2018-19		894000	44000	894000	Completed
TOTAL					239344000	42966951	229122304	

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the Financial Year (asset-wise details).

(a) Date of creation of the capital asset(s)	(b) Amount of CSR spent for creation of capital asset.	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.		Provide details of the capital asset(s) created (including complete address and location of the capital asset).	
		(c) Name	(d) Address	Capital Asset	Location
23.09.2021	1906412	Nesakkaram Charitable Trust	Nesakkaram Charitable Trust, Mannargudi	Ambulance Van	Thiruvarur
27.07.2021	1322792	Brahamana Maha Sabha	Brahamana Maha Sabha, Coimbatore	Ambulance Van	Coimbatore
13.08.2021	500504	Joint Commissioner	A/M Aranganatha Swamy Temple, Srirangam, Trichy	Battery Vehicle	Trichy
27.07.2021	824577	Municipal Commissioner	Hosur Municipality, Hosur	Garbage collection battery Vehicle	Krishnagiri dist
25.02.2022	1500000	The Principal, National College	National College, Dindigal Road, Trichy	Computer	Trichy
27.12.2021	90000	Head Master, Govt Higher Secondary School	Government Higher Secondary School, Komal, Near Aduthurai	Infrastructure for School (Chair / Table)	Mayiladuthurai Dist
23.08.2021	1000000	Srimad Venkatramana Bagavatha Swamigal Annadhana Trust	115, Salai Street, Ayyampettai	Building Construction	Thanjavur Dist
23.09.2021	1400000	Residents of Vishnupuram Village	Vishnupuram Village, Near Eravanchery	Construction of Community Hall	Thiruvarur Dist
29.09.2021	4000000	Commissioner	Vedaranyam Municipality	Bus Shelter for public	Nagai Dist

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

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

Date: 06th July, 2022
Place: Chennai

Dr. N. Kamakodi
DIN : 02039618
Managing Director & CEO
(Chairman of CSR Committee)

IMPACT EVALUATION STUDY OF CSR INVESTMENTS UNDERTAKEN BY CITY UNION BANK FOR FY FROM 2018-19 TO 2020-21

INTRODUCTION

Several corporates have long practiced socially responsible and environmentally sustainable development activity in some form with a broad goal of contributing to the welfare of the communities and society they affect and on which they depend. City Union Bank (CUB) has practiced “giving back to society” as a principle over a long period of time. Essentially, CUB's CSR activities are in the domain of generating public good and have a link to Sustainable Development Goals (SDGs). The Notification issued by MCA dated 22.01.2021 states that, every company having an average CSR obligation of ten crore rupees or more in pursuance of subsection (5) of section 135 of the Act, in the three immediately preceding financial years, shall undertake impact assessment through an independent agency, of their CSR projects having outlays of Rs.1.00 crore or more, and which have been completed not less than one year before undertaking the impact study.

As per the provisions, during the year a detailed Impact Evaluation Study was conducted on the following CSR Programmes undertaken by CUB:

1. **Solid Waste Management (SWM)**
2. **Renovation and conservation of waterbodies**
 - a. Large lakes
 - b. Ponds and water-tanks

1.1 GENERAL APPROACH TO IMPACT EVALUATION STUDY

CUB leadership is convinced that CSR efforts should have a long-term focus. As such, a perspective approach to plan and deliver CSR activities have been undertaken. Impact Evaluation is an effort to understand the current status of the project, 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 the CSR efforts, there is a larger people participation in community development programmes. In this context, the approach to undertake CSR activities has been decided. This framework is presented in below shown Figure 1.

The first determination is the need for the project in the region as determined by the set of beneficiaries and stakeholders in the project. Second, the activities are chosen carefully after understanding the system for stakeholder participation. Here the “theory of change” model is used to test the validity of the investments, from the inception stage to the impact stage. CUB goes one step beyond to ensure that there is a behavioural change among stakeholders to ensure long-term impact. Finally, the impact evaluation is planned and executed.

It is imperative to note that CUB ensures that along with the “need assessment” of the project, the baseline information, both qualitative and quantitative is put in place. The evaluation is conducted in relation to the baseline information.

Need Identification

- | Request from the stakeholders/beneficiaries
- | Institutional participation (responsible for governance and future maintenance of project)
- | Stakeholder participation

Scientific Approach

- | What is the long term solution?
- | Is the project sustainable?
- | What are the mechanisms for institutional and other stakeholder participation?
- | What capacity building is required?

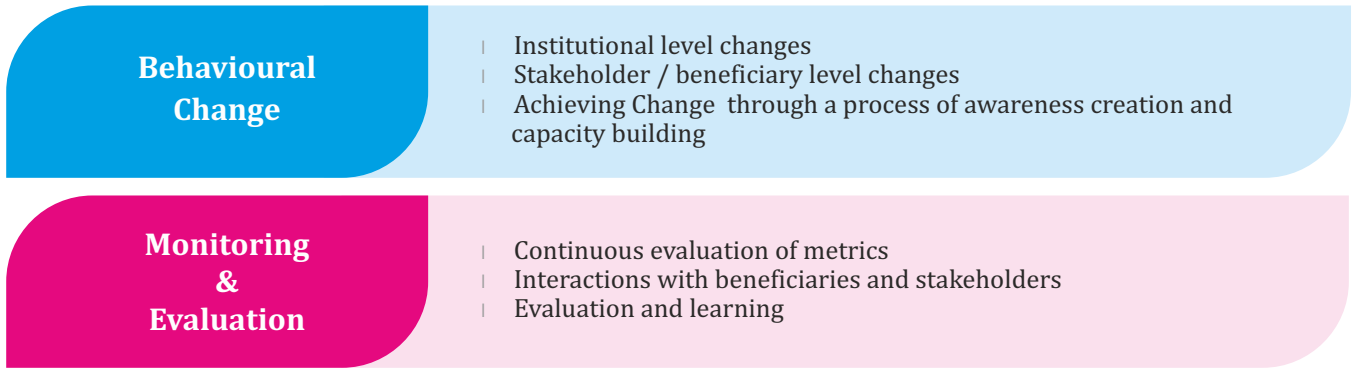


Figure 1 : General Approach to CSR Investment

1.2 FRAMEWORK FOR IMPACT EVALUATION

Our team used the “Theory of Change” model to assess the impact created by the CSR investments undertaken by CUB. This framework helps us to continuously monitor the progress of the CSR activities and also helps to set the metrics for continuous evaluation for a longer duration. This model has the following components: Need

assessment, Resources and Inputs required, Activities & output, and Outcomes. It may be noted that needs assessment, resources, inputs and outcomes can be measured through appropriate metrics. A part of activities and outcomes can be understood through qualitative assessment.

Need Assessment	Resources & Inputs	Activities & Output	Outcome
<ul style="list-style-type: none"> Create the baseline List of beneficiaries and stakeholders Framework of change that is required for long term 	<ul style="list-style-type: none"> Monetary value of project outlay Requisite human resources and other resources Stakeholder participation 	<ul style="list-style-type: none"> Scientific plan of steps involved in the intervention Capacity building among stakeholders for long term change Final products/ results of the programme 	<ul style="list-style-type: none"> What are the changes seen Behavioural change observed Can this be sustained? Long term sustainability plan Stakeholder capacity

Figure 2 : Theory of Change Framework

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1.3 SOLID WASTE MANAGEMENT (Total outlay: ₹3.13 crores)

The increasing urban population is an indispensable part of economic growth in the modern world. Across the world, countries with higher per-capita income invariably have a higher percentage of their population in urban areas. This is a direct result of the opportunities to specialise in specific fields of economic activities which are higher in the urban areas. As the education and skill profile of the population changes, a large section of the population aims to move towards higher value-adding activities. An inevitable outcome of this urbanisation process is the lifestyle changes of a large section of the population. This results in a larger accumulation of urban waste, classified as Urban Solid Waste. In Karikulam, a huge dump of solid waste was accumulated between December 2016 and August 2018. Based on the need and request from the Corporation, CUB undertook a massive CSR

initiative to dispose of the collected solid waste under bio-mining.

1.3.1 Need for Solid Waste Management Project

Collecting, treating, and disposing of solid waste materials through the process of bio-mining create good sanitary conditions that can reduce the level of pollution of the environment and controls outbreaks of diseases. Separating, recovering, and reusing components of solid waste may bring economic value to the local administration.

1.3.2 Baseline data

The estimated quantum of waste was about 60,308 metric cubes of solid waste, spread over an area of 10.5 acres. The site has been a dump yard of urban waste for over 30 years. Moreover, continuous fires at the site were witnessed, generally increasing the smoke-related hazard and warming the entire area with toxic gases.

Table 1. Nature and Location of Activities under SWM

Financial Year	Appeal / Proposal from	Nature of Activity	Location
2018-19 2019-20 2020-21	The Municipal Commissioner, Kumbakonam	Solid Waste Management project - disposal of garbage during Mahamaham, removal / processing of garbage	Karikulam Yard, Kumbakonam.

Table 2. Year-wise Expenses for Bio-mining Support

Financial Year	Amount (Rs.) in lakhs- sanctioned/spent
2018-19	100
2019-20	100
2020-21	108.77
Total	308.77

1.3.3 Resources and inputs

CUB, through its CSR, funded a process of Biomining of the accumulated waste. CUB has invested Rs. 2,08,76,256/- (Rupees two crores eight lakhs seventy-six thousand two hundred and fifty-six only) towards this effort. The work was undertaken under a unique PPP model involving the corporation and Zigma Global Environ Solution (P) Ltd, with funding from CSR funds.

1.3.4 Activities undertaken

The Corporation implemented "Biomining" a process of using microorganisms to extract materials of economic value from legacy waste. The main process is to recover soil from decomposed mixed waste. The major materials extracted from the legacy waste are plastic, rubber, metal, textiles, glass, soil, construction and demolition waste. Specifically, biomining is a process where previously dumped waste is dug up after loosening by harrowing and is then processed to recover valuable recyclable scrap while also recovering landfill space. The end-product, likely to be soil, gets rid of toxic materials and hence becomes reusable. In this context, the soil was used for various purposes including agriculture. Moreover, a 5 tonnes per day (TPD) capacity biogas unit was also commissioned on the same land.

1.3.5 Impact

The following impact has been identified:

- ▮ *Effective and efficient disposal of solid waste dumped over several years using bio-mining process.*
- ▮ *Reclamation of land to set up a processing plant and a compost plant which continuously utilises the waste after segregation.*
- ▮ *Cleaner environment – reduced particular pollution in the air as well as lack of smoke from intermittent burning.*
- ▮ *Capacity building for SDG framework: Being a first of its kind project, the CSR supported project to make solid waste reusable through the biomining process has helped to replicate this process across the state. Larger source segregation of waste has been achieved due to capacity building.*
- ▮ *Localisation of SDG goals: A priority area that has been mandated by the Central Government*

and is being implemented by the State Government of Tamil Nadu.

- ▮ *The meaningful Public-Private-Partnership has been achieved through the participation of private sector CSR funds from CUB, activities from Zigma Global Environ Solutions and the Corporation of Kumbakonam.*
- ▮ *Larger impact in reducing the dependency on carbon fuels (coal) at the places (such as the cement industry) which use the dry waste for the combustion process*
- ▮ *Strengthening the use of bio-fertilizers/biogas for local consumption through the biogas plant*

1.3.6 Recommendation

- ▮ Legacy waste is a phenomenon spread across different towns of Tamil Nadu. CUB may work with the State Government in making this a model approach to clear the legacy waste.
- ▮ CUB may work with leading institutions such as IIT Madras to sponsor scientific research on waste management and help strengthen the Tamil Nadu State SWM policy
- ▮ Entrepreneurship opportunities are emerging in value-from-waste models. CUB may consider promoting MSME in this space for local employment generation.

1.4 Waterbodies Renovation And Maintenance

Water Bodies have traditionally played an important role in irrigation, drinking water supply, hydropower ecology, tourism/culture and domestic use. Water conservation particularly in the delta region where there is a confluence of sea/backwaters and seasonal rivers is a challenging task. The major issue is the seasonality of freshwater sources. During the rains, the floods – if unmanaged – could result in the loss of topsoil which is required for agricultural purposes. During the dry period, if the freshwater sources dry up, people draw excess water from the ground and this increases the risk of entry of saltwater into the ground, posing sustainability challenges for the entire region.

1.4.1 Large Lakes and Streams

Waterbodies renovation, repair and restoration focuses on cleaning of waterbodies, removal of encroachments in waterbodies and desilting and deepening of waterbodies to recharge groundwater by conservation of water.

Table 3. Nature of activities under waterbodies management

Sl. No	Financial Year	Apeal / Proposal from	Nature of Activity	Location	Extent of lands benefitted
1	2017-18	Tamil Nadu Cauvery Vivasayigal Sangam	Renovation/ Desiltation of the lake including the canal of 3 km and strengthening of the bunds	Keelapattu Vaadeesamangalam Lake, Needamagalam, Tiruvarur Dt.	35 acres of agricultural lands
2	2017-18	Tamil Nadu Cauvery Vivasayigal Sangam	Desilting of the canal and strengthening the bunds for smooth water flow	River Samandhan, sub river of Kaveri river, Tiruvarur Dt.	Stretch of 7 km agricultural land
3	2017-18	Tamil Nadu Cauvery Vivasayigal Sangam	Renovation/ Desiltation of the lake including the canal of 6 km and strengthening of the bunds	Eda Annavasal Valampiran Lake, Needamangalam, Tiruvarur Dt.	100 acres of agricultural lands
4	2017-18	Tamil Nadu Cauvery Vivasayigal Sangam	Renovation/ Desiltation of the lake including the canal of 4 km and strengthening of the bunds	Paruthikkottai Semmangulam Lake, Needamangalam, Tiruvarur Dt.	55 acres of agricultural lands
5	2018-19	Tamil Nadu Cauvery Vivasayigal Sangam	Cleaning and desilting of the canal from Eda Melaiyur to Vettikkadu canal for 6 km and formation of groundwater recharge ponds	Eda Keezhaiyur, Kozhumanagalam Lake, Needamangalam, Tiruvarur Dt.	100 acres of agricultural lands
6	2018-19	Tamil Nadu Cauvery Vivasayigal Sangam	Cleaning and desilting of the lake including of the canal for 5 km	Okkanadu Melaiyur Vellingi Lake, Orathanadu, Thanjavur Dt.	120 acres of agricultural lands
7	2018-19	The Municipal Commissioner Kumbakonam	Renovation and construction of retaining wall, provisioning of paver block footpath	Ayekulam and Pachayappan Tank. Kumbakonam	Public use

Sl. No	Financial Year	Apeal / Proposal from	Nature of Activity	Location	Extent of lands benefitted
8	2018-19	Tamil Nadu Cauvery Vivasayigal Sangam	Desilting of the canal and strengthening the bunds for smooth water flow for 7 km from Rokka Kuthagai Culvert to Keelapalam	Paamani River, Mannarkudi, Thiruvaru Dt.	Smooth flow of water over 15 km
9	2019-20	Tamil Nadu Cauvery Vivasayigal Sangam	Renovation/ Desiltation and strengthening of the bund canal for 1 km	Periya Odai Lake (Thamaraikulam), Okkanadu, Keezhaiyur, Tiruvarur Dt.	30 acres of agricultural lands

Table 4. Work in Progress

Financial Year	Apeal / Proposal from	Nature of Activity	Location
2020-21	The Dt., Collector, Nagapattinam	Renovation/Desiltation and construction of retaining wall	Nagakudaiyan Periya Lake, Vedaranyam

1.4.2 Key Impact and Outcome

- | *Continuous recharging has resulted in a higher groundwater table.* This helped the farmers to reduce the depth of the submersion pump by an average of 50 feet. This has resulted in lower power consumption.
- | *Serves as a source of water for animals:* An increase in water standing by volume and also for a longer duration has helped in animal husbandry as cattle, goats etc. have access to water in the vicinity. Goat and cattle excrete are highly useful natural manure for the soil for agricultural purposes. Farmers point out to this factor for the lower need for fertilisers
 - | This point was independently verified with local traders dealing with fertilisers
- | Conservation of water and the improved water table is associated *with the availability of better quality water for the general public.*
- | There is an *increase in the area of cultivation* due to the water availability; lands that were hitherto let fallow have also been put to use.
- | This point was independently verified with businesses involved in rentals of agricultural implements such as harvest machinery
- | *Fishing:* This is an important livelihood activity and income generator for local panchayats. Availability of standing water for a larger duration in the lakes resulted in an improvement in fishing activities. While the lease amount for fishing was about Rs. 40,000 during the baseline, this has increased to Rs.1,00,000 during the endline assessment – in a period of 3 years.
- | *Impact of Strengthening and Improvement of Canals:* A major area of CSR activities by CUB is the rebuilding of Bamini river canals in the region that have provided connectivity between lakes. Water management in a delta region needs a scientific approach. The canals have helped in the flow of excess water to different ponds and lakes and helped the entire ecosystem due to this. According to the PWD Engineers, this has resulted in better coordination of government programmes and bridging of gaps within a shorter period of time.

Local stakeholder participation: the involvement of local farmers through a dialogue process and the Panchayat leaders is essential to sustain this change during the dry seasons. Across India, there is evidence of lakes being occupied by farmers permanently for cropping.

Scientific approach: through the participation of PWD department engineers the source of water and let-off after the lake is full have been designed to conserve water and avoid flooding.

Maintenance of the lake: While the village communities have agreed to collectively maintain the lake through a participatory approach, the team has also put in place eco-tourism promotion as an important activity to garner revenues to maintain the lake. It is envisaged that the presence of migratory birds in this region could be leveraged to attract tourists.

1.5 WATER TANKS AND PONDS RECLAMATION AND CONSERVATION

Kumbakonam, being a temple town, has several ponds/tanks across the landscape. Over time and increase in urban activities, several of these waterbodies had deteriorated. CUB through its CSR activities, based on the need identified by the Kumbakonam Municipal Corporation, has involved in pond reclamation activities.

1.5.1 Baseline Data

At the commencement of the project, the ponds were unkempt and covered with several urban waste articles. The Corporation requested support from CUB on renovating and rejuvenating the ponds. The CSR team of CUB took stock of the situation and created a baseline:

The pond area was totally unusable by local communities.

Due to the higher volume of debris and plastics in the pond, the water content was lower

Though the groundwater table was relatively high, the water was unusable for cooking or drinking purpose.

The local communities had to use the roads and streets for their daily walking and other recreation

1.5.2 Resources and inputs

The CSR funds from CUB were utilised by the Corporation for major activities. The local community were the major stakeholders and beneficiaries. The citizen groups such as Lions Club have also taken part actively in mobilising the people and in awareness programmes.

1.5.3 Activities undertaken

The following activities were undertaken:

- | Removal of waste material, plastics etc. from the pond
- | Strengthening of the walls/construction of walls wherever needed
- | Construction of pathways along the banks of the pond
- | Construction of community hall
- | Creation of parks with seating benches and exercise amenities
- | Gates for the entrances to ponds
- | Awareness programmes for local communities particularly the children on park and pond maintenance
- | Placing dustbins at appropriate locations
- | Dedicated staff to regularly clean the park and pond

1.5.4 Impact Evaluation

The team used both a focus-group discussion approach and a sample survey methodology to obtain the impact data. We conducted household visits in different locations around the pond with the pond as the locus for the sample survey. As part of focus group discussions, different groups of stakeholders were met and interviewed. The outcome were:

- | After the project was implemented, the water quality has improved and the groundwater was usable for drinking purposes.
- | The seasonality in water availability has spread-out for a longer duration and the groundwater tables has increased.
- | The pond and the park around the pond along the banks were a good location for various activities for the local population, particularly the walking and light exercises.
- | The bank has created a park area around the tank for children to play and entertain themselves.
- | In the ponds where the CSR activities were undertaken, the water was clean and devoid of any wastes such as plastics or debris
- | It is now proposed to have a “walkers association” among the people who regularly use the parking area around the ponds for walking

1.5.5 Contribution to Higher Education Sector

Higher education can serve as a powerful means to help create a more sustainable societal development. In India, the public sector educational institutions have created the abundant talent that our country has seen for various sectors of the economy, particularly science and technology. City Union Bank, realizing the importance of the higher education sector, has partnered with the Indian Institute of Technology, Madras (IIT-Madras) to strengthen its research, curriculum, and efficacy of knowledge platform.

In order to reduce the cost of higher education and to increase the accessibility for a larger number of students, IIT-Madras has commenced the development of Open-Source Platforms and Capacity Building. CUB has contributed to the Department of Computer Science & Engineering at IIT-Madras through its CSR funds for this. Table 5 below gives the details:

Table 5. Year-wise CSR Grant Request

Financial Year	Amount (₹) in lakhs-sanctioned/spent
2017-18	100.00
2018-19	110.00
2019-20	100.00

1.5.6 Baseline Information

In the context of Higher Education sector, the situation in terms of baseline cannot be expressed numerically, but has to be understood as the existing situation. Before the programme was implemented with support from CUB's CSR funds, there was a dire need for the following:

- | To improve the access for students passing out of colleges in tier 2 and tier 3 cities to enter into higher education sector at premier institutes.
- | Provide support to start-up enterprises reach critical mass of customers and users.
- | An analytics platform that can be accessed by government departments at low cost for their analytics need and evaluate their tech applications.
- | An analytics platform that can help in cancer diagnostics which is currently a major challenge. Early diagnostics can reduce the overall costs of cancer treatment.
- | Improve the awareness among the children from army-men family on educational opportunities.

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1.5.7 Setting the Theory of Change context for Higher Education

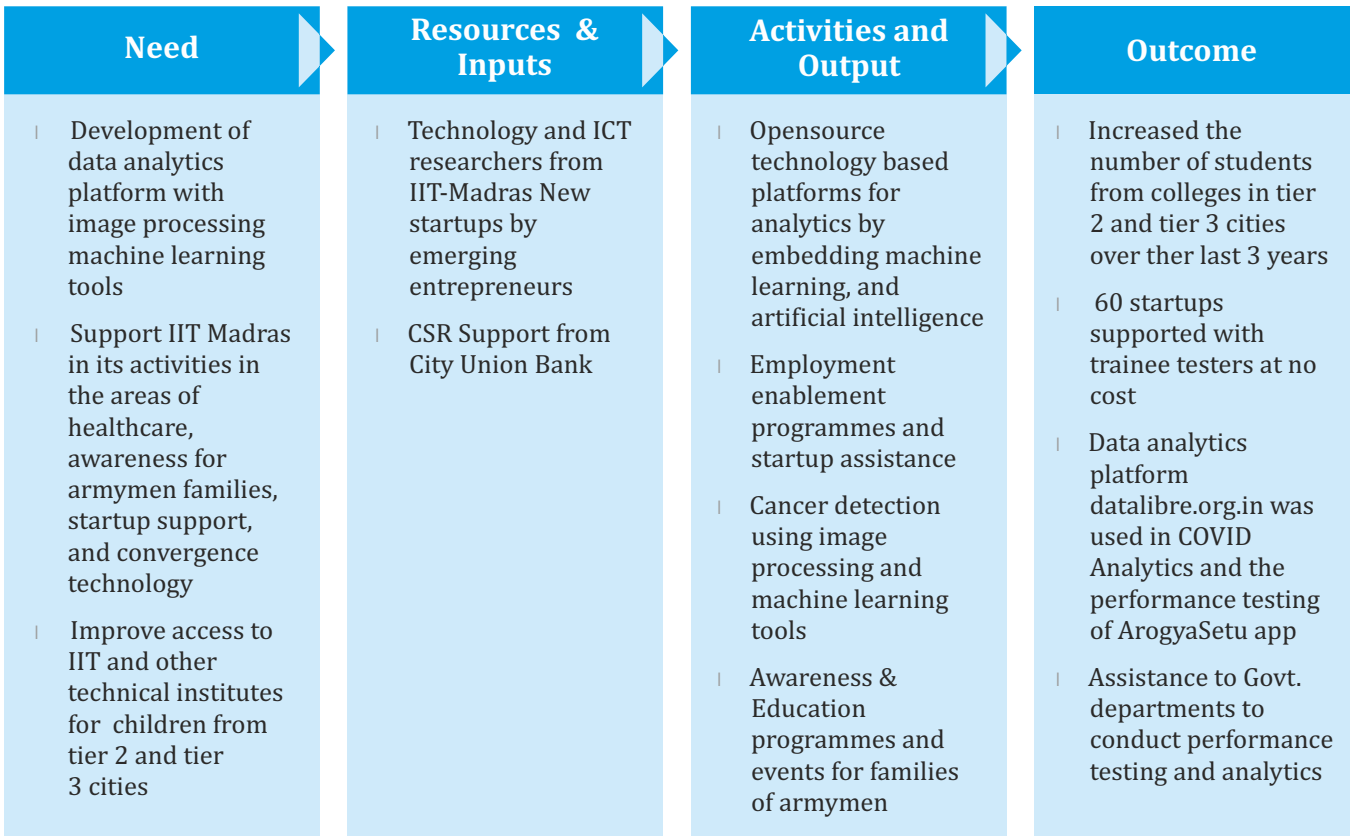


Figure 3: Setting the Theory of Change Context for Higher Education

1.5.8 Resources and inputs

IIT-Madras was keen to contribute in these areas as they had the vision and technical manpower. The "Need" and "Resource" were clearly identified, and approached CUB for support through CSR Funds. CUB evaluated the proposal and having understood the merits of the programme and the intended outcomes, supported the programme for a three-year period with funds (as mentioned in table 5).

1.5.9 Activities undertaken

The following activities were undertaken by IIT-M with CSR support from CUB.

- i. Employment Enablement Program & Start-up Assistance: Students of tier-2/3 engineering colleges located in tier-2/3 cities who are less exposed to the practical aspects of the IT industry and communication requirements

were enrolled for this programme. The trainees were exposed to testing start-up products (no cost to start-ups), thus helping the start-ups to get quality products to the market. Eventually these start-ups hire these trainees as well based on need.

- ii. DataLibre Framework (datalibre.org.in): Aims at providing a common data platform for the analytics world, with scalable technology, domain-based stack over the technology stack, for rapid analytics implementation. Embracing open source and embedding machine learning and artificial intelligence, in every possible way are the key aspects of this consortium.
- iii. SANJOG: This annual event was conducted to create awareness about opportunities to Army Jawans' children, SANJOG is organized every year and bring out the various entry schemes into IITs for B.Tech. / MS/ M.Tech. / PhD with

stress on research-oriented programs, Overview of the academic research programs in IIT, specific to MS/PhD highlighting the advantages of the direct PhD programme, Sub-workshop on generating awareness on the information security essentials required during use of Internet on desktops/ smart phones to avoid leakage of information along with recent trends in Cyber-attacks and Techniques to get de-addicted from mobile and gadget usage, as this is one of the fast-growing concerns over the next generation are the key goals of SANJOG.

- iv. Cancer Detection using Thermal Images and Machine Learning: Early detection of oral and breast cancer is critical to save 1000s of lives every year. Number of screening centres and doctors to assess cancer risk, are very low and every country is unable to match the need. Cancer detection experts are not available in most of the places and concentrated in only specific metros. Thermal cameras now have accuracy to detect temperature difference of even 25 milli-Kelvin. A thermal map of specific parts is essential to detect cancer. Machine learning and AI techniques provide an objective way to assign cancer risk, based on image recognition models.

1.5.10 Impact Evaluation

The above programmes of IIT-M have resulted in significant impact in the first three years of their operations. These are as follows:

- | On-boarded 60 candidates from tier-2/3 colleges between Mar 2017 and Jan 2018
- | On-boarded 42 candidates from tier-2/3 colleges between Apr 2018 and Jan 2019
- | On-boarded 49 candidates from tier-2/3 colleges between Mar 2019 and Dec 2019
- | Total placed candidates stand at 112 (out of 129 candidates who have completed the program) over the last 3 years.
- | More than 60 start-up customers are serviced by these trainee testers

- | Datalibre.org.in (formerly Finlibre.org) has created a technology tool stack using high end open source tools for data analytics and data science. This team has helped in Covid analytics as well as performance testing of AarogyaSetu. This report is published in one of the annual reports of the bank as well
- | Conducted an awareness program, SANJOG, for Army Jawan's children for 3 years
- | Created an end to end application that can detect breast cancer using thermal images, image recognition using machine learning algorithms
- | Conducted 4 workshops to companies in data analytics and data science
- | DataLibre team has assisted many State and Government Departments to carry out performance testing and data analytics, saving a crores of tax payers' money, with open source tools

1.6 CONCLUSION & WAY FORWARD

The approach and methodology of CSR activities undertaken by CUB has been consistent with the established norms of social sector projects, and focuses on creating “public good”. Our scientific study revealed that there is an ongoing and positive impact driven by a larger stakeholder participation. We are confident that the transformation will be sustainable as we observed behavioural change among the beneficiaries and stakeholders.

A major outcome of CSR activities is the impact on the brand image of the organisation. The local population are already aware of the efforts that CUB has been undertaking over the course of its existence for supporting the local economy. During our study, we found that the people see each of the activity as an extension of the continued citizen-support that CUB has been involved in.

We conclude that the CSR activities undertaken by CUB in the period 2017-18 to 2021-22 have been highly successful in creating the desired impact on

the ground. It is noteworthy that CUB's CSR activities have created behavioural change among the stakeholders in the governance of waterbodies and solid waste management. There are some suggestions for the future CSR activities of CUB presented below:

Long-term orientation: Currently the projects by design are responsive to the needs identified by the stakeholders – particularly the government engineers/managerial staff. It is important for CUB to proactively identify the need in accordance to its Vision and Mission policy and engage in long gestation project assessing the need for each of the project.

Entrepreneurship: The activities focussed by CUB's CSR are sectors such as solid waste disposal, urban tanks and lakes. There are several

entrepreneurial activities that can be supported and promoted by CUB along the waste disposal value chain.

Green economy: It is a major challenge that agricultural income is dwindling and the per-acre realisation has stagnated. It is imperative that through CSR funds the bank, along with the right stakeholders, the carbon funds can be accessed. The carbon funds economy is scheduled to undergo a major change in the coming years. CUB, through its CSR can work towards empowering panchayats, farmer groups and small and medium entrepreneurs to participate in this carbon economy.

Brand value: Kumbakonam is a temple town attracting thousands of pilgrims. There are several other culturally similar towns/districts across India. Small efforts towards CSR activities that are replication of the efforts put in the Cauvery delta region can be a long term growth strategy for CUB.

Place : Tiruchirappalli
Date : 06th July, 2022

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 2022.	MD & CEO : 30.49x 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.	MD & CEO : -30.18% CFO & CS : 44.45% The remuneration of MD & CEO has decreased in comparison with the previous year as a result decrease in the Perquisite Income. The remuneration of CFO & CS has increased in comparison with the previous year as a result of revision in remuneration.
3	The percentage increase in the median remuneration of employees in the financial year.	The median remuneration of the employees were increased by 8.73% This increase in median remuneration is on account of the annual increment of revision in remuneration and increase in DA.
4	No. of permanent employees on rolls of the Bank.	5,367 employees as on 31 st March, 2022.
5	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.	Average employees' salaries have increased by 11.37% in the Financial Year 2021-22. Average Managerial personnel salaries have decreased by 21.06% in the Financial Year 2021-22. Employees' salaries increased as a result of annual increment, increase in DA and revision in remuneration Salaries of Managerial Personnel have decreased in comparison with previous year as a result of decrease in value of perquisites.
6	Affirmation that the remuneration is as per the remuneration policy of the Bank.	Yes, it is confirmed.

For and on behalf of the Board

Place : Chennai
Date : 06th July, 2022

M. Narayanan
DIN : 00682297
Chairman



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 31st March, 2022.

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 & CEO	B.Tech, MBA, CAIIB, Ph.D	47	1,76,57,500	18	18-06-2003	Director - BuPro Solutions (P) Ltd
2.	856	Ramesh V	SGM	MSc, ACS, JAIIB	58	50,64,299	36	13-03-1986	Not Applicable
3.	2006	Maharajan K	SGM	BCom, AICWA, CAIIB	57	45,76,539	18	05-09-2003	Bharat Overseas Bank Ltd
4.	1036	Mohan S	SGM	MA, ACS, CAIIB	58	45,64,093	32	03-04-1989	Not Applicable
5.	1085	Pavankumar L	AGM	Bcom, MBA	51	40,79,355	32	07-09-1989	Not Applicable
6.	1059	Rajam S	GM	B.Com, CAIIB, PGDFM	55	40,11,886	32	03-04-1989	Not Applicable
7.	3997	Ganesh B	AGM	Mcom, MBA, CAIIB	56	39,26,230	12	18-03-2010	Not Applicable
8.	1560	Gopalakrishnan V	GM	BA, MBA	50	38,71,761	25	04-04-1996	Not Applicable
9.	858	Ganesan V	DGM	Mcom, CAIIB	56	38,64,494	36	17-03-1986	Not Applicable
10.	1637	Jayaraman K	GM	BSc, MBA, CAIIB	48	37,77,042	25	06-11-1996	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

Place : Chennai
Date : 06th July, 2022

M. Narayanan
DIN : 00682297
Chairman

ANNUAL BUSINESS RESPONSIBILITY REPORT (ABRR)

Section A : General Information about the Company

Corporate Identification No.(CIN) of the Company	L65110TN1904PLC001287	CSR Initiatives
Name of the Company	CITY UNION BANK LIMITED	
Registered address	No.149 T.S.R. (Big) Street, Kumbakonam - 612001	Statutory Reports
Website	www.cityunionbank.com	
e-mail Id	shares@cityunionbank.in vramesh@cityunionbank.in	
Financial Year Reported	2021-22	Financial Statements
Sector(s) that the Company is engaged in (Industrial activity code wise)	National Industries Classification 2008 Section K : Financial and Insurance Activities Division 64, Code No. 64191	
List three key products / services that the Company manufactures / provides (as in Balance Sheet)	Retail Banking, Corporate Banking and Treasury	List of Branches
Total number of locations where business activity is undertaken by the Company		
a. Number of international locations (provide details of major 5)	Nil	Basel III
b. Number of national locations	727 Branches	
Markets served by the Company - Local / State / National / International	National	

Section B : Financial Details of the Company

1.	Paid up capital (INR)	₹ 73,95,84,913
2.	Total Turnover (INR)	₹ 4863,86,29,213
3.	Total Profit after Taxes (INR)	₹ 760,16,51,376
4.	Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	1.55%
5.	List of activities in which expenditure in 4 above has been incurred	Refer Annual Return on CSR forming part of this Annual Report.

Section C : Other Details

Does the Company have any Subsidiary Company / Companies?	No
Do the Subsidiary Company / Companies participate in the BR initiatives of the parent Company? If yes, then indicate the number of such Subsidiary Company(s).	NA
Do any other entity / entities (eg: suppliers, distributors etc.,) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity / entities? [Less than 30%, 30-60%, More than 60%]	No

Section D : BR Information

1. Details of Director / Directors responsible for BR

a) Details of Director(s) responsible for implementation of the BR policy(s)	
DIN Number	06902614
Name	R Mohan
Designation	Non Executive Part-time Chairman
e-mail Id	meetmohanr@gmail.com
b) Details of the BR Head	
DIN Number (if applicable)	06971635
Name	Abarna Bhaskar
Designation	Independent Director
Telephone number	9980902995
e-mail Id	abarnabhaskar@gmail.com

2. Principle wise (as per NVGs) BR Policy(s)

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility.

These briefly are as follows :

- P1. Business should conduct and govern themselves with ethics, transparency and accountability.
- P2. Business should provide goods and services that are safe and contribute to sustainability throughout the life cycle.

- P3. Business should promote the well being of all employees
- P4. Business should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
- P5. Business should respect and promote human rights.
- P6. Business should respect, protect and make efforts to

restore the environment.

- P7. Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
- P8. Business should support inclusive growth and equitable development.
- P9. Business should engage with and provide value to the customers and consumers in a responsible manner.

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a) Details of compliance

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy or policies for	Y	Y	Y	Y	Y	Y	N	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	-	Y	Y
3.	Does the policy conform to any national / international standards? If yes, specify	Y	Y	Y	Y	Y	Y	-	Y	Y
4.	Has the policy being approved by the Board? If yes, has it been signed by MD / Owner / CEO / Appropriate Board Director?	Y	Y	Y	Y	Y	Y	-	Y	Y
5.	Does the Company have a specified Committee of the Board / Director / Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	-	Y	Y
6.	Indicate the link for the policy to be viewed online?*	N1	N1	N1	N1	N1	N2	-	N2	N3
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	-	Y	Y

Details of compliance (Contd.)

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
8.	Does the company have in-house structure to implement the policy(s)?	Y	Y	Y	Y	Y	Y	-	Y	Y
9.	Does the company have a grievance redressal mechanism related to the policy(s) to address stakeholders grievances related to the policy(s)?	Y	Y	Y	Y	Y	Y	-	Y	Y
10.	Has the company carried out independent audit / evaluation of the working of this policy by an internal or external agency? (N4)	Y	Y	Y	Y	Y	Y	-	Y	Y

***Notes :**

N1 -The Bank has policies on this which are available internally to its employees. As regards P5, the Bank respects & promotes the rights of all its customers through customer policy and all employees through bank's internal policy namely HR Policy. The weblink of policies are as follows:

N2 - CSR weblink:<https://www.cityunionbank.com/images/csr2021.pdf>

N3 - Customer Rights Policy weblink:https://cityunionbank.com/downloads/customer_rights_policy.pdf

N4 - The policies are reviewed by the Management/ Board on a periodical basis.

Principle wise policies :

Principle	Policy details
P1.	The Bank has policies as follows: Whistle Blower Policy, Protected Disclosure Scheme, HR Policy, Fraud Risk Management, Code of Fair Practices and Disclosures on UPSI, Policy on Compensation, KYC & AML Policy, Related Party Transactions, Code of Conduct for Directors and Senior Management, Policy on Collection of Cheques, Grievance Redressal, Bank Deposits, Death claim, Safe Deposit Locker and Policy on Solicitation of Insurance Business. The Bank is committed to acting professionally, fairly and with integrity in all its dealings. The Bank's business values are based around the core values of transparency and professionalism. The Bank has adopted a Code of Conduct for its Board and Senior Managerial Personnel and adheres to the highest standards of honest and ethical conduct, including proper and ethical procedures in dealing with actual or apparent conflict of interest between personal and professional relationship. The code of Conduct conforms to the Corporate Governance norms as prescribed under SEBI (LODR) Regulations 2015. In accordance with BCSBI guidelines, 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. The bank has constituted a Standing Committee on Customer service at the executive level which reviews the suggestions and complaints of customers. Based on the feedback and recommendations of Standing Committee necessary actions for enhanced customer satisfaction are taken by the Customer service committee of the Board. The bank has a Whistle Blower Policy which puts an obligation on the part of each employee for prevention, detecting and reporting an act of Corruption and Bribery.

Principle wise policies :

Principle	Policy details
P2.	The Bank has policies on Information Technology, Information Security System, Information System Audit, Credit Card Policy, Safe Deposit Locker and Policy on Bank Deposits which contribute to safe and secure services to all relevant stakeholders. Further, the Bank as part of the service sector provides financial product services to various stakeholders contributing to their business cycle. Our Bank offers wide range of banking products and services through its branch network, ATM's, Business Correspondent channels, Internet Banking and Phone Banking. Besides Retail banking products such as Term Deposits, Savings Deposits, Current accounts, Home Loans, Vehicle Loans and Term loans our bank also caters to the Corporate and MSME sector, agriculture and export segments. Bank is constantly innovating on its products and services for meeting the changing tastes of the customer and the society.
P3.	Compensation Policy, Staff Rotation Policy, HR Policy, Mandatory Leave Policy, Training Policy and Policy on Prevention of Sexual Harassment. Our bank is an equal opportunity employer and treats all its employees at par. Our bank has a policy on sexual harassment. In order to ensure the welfare of the employees our bank has City Union Bank Officers Association (CUBOA) and City Union Bank Staff Union (CUBSU) recognized by the management. Training opportunities are provided to employees through Staff Training College and E-learning modules.
P4.	The Bank through its Loan policy and Financial Inclusion programs addresses this principle to the benefit of disadvantaged, marginalized and the vulnerable. Bank through its CSR Initiatives assists in improving the living conditions of the marginalized and vulnerable sections of the society. Bank through its various levels constantly engages with its various stakeholders viz; Shareholders, Customers, Employees, Government, Regulators, Communities and NGO's. Bank through its in house portal disseminates information on various areas of banking to its employees to enrich and widen their knowledge.
P5.	The Bank has a policy on customer rights and a HR Policy. The Bank well recognizes and respects all human beings and their rights for efficient and smooth conduct of business. The bank follows the Code of Commitment based on the standards issued by the The Banking Codes and Standards Board of India (BCBSI) which covers aspects like good and fair banking practices, transparency in services and products, cordial relationships with customers and various stakeholders. A copy of the Citizens Charter is available at our Branches for the benefit of the customers.
P6.	Given its nature and scope of activities the various aspects mentioned in this principle are not substantially relevant to the bank given the nature of business. Hence there is no specific policy. However, under CSR, the Bank takes up activities which promotes clean environment and has provided various assistance towards Environmental Sustainability and complies with applicable environmental laws in letter and spirit with respect to its operations.
P7.	The Bank does not have any specific policy on the principle. 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 deputed Executives to represent the view of the Bank at such meetings. Also, the MD & 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 our Bank is also a member of various professional bodies such as NIBM, CAFRAL etc, for imparting training programs to its employees. The bank through its CSR initiatives is involved in promoting education, health care, sports, and conservation of natural resources.

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Principle wise policies :

Principle	Policy details
P 8.	Bank carries out all the mandates of the Government as well as Reserve Bank of India in order to foster inclusive growth and equitable development. In addition, as per RBI guidelines the bank meets the targets allotted under Priority Sector Lending. The Bank also promotes financial activities by providing banking services in the unbanked areas. Moreover through its CSR activities the bank carries out effective economic development of the disadvantaged sections of the society.
P 9.	Customer Rights Policy, Death Claim Policy, Policy on collection of cheques, Policy on compensation, Insurance products, Safe Deposit Locker, Bank Deposits, Loan Policy, Information System Security Policy and Policy on Grievance Redressal. Customer's Citizen Charter is available at all the branches for the benefit of customers which specifies the commitments and responsibilities along with the grievance redressal methods and also mentions the customer obligations for a healthy customer banker relationships. Bank has an Internal Ombudsman (IO) at our Administrative office for addressing customer grievances at the apex level.

b) If answer to the question at serial no.1 against any principle is 'No' please explain why.

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	The Company has not understood the principles									
2.	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles							✓		
3.	The Company does not have financial or manpower resources available for the task									
4.	It is planned to be done within the next six months									
5.	It is planned to be done within the next one year									
6.	Any other reason									

3. Governance related to BR

- a) Indicate the frequency with which the Board of Directors, Committees of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, 1 year, More than 1 year.

1 year. The performance of the Bank under certain principles / parameters like ensuring safe services, restoration of environment, equitable development etc. are normally assessed on an annual basis by various Board Level Committees.

- b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing the report? How frequently it is published?

No

Section E: Principle - wise performance

Principle 1

1. Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/ No. Does it extend to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs and Others?

Yes, it relates to the Bank and its employees only. The Bank is committed to acting professionally, fairly, ethically and with integrity in all its dealings.

2. How many stakeholder complaints have been received in the past financial year and what percentage satisfactorily resolved by the management? If so, provide details thereof.

A total of 2,835 complaints were received from the Stakeholders (Shareholders & Customers) during the reporting year and 2,799 (98.62%) cases were resolved, which includes 3 cases pending as on the beginning of the financial year received from customers. Members may please refer Corporate Governance Report for shareholders complaints and Notes to accounts for customer complaints in this Annual Report. Our Bank has an Internal Ombudsman (IO) at our Administrative Office to redress the grievances of all the customers.

Principle 2

1. List upto 3 of your products or services whose design has incorporated social or environmental concerns, risks and or opportunities

- a. Social Banking through Financial inclusion programs, distribution of Government Insurance and Pension Schemes, Swayam Graha Home Loan schemes. Our bank has launched CUB Fit Watch Debit card which has the features of a registered health tracker to monitor vital health parameters. Moreover as it is a purely digital product no use of paper is involved.

- b. Agricultural Business: The Bank has a major presence in South India and considering the potential for Agri-Business, the Bank provides various kinds of financing to tap this sector in line with the guidelines issued by RBI.

- c. Lending business to sustainable sectors as per the Bank's loan policy and RBI guidelines. Projects that show concern for environment in the form of sustainable development, use of renewable natural resources, waste minimization and pollution prevention. While financing those projects which require environmental clearances, bank insists compliance by the borrowers of all related stipulations in order to protect the environment

2. For each such product, provide the following details in respect of resource use (energy, water, raw materials etc.) per unit of product (optional)

- a. Reduction during sourcing / production / distribution achieved since the previous year throughout the value chain?

Being a Banking Entity this is not applicable to us

- b. Reduction during usage by consumer (energy, water) has been achieved since the previous year.

Considering the nature of business carried out by the Bank, this is not applicable to Bank. However, the Bank aims to reduce the adverse impact on environment to the maximum possible extent in its various operations. The Bank has taken efforts to make efficient use of waste water from RO plants for various purposes thus promoting better water management. To optimize electricity consumption, the Bank has installed LED lights in its branches and Solar Panels wherever feasible to minimize carbon emissions and radiation. In all the new ventures of the bank, rain water harvesting is being undertaken to preserve the ground water level. The bank is also advocating

the use of eco friendly refrigerant gas in air conditioners and green generators wherever possible along with the use of Invertors as power back ups instead of generators to prevent pollution.

3. Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof.

This principle has no scope in Banking services.

4. Has the Company taken any steps to procure goods and services from local and small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

Yes, the Bank utilizes the services of people residing in the surrounding areas to the extent possible. Further, in order to encourage the local and small vendors, the Bank procures goods like stationery, housekeeping items on a regular basis from them and, for services gives job orders to local vendors.

5. Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof.

The Bank belongs to Financial Services Sector and

paper waste and e-waste are the identifiable waste products for recycle. The Bank has tie-ups with local vendors for disposal of such wastes.

Principle 3

1. Please indicate the total number of employees : 5,367
2. Please indicate the total number of employees hired on temporary / contractual / casual basis : 71
3. Please indicate the number of permanent women employees : 1,430
4. Please indicate number of permanent employees with disabilities : 16
5. Do you have an employee association that is recognized by management?

Yes, CUB Officers Association (CUBOA) and CUB Staff Union (CUBSU) are recognized by the Management.

6. What percentage of your permanent employees is members of this recognized employee association?
Number of CUBOA - 98.55%
Number of CUBSU - 73.59%
7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

No.	Category	No. of complaints filed during the financial year	No. of complaints pending as on the end of the financial year
1.	Child labour / forced labour / involuntary labour	Nil	Nil
2.	Sexual Harassment	3*	Nil
3.	Discriminatory employment	Nil	Nil

* During the reporting period, the Bank received 3 complaints out of which 2 complaints have been duly resolved and 1 complaint has been withdrawn by the complainant. As on 31st March, 2022 no complaints are pending.

8. What percentage of your under mentioned employees were given safety and skill up-gradation training in the last year?
- a. Permanent employees - 45.41%
 - b. Permanent women employees – 46.50%
 - c. Casual / Temporary / Contractual employees – NIL%
 - d. Employees with disabilities – 25.00%

Principle 4

1. Has the Company mapped its internal and external stakeholders?

Yes

2. Out of the above, has the Company identified the disadvantaged, vulnerable and marginalized stakeholders?

Yes, the Bank identifies the disadvantaged and marginalized sections through financial inclusion programs.

3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof?

The Bank engages with the disadvantaged, vulnerable and marginalized stakeholders in various ways by offering various services including that for Agricultural and Government sponsored schemes. The Bank undertakes financial literacy classes as part of its efforts to educate the marginalized section. Around 18% of the total number of Bank's branches is operational in rural and unbanked areas to engage with the disadvantaged, vulnerable and marginalized sections of the society.

Principle 5

1. Does the policy of the Company on Human Rights cover only the Company or extends to the Group / Joint Ventures / Suppliers / Contractors / NGOs / others?

The Bank does not have any specific policy on Human Rights. However, the Bank has put in place a policy on Consumer Rights which takes care of the human rights of all relevant stakeholders. Our Bank ensures that there is no discrimination in selection of staff and vendors. In accordance with BCSBI (Banking Codes and Standards Board of India) guidelines our Bank has an effective customer service committee which oversees the quality of services rendered to customers and ensuring regulatory compliance in this regard.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management?

The details are given under paragraph-2 in Principle 1 under Section E (Principle Wise Performance) of this report.

Principle 6

1. Does the policy related to principle 6 cover only the Company or extends to the Group / Joint Ventures / Suppliers / Contractor / NGOs / Others?

As stated earlier there is no specific policy on this principle. However, the Bank caters to the environment and sustainability aspects through its CSR activities.

2. Does the Company have strategies / initiatives to address global environmental issues such as climate change, global warming etc? if yes, please give hyperlink for web page?

As part of initiatives, the Bank supports this cause. For further details, kindly refer Annual Return on CSR activities set out in the Annual Report.

3. Does the Company identify and assess potential environmental risks?

Yes. The Bank identifies potential environmental risks and takes all possible measures to mitigate such risks through its CSR activities.

4. Does the Company have any project related to clean development mechanism? If so, provide details thereof. If yes, whether any environmental compliance report is filed?

No

5. Has the Company taken any other initiatives on - clean technology, energy efficiency, renewable energy etc. ? if yes, please give hyperlink for the webpage.

Refer points a,b and c of Principle 2.

6. Are the emissions / waste generated by the Company within the [permissible limits given by CPCB/ SPCB for the financial year being reported?

Not Applicable.

7. Number of show cause / legal notices received from CPCB / SPCB which are pending (i.e., not resolved to satisfaction) as on end of financial year.

None

Principle 7

1. Is your Company a member of any trade and chamber or association? If yes, Name only those major ones that your business deals with:

The Bank is a member of NIBM, CAFRAL through which various training programs are imparted to its employees.

2. Have you advocated / lobbied through above associations for the advancement or improvement of public good? Yes / No; if yes, specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy Security, Water, Food Security, Sustainable Business Principles, others).

The MD & CEO of the Bank is a member of Indian Banks Association ("IBA"). He actively participates and represents the Bank in IBA Council meetings. During such meetings, the MD & CEO of the Bank voices his views on various development policies beneficial for Banking industry and public interest at large. Dr. Kamakodi is also a Member of General Committee in MCCI, Member in National Banking Committee of CII, Member - Board of Governors, Bharathidasan Institute of Management (BIM), Tiruchirapalli and President in Town High School Association, Kumbakonam.

Principle 8

1. Does the Company have specified programmes / initiatives / projects in pursuit of the policy related to principle 8? If yes details thereof.

The Bank has a Corporate Social Responsibility (CSR) Policy which contributes to inclusive growth and equitable development. The Bank undertakes financial literacy and inclusive Banking measures to enlighten the weaker sections. The Bank has a lending policy which covers various sectors including MSME for equitable development. Our Bank also contributes towards Swachh Bharat Mission for maintenance of various water bodies and public parks.

2. Are the programmes / projects undertaken through in-house team / own foundation / external NGO / government structures / any other organization?

The CSR programmes are undertaken directly by the Bank through its CUB Foundation.

3. Have you done any impact assessment of your initiative?

Yes. The Bank has engaged services of an external consultant to conduct an impact assessment of CSR activities of the Bank. An Impact assessment Report has been furnished by them for FY 2021 - 2022.

4. What is your Company's direct contribution to community development projects - Amount in INR and the details of the projects undertaken?

During the year 2021-22, the Bank has spent ₹ 11.81 crore towards various CSR initiatives. For further details on CSR activities please refer **Annexure III** to Directors' Report on Annual Return on CSR Activities.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain.

Yes, a separate trust floated by the Bank called CUB Foundation takes care of this aspect.

Principle 9

1. What percentages of customer complaints / consumer cases are pending as on the end of the financial year?

1.37% of customer complaints are pending as on 31st March 2022.

2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes / No / NA / Remarks (additional information).

Yes, all requisite information on the services offered by the Bank are made available to the customers through website, SMS alerts etc. The Bank maintains utmost transparency in dealing with all its stakeholders.

3. Is there any case by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and / or anti-competitive behaviour during the last five years and pending as on end of financial year? if so, provide details thereof.

None

4. Did your Company carry out any consumer survey / customer satisfaction trends?

Yes, the Bank conducts monthly customer meets at branch level comprising of Manager, Office members and customers to effectively address and implement their grievances and suggestions. Also, branch visits are also made by the top executives of the Bank to

ensure the efficacy of the process. Through customer interaction, on the spot survey is done to assess the perception and expectation of customer on products and services. A yearly customer meet is also conducted to get the feedback from the customers on the Bank's service. A copy of the Citizen's Charter is available at all the branches for the benefit of the customers.

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MOST TRUSTED DIGITAL BANK OF THE YEAR 2022



City Union Bank is Awarded the
"Most Trusted Digital Bank of the Year"
at International Service Pride Award 2022

City Union Bank has received
Banking **Finnoviti Awards** for
'UPI 123 Pay'



**Finnoviti Conference &
Awards-2022**

REPORT ON CORPORATE GOVERNANCE

(Forming part of the Directors' Report for the year ended 31st March, 2022)

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 31st March, 2022.

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 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 and benchmarking itself against the industries' best 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 governance practices of the Bank aims to:

- a) enhance the long term wealth creation of all 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, borrowers 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 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.

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 31st March, 2022, the Board comprised nine members consisting of Independent Part-Time Chairman,

Managing Director & CEO, and seven Independent Directors. Independent Directors constitute 90% of the Board strength which is more than the requirements of the Companies Act, 2013 and SEBI Listing Regulations. The Listing Regulations also mandate that Board of Directors of the top 500 listed entities should have at least one Independent Woman Director. The Bank has one Woman Director who is Independent. None of the

Directors of the Bank are related to one another.

The Board of the Bank comprises of eminent professionals with in-depth knowledge and diverse expertise in the field of Banking, Accountancy, Agriculture & Rural Economy, SSI, Law, Technology, Human Resource, Risk Management etc., as specified in the Banking Regulation Act 1949, for effective functioning of the Bank.

Name of the Director Sarvashri	Expertise/Core Skills/ Sector Representation	Category	Total No. of other Directorships held	No. of shares
R. Mohan* (DIN:06902614)	Banking, Agriculture and SSI	Chairman (Independent)	Nil	1,48,466
Dr. N. Kamakodi (DIN:02039618)	Banking	Managing Director & CEO	Nil	24,18,650
Smt. Abarna Bhaskar (DIN:06971635)	Banking, Accountancy and Risk Management	Independent Director	Nil	40,877
M. Narayanan** (DIN:00682297)	Agriculture & Rural Economy Accountancy, and Information Technology	Independent Director	Nil	21,589
Narayanan Subramaniam (DIN :00166621)	Accountancy and Finance, Payment & Settlement system, Treasury, Risk Management, Information Technology and Business Management	Independent Director	5	2
V.N. Shiva Shankar (DIN : 00929256)	Law, Accountancy and Risk Management	Independent Director	5	7,26,122
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	1	100
T. K. Ramkumar (DIN : 02688194)	Law	Independent Director	Nil	1,64,310

*vacated his office of Chairman on 03rd May 2022 and Independent Director on 27th June 2022. For more details, kindly read the Retirements section in the Directors Report.

**Appointed as the Chairman of the Bank w.e.f.04th May, 2022. For more details, kindly read the Appointments section in the Directors Report.

B. Attendance at Board Meetings, 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 19.08.2021	Directorship in other Public Ltd., Companies	Directorship in other Listed entities	Committee Membership (Chairperson) in other Companies
	Held during the Tenure	Meeting Attended				
R. Mohan	12	12	Yes	Nil	Nil	Nil
Dr. N. Kamakodi	12	12	Yes	Nil	Nil	Nil
Smt. Abarna Bhaskar	12	12	Yes	Nil	Nil	Nil
M. Narayanan	12	12	Yes	Nil	Nil	Nil
Narayanan Subramaniam	12	12	Yes	1	Nil	Nil
V. N. Shiva Shankar	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

Meetings date: 28.04.2021, 28.05.2021, 25.06.2021, 19.07.2021, 06.08.2021, 20.09.2021, 22.10.2021, 12.11.2021, 18.12.2021, 04.02.2022, 28.02.2022 and 23.03.2022.

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 forwarded 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 agenda to facilitate meaningful, informed and focussed discussions at the meetings. 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 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/downloads/Familiarisation%20programe_training_190621.pdf

D. DIRECTORS' REMUNERATION

i. REMUNERATION POLICY

Remuneration to Executive Director

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 approval by the Reserve Bank of India in terms of the Banking Regulation Act, 1949.

Further as per the extant guidelines issued by the Reserve Bank of India in respect of compensation to Whole Time Directors of Private Sector Bank applicable with effect from 1st 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. Contribution towards superannuation / retiral benefits will also be treated as part of fixed pay.

The variable compensation for Whole Time Directors, MD & CEO as fixed based on review of organization performance, key business ratios, qualitative and quantitative metrics, leadership, employee development, supervisory observation(s) if any etc. Such variable compensation shall be paid in 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 Director

All Non-Executive Directors of the Bank are paid sitting fees for attending Board and Committee meetings to the tune of ₹75,000/- (₹50,000 till May, 2021) and ₹25,000/- (₹ 10,000 till May 2021) respectively for each such meeting as per the provisions of the Companies Act, 2013. Further, except Shri. R. Mohan, 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 1st September, 2018, have passed a resolution with requisite majority, for payment of such commission to Non-Executive Directors for every financial year commencing from 01st April 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, 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 two KMPs, Dr. N. Kamakodi, MD & CEO and Shri. V. Ramesh, Company Secretary. The KMP (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 2021-22

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. Also, during the year no new stock options have been granted to the MD & CEO of the Bank.

During the year under review, all Independent Non-Executive Directors were paid Profit Linked Commission for FY 2020-21 (except Part-Time Chairman) in addition to sitting fees for attending Board and Committee meetings.

Further, there are no instances of service contracts, notice period and severance fees between the Bank and its Directors during FY 2022.

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
EXECUTIVE DIRECTOR						
Dr. N. Kamakodi	1,36,40,834	21,19,109	18,97,557	-	-	1,76,57,500
NON-EXECUTIVE INDEPENDENT DIRECTORS						
R. Mohan	12,00,000	-	-	16,40,000	-	28,40,000
Abarna Bhaskar	-	-	-	16,10,000	8,00,000	24,10,000
M. Narayanan	-	-	-	15,15,000	8,00,000	23,15,000
Narayanan Subramaniam	-	-	-	15,60,000	8,00,000	23,60,000
V. N. Shiva Shankar	-	-	-	14,85,000	8,00,000	22,85,000
Dr. T. S. Sridhar	-	-	-	13,45,000	8,00,000	21,45,000
K. Vaidyanathan	-	-	-	14,85,000	8,00,000	22,85,000
T.K. Ramkumar	-	-	-	13,45,000	8,00,000	21,45,000
S. Bernard (upto 19.08.2020)	-	-	-	-	3,09,041	3,09,041

Note 1. Profit linked commission for FY2020-21 has been paid during FY2022.

Note 2. The Variable Pay paid to MD & CEO during FY 2022 pertains to FY 2021 (50% of cash components) which is approved by the RBI vide its letter dated 30.12.2021.

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. 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.

Managing Director & CEO was assessed on additional criteria viz., Business Conduct, Bank's over all 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 2021-22.

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. DIRECTOR'S AND OFFICER'S 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 of Directors of the Bank.

H. COMPLIANCE OF LAWS

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

3. COMPOSITION OF COMMITTEES OF THE DIRECTOR AND THEIR ATTENDANCE AT THE MEETINGS AS ON 31ST MARCH, 2022

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.

The Bank has following Committees as of 31st March, 2022. 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
M. Narayanan (Chairperson)	Independent	12	12
Smt. Abarna Bhaskar	Independent	12	12
Narayanan Subramaniam (Upto 28.05.2021)	Independent	02	02
K. Vaidyanathan (Since 25.06.2021)	Independent	10	10
V N. Shivashankar (Since 25.06.2021)	Independent	10	10
Meeting date: 28.04.2021, 28.05.2021, 25.06.2021, 19.07.2021, 06.08.2021, 20.09.2021, 22.10.2021, 12.11.2021, 18.12.2021, 04.02.2022, 28.02.2022 and 22.03.2022			

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:

- a. Reviewing and redressing the complaints received from shareholders / Investor grievance mechanism and any other security holders with respect to transfer of shares, issuance of fresh share certificates, non receipt of dividends / dividend warrant, annual reports, non receipt of share certificates, etc.,
- b. Overseeing the Shareholders Services Mechanism of the Bank by obtaining quarterly report on Grievances and Redressal.
- c. Any other matters connected with 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
V.N. Shiva Shankar (Chairperson)	Independent	04	04
Narayanan Subramaniam	Independent	04	04
Dr. T. S. Sridhar	Independent	04	04
K. Vaidyanathan (Upto 28.04.2021)	Independent	01	01
Meeting date: 28.04.2021,19.07.2021,22.10.2021 and 04.02.2022			

Name and Designation of the Compliance Officer : Shri. V. Ramesh, 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	:	2
Disposed off during the year	:	2
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.

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.

Composition and meeting details:

Name of the Member Sarvashri	Category	No. of Meetings held during the tenure	Attendance
Smt. Abarna Bhaskar (Chairperson)	Independent	13	13
R. Mohan	Independent	13	13
Dr. N. Kamakodi	Executive	13	13
Narayanan Subramaniam	Independent	13	13
Meeting date: 28.04.2021,28.05.2021,25.06.2021,19.07.2021,06.08.2021,20.09.2021,24.09.2021, 22.10.2021, 12.11.2021,18.12.2021,04.02.2022,28.02.2022 and 22.03.2022			

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

Terms of reference - To review

- a. NPA in Domestic and Forex Credits with special thrust on accounts of ₹10 crore and above.
- b. Suit / Non-Suit and Technically written off accounts above ₹50 lakh.

- c. Fresh slippages during the quarter including quick mortality cases
- d. Recovery / account closed / regularized during the period
- e. Performance of NPA accounts sold to ARCs

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Composition and meeting details:

Name of the Member Sarvashri	Category	No. of Meetings held during the tenure	Attendance
V. N. Shiva Shankar (Chairperson)	Independent	04	04
Dr. N. Kamakodi	Executive	04	04
M. Narayanan	Independent	04	04
Dr. T.S. Sridhar	Independent	04	04
T. K. Ramkumar	Independent	04	04
Meeting date: 25.06.2021,20.09.2021,18.12.2021 and 22.03.2022			

V. Risk Management Committee

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

- a. To oversee the performance of Risk Management function in pursuance of the Risk Management Guidelines issued periodically by RBI & Board.
- b. Defining risk appetite, tolerance and to initiate risk mitigation techniques with the approval of the Board
- c. To review systems of Risk Management framework, compliance to identify, measure, control and report key risks and internal controls.
- d. To prepare framework for alignment of business strategy with the Board's risk appetite / directives / guidelines.
- e. To review the Asset Liability Management (ALM) of the Bank on regular basis.
- f. To decide the policy and strategy for Integrated Risk Management containing various risk

exposures of the Bank including the credit, market, liquidity, operational, reputation risk and other risks specified under Pillar II.

- g. To review risk return profile of the Bank, Capital Adequacy based on the risk profile of the Bank's Balance Sheet, Basel - II implementation, assessment of Pillar II risk under Internal Capital Adequacy Assessment Process (ICAAP), Business Continuity Plan and Disaster Recovery Plan, Key Risk Indicators and Significant Risk Exposures.
- h. To review the effectiveness of the Bank's internal control and risk management framework, in relation to its core strategic objectives, and to issue necessary directions thereon.
- i. To consider any major regulatory issues that may have bearing on the risks and risk appetite of the Bank.
- j. Any other functions as may be stipulated by SEBI, Ministry of Corporate Affairs, RBI, Stock Exchanges and any other statutory authorities from time to time.

Composition and meeting details:

Name of the Member Sarvashri	Category	No. of Meetings held during the tenure	Attendance
Narayanan Subramaniam (Chairperson)	Independent	04	04
R. Mohan	Independent	04	04
Dr. N. Kamakodi	Executive	04	04
Smt. Abarna Bhaskar	Independent	04	04
K. Vaidyanathan	Independent	04	04
Meeting date: 25.06.2021,20.09.2021,18.12.2021 and 28.02.2022			

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.

- 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.
- Provide guidance in improving the customer service level.

- 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.
- 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.
- Examine any other issues having a bearing on the quality of customer service rendered.
- Ensure implementation of directives received from RBI with respect to rendering services to customers of the Bank.
- 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	01	01
R. Mohan	Independent	01	01
Dr. N. Kamakodi	Executive	01	01
Narayanan Subramaniam	Independent	01	01
Meeting date: 28.02.2022			

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. 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.
- b. Carry out the performance evaluation of every Director
- c. Examine the vacancies that will come up at the Board on account of retirement or otherwise i.e., succession planning.
- d. Determine / 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. Identify persons who may be appointed in senior management and recommend to the Board of Directors as to their appointment and removal.
- f. Ensure Board diversity in terms of the Banking Regulation Act, 1949, the Reserve Bank of India guidelines, the Companies Act, 2013, SEBI Listing Regulations, 2015 etc., at all times.
- g. Any other functions as may be stipulated by SEBI, MCA, 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
K Vaidyanathan, (Chairperson) (Since 25.06.2021)	Independent	03	03
R. Mohan	Independent	04	04
M. Narayanan	Independent	04	04
Smt. Abarna Bhaskar	Independent	04	04
Meeting date: 28.04.2021,25.06.2021,12.11.2021 and 04.02.2022			

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 Rs. 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.

Composition and meeting details:

Name of the Member Sarvashri	Category	No. of Meetings held during the tenure	Attendance
T. K. Ramkumar (Chairperson)	Independent	05	05
Dr. N. Kamakodi	Executive	05	05
Smt. Abarna Bhaskar (upto 28.05.2021)	Independent	01	01
Narayanan Subramaniam (upto 28.05.2021)	Independent	01	01
M Narayanan (Since 25.06.2021)	Independent	04	04
Dr. T.S. Sridhar (Since 25.06.2021)	Independent	04	04
K.Vaidyanathan (Since 25.06.2021)	Independent	04	04
Meeting date: 28.05.2021,25.06.2021,20.09.2021,18.12.2021 and 22.03.2022			

IX. Compensation & Remuneration Committee

The Committee is constituted in accordance with SEBI Regulations and RBI guidelines.

- Formulate and review the Remuneration / Compensation Policy of the Bank as per the directions of RBI.
- Administer the Employee Stock Option Scheme of the Bank as formulated in SEBI (Share Based Employee Benefits) Regulation, 2014.
- Review of compensation to employees and executives including the Managing Director & CEO of the Bank.
- Recommend Remuneration including Variable Pay for MD & CEO of the Bank.
- Recommend 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, Ministry of Corporate Affairs, RBI, Stock Exchanges and any other 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	03	03
R. Mohan	Independent	03	03
Narayanan Subramaniam	Independent	03	03
T K Ramkumar	Independent	03	03
Meeting date: 25.06.2021, 22.10.2021and 04.02.2022			

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
T.K. Ramkumar (Chairperson)	Independent	04	04
R. Mohan	Independent	04	04
Dr. N. Kamakodi	Executive	04	04
M. Narayanan	Independent	04	04
Narayanan Subramaniam	Independent	04	04
V N. Shivashankar	Independent	04	04
Meeting date: 25.06.2021,20.09.2021,12.11.2021 and 03.02.2022.			

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 terms of reference 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.
- b. To decide on the outlay of funds for a period, based on the nature of project and 2% of average net profits of the Bank for last 3 financial years as per

Section 135 of the Companies Act, 2013 and, fund the 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 programmes 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.

Composition and meeting details:

Name of the Member Sarvashri	Category	No. of Meetings held during the tenure	Attendance
Dr. N. Kamakodi (Chairperson)	Executive	04	04
R. Mohan	Independent	04	04
T. K. Ramkumar	Independent	04	04
V.N. Shivashankar	Independent	04	04
Dr. T.S. Sridhar	Independent	04	04
K Vaidyanathan	Independent	04	04
Meeting date: 19.07.2021,20.09.2021,12.11.2021 and 04.02.2022.			

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
R. Mohan (Chairperson)	Independent	Nil	
Dr. N. Kamakodi	Executive		
M. Narayanan	Independent		
T.K. Ramkumar	Independent		
Dr. T.S. Sridhar	Independent		
Meeting date: The members did not meet during the year.			

XIII. Committee for Construction of Guindy Premises

During the year the Board of the Bank constituted a Special Committee (ad hoc) to oversee the construction activities of the proposed new building project at Guindy till its completion.

Composition and meeting details:

Name of the Member Sarvashri	Category	No. of Meetings held during the tenure	Attendance
R. Mohan	Independent	01	01
Dr. N. Kamakodi	Executive	01	01
M. Narayanan	Independent	01	01
T.K. Ramkumar	Independent	01	01
Dr. T.S. Sridhar	Independent	01	01
Meeting date: 28.04.2021			

Meeting of Independent Directors

The Independent Directors of the Bank met on 28th February, 2022, to discuss and review the following for the FY 2021-22:

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

- c. 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 meetings.

4. GENERAL BODY MEETINGS

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

Sl.No.	Date	Time	Venue	Special Resolutions considered there at
1.	19.08.2021	11:00 a.m.	As per MCA notifications dt.13.04.2021, 13.01.2021, 05.05.2020, 13.04.2020 and 08.04.2020 read with relevant SEBI circulars, meeting was conducted through Video Conferencing from CUB, Administrative Office, Kumbakonam-612001, Tamil Nadu.	<p>Resolution No.7 Re-appointment of Shri. M Narayanan as Independent Director.</p> <p>Resolution No.8 Issue of shares under Qualified Institutions Placement (QIP) route.</p> <p>Resolution No.9 Amendment to Memorandum of Association of the Bank.</p>
2.	14.08.2020	10:15 a.m.		<p>Resolution No.6 Issue of shares under Qualified Institutions Placement (QIP) route.</p> <p>Resolution No.7 To Issue Unsecured Perpetual Debt Instruments, Tier II Debt Capital Instruments on a Private Placement basis.</p>
3.	29.08.2019	10:00 a.m.	"Raya Mahal", 45-46, Gandhi Adigal Salai, Kumbakonam - 612001	<p>Resolution No.9 Re-appointment of Smt. Abarna Bhaskar as Independent Director.</p> <p>Resolution No.10 Issue of shares under Qualified Institutions Placement (QIP) route.</p> <p>Resolution No.11 Amendment to Articles of Association of the Bank.</p>

Whether any Special Resolution passed last year through Postal Ballot & Voting pattern details - NIL

Person who conducted Postal Ballot exercise - NA

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. weblink:

https://www.cityunionbank.com/downloads/documents/CUB_Related_Party_Transaction.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 Stock Exchanges, RBI and SEBI / other regulatory authorities on any such matter during last three years.

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 / compliant was received in this regard during FY 2022.

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 2022 and the same has been reported to concerned stock exchanges within due timelines.

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 2021 the Bank has not raised any funds either through Preferential Allotment or Qualified Institutions Placement (QIP).

I. CERTIFICATE UNDER REGULATION 34(3) OF SEBILISTING 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, Trichy, 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 ₹60.00 lakhs towards Audit services for FY 2022 (including certification fee) besides a remuneration of ₹6.82 lakhs towards branch audit, ₹ 8.68 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 the financial year : Nil

No. of Complaints received during the financial year : 3

No. of Complaints disposed during the financial year : 3*

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

** Out of 3, 2 complaints have been duly resolved and 1 complaint was withdrawn by the complainant.*

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 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 (weblink:

https://www.cityunionbank.com/downloads/documents/CUB_Code_of_Conduct.pdf

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.

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. Sundaram & Srinivasan, Chartered Accountants, Chennai is furnished at the end of this report.

8. MEANS OF COMMUNICATION

A. QUARTERLY RESULTS

The Bank's quarterly results 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:

Tamil Newspapers	: Dinamalar / Daily Thanthi / Dinakaran / The Hindu
National English Newspapers	: Business Line / Economic Times / Financial Express / Business Standard

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.

10. GENERAL SHAREHOLDER INFORMATION

Date, Time and Venue of AGM	18 th August, 2022 11:00 a.m. The meeting will be held through Video Conferencing (VC) / Other Audio Visual Means (OAVM) as per relevant MCA notification dated 13th January, 2021 together with earlier notification. Further details are set out in the Notice calling this AGM.
Financial Year	1 st April, 2021 to 31 st March, 2022
Dividend Payment Date (FY 2022)	On or after 23rd August, 2022
Registrar and Transfer Agent	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:corpser@integratedindia.com
Bank's Address for Correspondence	CITY UNION BANK LIMITED 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

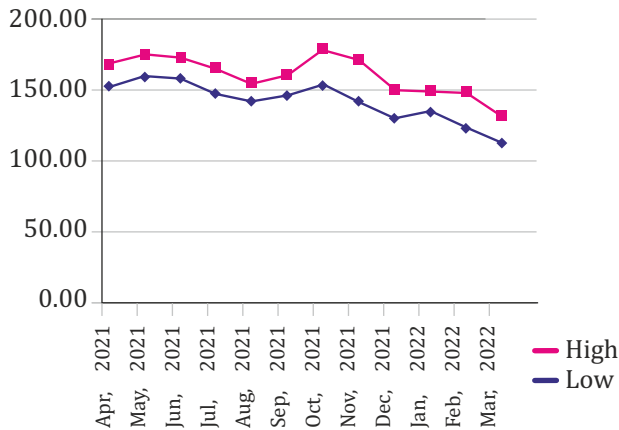
Company Secretary & Compliance Officer	Shri. V. Ramesh	CSR Initiatives
Joint Statutory Central Auditors	M/s. Jagannathan & Sarabeswaran, Chartered Accountants, Chennai and M/s. K Gopal Rao & Co., Chartered Accountants, Chennai	
Listing on Stock Exchange and ISIN	<p>The shares of the Bank are listed at:</p> <ol style="list-style-type: none"> 1. BSE Ltd., Scrip Code - 532210 Address : Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001 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. <p>The annual listing fees payable to the Stock Exchanges for the Financial Year 2021-22 have been paid.</p> <p>ISIN : INE491A01021</p>	Statutory Reports
Commodity Price Risk or Foreign Exchange Risk and Hedging Activities	The details are given under "Other disclosures" Sl. No.5 of this report.	Financial Statements
Plant Operations	The Company being a Banking entity, disclosure on plant operations is not applicable.	List of Branches
Credit Rating	<ol style="list-style-type: none"> 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. b. CRISIL A1+" (CRISIL A One Plus) rating from CRISIL to the Certificate of Deposit Programme of the Bank 	Basel III

- 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.

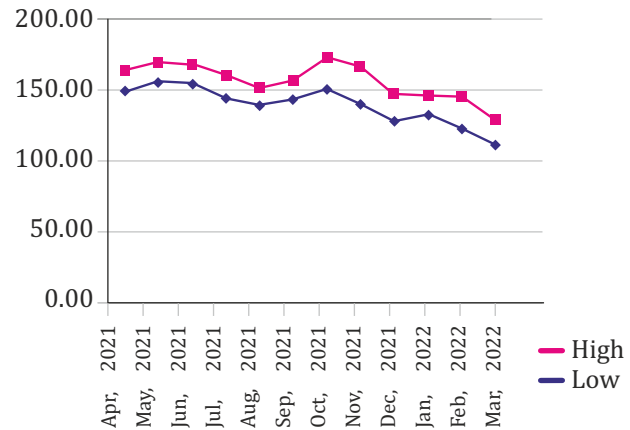
ii. Market Price Data : Low / High during each month of the Financial Year 1st April, 2021 to 31st March, 2022

Month	BSE		NSE	
	Low	High	Low	High
Apr, 2021	155.00	171.70	155.05	171.70
May, 2021	162.10	179.60	162.05	180.00
Jun, 2021	161.10	177.35	161.00	177.40
Jul, 2021	148.60	168.70	148.50	168.80
Aug, 2021	142.75	157.30	142.55	157.30
Sep, 2021	147.00	163.80	147.00	163.95
Oct, 2021	155.85	183.65	155.70	183.95
Nov, 2021	142.95	175.30	142.80	175.30
Dec, 2021	129.00	152.00	128.70	151.90
Jan, 2022	134.65	150.45	134.65	150.55
Feb, 2022	122.20	149.00	121.45	149.05
Mar, 2022	108.60	130.55	109.00	130.65

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 2021-22



b. Performance of the Bank's Equity shares as compared with BSE Sensex indices during FY 2021-22



11. DISTRIBUTION OF SHAREHOLDING

(a) Share Distribution Schedule as on 31st March, 2022

Sl. No.	Category (No. of shares)	No. of Holders	% of Holders	No. of Shares	% to Share Capital
1.	1 - 500	1,23,732	78.30	1,30,80,737	1.77
2.	501 - 1000	11,113	7.03	84,14,692	1.14
3.	1001 - 2000	10,312	6.53	1,51,88,508	2.05
4.	2001 - 3000	3,022	1.91	74,70,900	1.01
5.	3001 - 4000	2,246	1.42	78,23,561	1.06
6.	4001 - 5000	1,275	0.81	58,38,188	0.79
7.	5001 - 10000	2,767	1.75	1,97,72,166	2.67
8.	10001 & above	3,547	2.24	66,19,96,161	89.51
TOTAL		1,58,014	100.00	73,95,84,913	100.00

(b) Shareholding Pattern as on 31st March, 2022

Sl. No.	Category	No. of Shares	% of Shares
1	MUTUAL FUND	22,65,61,549	30.63
2	FOREIGN PORT FOLIO INVESTORS	13,40,06,935	18.12
3	INSURANCE COMPANY	4,98,62,802	6.74
4	TRUST	1,85,973	0.03
5	ALTERNATIVE INVESTMENT FUND	47,72,654	0.65
6	NON RESIDENT INDIAN NON REPATRIABLE	37,91,329	0.51
7	NON RESIDENT INDIANS	27,49,673	0.37
8	CLEARING MEMBER	27,72,174	0.37
9	INDIAN FINANCIAL INSTITUTIONS	2,36,49,492	3.20
10	BANK	6,050	0.00
11	BODIES CORPORATE	2,04,96,412	2.77
12	DIRECTORS	35,20,326	0.48
13	RELATIVES OF DIRECTORS	1,96,64,896	2.66
14	RESIDENT INDIAN & HUF	24,51,77,006	33.15
15	NBFC	40,771	0.01
16	IEPF	22,33,220	0.30
17	LIMITED LIABILITY PARTNERSHIP	93,651	0.01
Total		73,95,84,913	100.00

Note : 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 to monitor the share transfer process. As per SEBI circular all share transfers shall only take place in demat mode with effect from 01st April 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 Practicing 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.

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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 st April, 2021	5	3048
2.	No. of shareholders who approached the issuer for transfer of shares from the unclaimed suspense a/c during FY 2021-22	3	879
3.	No. of shareholders to whom shares were transferred from the unclaimed suspense a/c during FY 2021-22	0	0
4.	Aggregate No. of shareholders and the outstanding shares lying in the unclaimed suspense a/c at 31 st March, 2022	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/about-cub/unclaimed-dividend>

In light of the aforesaid provisions, the details of unclaimed dividends and shares transferred to IEPF during FY 2022 are as follows:

Financial Year	Amount of unclaimed dividend transferred	Number of shares transferred
2013 - 14	53,31,274	217,604

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 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
2020-21 (F)	13,11,147.80	19.08.2021	23.09.2028
2020-21 (I)	20,00,461.40	28.05.2021	03.07.2028
2019-20 (I)	47,15,215.00	19.03.2020	24.04.2027
2018-19	30,14,476.50	29.08.2019	04.10.2026
2017-18	25,42,468.80	01.09.2018	06.10.2025
2016-17	22,44,920.00	23.08.2017	28.09.2024
2015-16 (F)	16,29,886.00	22.08.2016	27.09.2023
2015-16 (I)	60,71,184.00	12.03.2016	17.04.2023
2014-15	55,37,020.00	24.08.2015	29.09.2022

15. DEMATERIALISATION OF SHARES

The paid up capital of the Bank as on 31st March, 2022 is 73,95,84,913 which is duly listed in the stock exchanges NSE and BSE. Out of this 72,66,86,722

shares (98.26%) are held in De-mat mode and 1,28,98,191 shares (1.74%) in physical form.

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 31st March, 2022.

Date: 02nd May, 2022
Place: Kumbakonam

Dr. N. Kamakodi
DIN: 02039618
Managing Director & CEO

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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 2021-2022 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 31st March, 2022

Sl. No.	Name of the Director as per DIN	DIN	Date of appointment in 'the listed entity'	Designation and remarks if any
1	RAMABADRAN MOHAN (*)	06902614	28-06-2014	Independent Director - Chairman
2	NARAYANAN KAMAKODI	02039618	01-05-2011	Managing Director
3	NARAYANAN SUBRAMANIAM	00166621	20-06-2017	Independent Director
4	MAHALINGAM NARAYANAN (**)	00682297	03-05-2016	Independent Director
5	SHIVASHANKAR NARAYANAN VELLUR	00929256	07-02-2018	Independent Director

(*) Mr. Ramabadrans Mohan (DIN 06902614) laid down the office of Part-time Chairman with effect from 03-05-2022 and continues as an Independent Director.

(**) Mr. Mahalingam Narayanan (DIN 00682297) Independent Director designated as Part-time Chairman with effect from 04-05-2022.

Sl. No.	Name of the Director as per DIN Sarvashri	DIN	Date of Appointment in the Company	Designation and remarks if any
6	THIRUVALIANGUDI SRINIVASAN SRIDHAR	01681108	07-02-2018	Independent Director
7	ABARNA BHASKAR	06971635	25-10-2014	Independent Director - Women Director
8	VAIDYANATHAN KALYANASUNDARAM	07120706	03-05-2019	Independent Director
9	TIRUKKARUGAVUR KRISHNAMOORTHY RAMKUMAR	02688194	17-06-2019	Independent 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

Place: Tiruchirappalli

Date : 26th May, 2022

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***CERTIFICATION BY
THE CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER***

We hereby certify that for the financial ended 31st March, 2022, 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 31st March, 2022 which is fraudulent, illegal or violative of the Bank's code of conduct.
4. We accept responsibility for establishing and maintaining internal controls for financial reporting.

Place: Kumbakonam
Date : 27th May, 2022

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.
 - (c) there have been no instances of significant fraud of which we have become aware and the involvement therein, 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/-

V. Ramesh
Chief Financial Officer

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 31st March, 2022, 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. K. Gopal Rao & Co.,**
Chartered Accountants
(Firm No. 000956S)

Madan Gopal Narayanan
Partner

M.No. : 211784
UDIN : 22211784AKJOWK9823

Place: Kumbakonam
Date : 27th May, 2022

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- SOCIAL MEDIA BANKING
- WALLET
- INSTA LOAN
- DEBIT AND CREDIT CARD
- POS

City Union Bank wishes you all a Happy Independence Day

For assistance, Call our 24 x 7 Customer Care at 044-7122 5000
To Download CUB eWallet, give a missed call to - 92781 77555

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

ECONOMIC SCENARIO

Global

In the beginning of the year 2022 the World was emerging out of the pandemic which had ravaged the globe for the past two years. However the global economy was once again exposed to turbulence with the emergence of the Russia-Ukraine war, followed by sanctions on Russia by the Western Allies, escalating geopolitical tensions. This has crippled the financial architecture with the Russian banks not participating in International Payment and Settlement systems. The expected positive benefits from the declining Omicron wave has been offset by these adverse political developments. Global commodity and financial markets have been rattled considering the major share of the two warring economies Russia and Ukraine in Global production and exports of key commodities like oil, wheat, corn, natural gas, aluminium, fertilizers, edible oils, nickel etc. Woefully the war situation has been exacerbated at a time when the world economy is grappling with a sharp rise in inflation and monetary policy stabilization in advanced western economies.

The Brent crude price crossed US\$130 per barrel on March 08, 2022 its highest level since 2008 economic crisis and has been hovering in the range of US\$100-120 since then. Gold prices crossed US\$2000 per ounce on safe haven demand before some correction. Global food & commodity prices have been at an all time high since February 2022 and are expected to harden further due to supply disruptions caused by the war. The global economy continues to grapple with multi-decadal high inflation and slowing growth, persisting geopolitical tensions and sanctions, elevated prices of crude oil and other commodities and lingering COVID-19 related supply chain bottlenecks. The resurgence of COVID-19 pandemic in some major economies such as China and Korea in March 2022 and the associated lockdowns has further aggravated the global supply bottlenecks and input cost pressures severely impacting the world trade once again.

India

In India, the real GDP rose by 8.9% in 2021-22 as per estimates revised by the National Statistical Office (NSO) on February 28, 2022 which is 1.8% above the pre-pandemic level (2019-20). The private consumption and fixed investment- key drivers of domestic demand

continued to remain subdued with these components at 1.2% & 2.6% respectively above their pre-pandemic levels. On the supply side, real gross value added (GVA) rose by 8.3% in 2021-22 with its major components including services exceeding pre-pandemic levels.

During 2021-22, weakness in economic activity resurfaced in Q3 and aggravated further due to the emergence of the Omicron variant in January 2022. There was a gradual turnaround in February and March 2022 with an increase in Urban demand for domestic air traffic due to ease in restrictions. Passenger vehicle sales which remained subdued for the better part of the year improved in February 2022. Several high frequency service sector parameters such as railway freight, GST Collections, toll collections, electricity and fuel consumption and import of capital goods showed a robust year-on-year expansion in February-March 2022. Merchandise exports remained buoyant and clocked double digit growth in March 2022 and reached US\$417 billion in 2021-22 surpassing the target of US\$400 billion. Foodgrains production touched a new record in 2021-22, with both kharif and rabi output surpassing the estimates for 2020-21 as well as the targets for 2021-22. On the food price front, a likely record Rabi crop harvest would help to keep the domestic prices of cereals and pulses in check. Global factors such as the loss of wheat supply from the Black sea region and the high international prices of wheat could impact the domestic wheat prices. Feed cost pressures are likely to continue due to supply shortages and this can have a spillover impact on poultry, milk and dairy product prices. Capacity utilization in the manufacturing sector recovered to 72.4 percent in Q3 2021-22 surpassing the pre-pandemic level of 69.9 per cent in Q4-2019-20. On the positive front India's foreign exchange reserves increased by US\$30.3 billion to US\$607.3 billion in 2021-22. Even though, in the beginning of the FY 2023 there was a marginal drop to US\$ 606.5 billion, the overall external sector indicator remains healthy. Going forward with the government's thrust on capital expenditure along with initiatives such as Production Linked Incentive (PLI) scheme, will augment the private investment activity and improve capacity utilization in 2022-23. Taking all these factors into consideration the real GDP growth for FY 2022-23 is projected at 7.2% with Q1 at 16.2%, Q2 at 6.2%, Q3 at 4.1% and Q4 at 4.0%.

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MONETARY POLICY AND INTEREST RATES

The Monetary Policy Committee ("MPC") of the Reserve Bank of India (RBI) is of the view that since February 2022, the escalating Global geopolitical tensions, hardening of global commodity prices, dislocations in trade and capital flows, supply chain disruptions, and volatility in global financial markets are contributing to inflationary pressures and negatively impacting domestic growth. In March 2022 headline CPI inflation surged to 7.00 percent from 6.1 percent in February 2022 largely reflecting the impact of geopolitical spillovers. Heightened uncertainty surrounds the inflation trajectory, which is heavily contingent upon the evolving geopolitical situation. The MPC met thrice between April 2022 to June 2022 and initiated various measures.

Following measures were taken at its Monetary Policy Statement on April 08, 2022:

- Policy rate kept unchanged at 4 per cent
- Bank rate and Marginal Standing Facility rate kept unchanged at 4.25 per cent
- Standing Deposit Facility rate kept at 3.75 per cent

The MPC at its second meeting held on May 04, 2022 took the following decisions:

- Policy repo rate increased by 40 basis points to 4.40 per cent
- Bank rate and MSF rate increased to 4.65 per cent
- Standing Deposit Facility (SDF) adjusted to 4.15 per cent

On the basis of assessment of the current and evolving macroeconomic situation, the MPC in its meeting held on June 08, 2022, announced the following measures:

- Policy Repo rate increased by 50 basis points from 4.40% to 4.90% under liquidity adjustment facility.
- Bank Rate and Marginal Standing Facility rate (MSF) increased to 5.15% from 4.65% respectively.
- Standing Deposit Facility (SDF) stands adjusted to 4.65% from 4.15%
- SDF to replace the fixed rate reverse repo (FRRR) as the floor of the LAF corridor

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 growth.

Against the above background, the bank's Treasury Operations are as under:

DOMESTIC TREASURY

The gross Investment increased by ₹2,771 crores to ₹12,294 crores as on 31st March 2022 from ₹9,523 as on 31st March 2021. Out of this, the investments in Government bonds alone remained at ₹12,137 crore constituting 98.72% of the total investment. The Non-SLR investments declined by ₹33 crore mainly on account of collection and recovery received from Security Receipts. In first half of financial year, yields were range bound as Regulator kept the system in surplus liquidity and through conducting Government Securities Acquisition Programme (GSAP). In the second half, withdrawal of GSAP programme and with subsequent high borrowing in FY23 budget led the yields to spike. Towards the end of financial year global uncertainties clouded the market with high inflation and commodities prices started to drag the global growth. During the year, the Bank utilized the volatile yield movements to some extent and through timely sale of securities booked profit to the tune of ₹62.10 crores.

FOREX TREASURY

During the financial year 2021-22, Indian Rupee weakened against USD by 3.21%. Indian rupee against USD opened at ₹73.42 and closed at ₹75.78 as on March 31, 2022. Major reasons attributed for weaker rupee were hawkish Fed amid rising inflation, persistent surge in crude oil price, rising bond yields and weak risk appetite. During the fourth quarter of the FY 2021-22 outbreak of the war between Ukraine and Russia impacted the local currency and favoured US dollar. The intervention of the RBI at timely intervals reduced the pace of the depreciation of the Rupee. The Central Bank's reserves during the FY grew by 7%. During the FY 2021-22, profit on our foreign exchange operation stood at ₹194.74 crores as against ₹91.91 crores during the previous financial year.

Commodity Price Risk or Foreign Exchange Risk and Hedging Activities

For managing foreign exchange risk, the bank has an 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 forward contracts only for hedging and is

not active in any of the other derivative products. The Bank has no exposure in commodity and hence there is no commodity price risk.

NOTABLE UPDATES IN BANKING INDUSTRY

The RBI in its Statement on Developmental and Regulatory Policies dated April 08,2022 initiated various measures. The notable among them are as follows:

- | Rationalisation of Risk weights for Individual Housing Loans by linking them to (LTV) Loan to Value ratios for all new housing loans sanctioned till March 31,2022 to continue for all new housing loans sanctioned up to March 31,2023
- | Restoration of the Symmetric LAF Corridor- With a view to fully restore the pre-pandemic liquidity management framework of February 2020 and in view of the return of normalcy to financial markets, RBI has decided to restore the width of the LAF corridor to its pre-pandemic level. The implementation of SDF facility (Standing Deposit Facility) at 3.75%, Policy repo rate at 4% and MSF rate at 4.25% , the width of the LAF corridor is restored to its pre pandemic configuration of 50 basis points.
- | SLR Holdings in HTM category- RBI has increased the limits under Held to Maturity (HTM) category from 19.5% to 22% of net demand and time liabilities (NDTL) in respect of SLR eligible securities acquired from 01-09-2020 to 31-03-2022. With a view to enable banks to better manage their investment portfolio in FY 2022-23, the limit for inclusion of SLR eligible securities in HTM category has been enhanced to 23 % of NDTL upto March 31,2023.
- | The Financial Sector is undergoing a dramatic transformation due to rising customer base of the banks, advent of digital products, technology platforms, and innovations in payment systems. Accordingly RBI has decided to constitute a Committee for Review of Customer Service Standards in RBI Regulated Entities to ensure adequacy of customer service regulations and formulate measures to improve the standards of customer service.
- | The setting up of a National Asset Reconstruction Company Limited (NARCL) and India Debt Resolution Company limited (IDRCL) by RBI, and the amendment

of the Deposit Insurance and Credit Guarantee Corporation (Amendment) Act will help in alleviating the financial stress on commercial banks. NARCL will be an additional mechanism for resolution of large stressed assets, complementing the activities of existing asset management companies.

- | As part of Financial Inclusion program 1.5 lakh post offices are proposed to come to the core banking system (CBS). 75 Digital Banking Units (DBUs) are proposed to be set up in 75 districts of the country by Scheduled Commercial Banks (SCBs)
- | The Central Government has set up a committee to examine the policy and legal framework for the regulation of virtual/crypto currencies and setting up of the CBDCs (Central Bank Digital Currency) in India. As announced by the Finance Minister, the Digital rupee will be introduced by RBI starting in 2022-23, using blockchain and other technologies. This will propel India to an elite community of nations and major economies having its own sovereign digital currency.
- | Special incentives have been announced in the Budget to promote the use of economical and user -friendly payment platforms along with the development of the Digital payment ecosystem. As part of its efforts to accelerate and widen the reach of Digital Banking services, the concept of "Digital Banking Units" (DBU's) has been introduced by RBI and guidelines have been framed for setting up of DBU's by Scheduled Commercial Banks based on the recommendation of Working Group set up RBI along with Indian Bank's Association (IBA)
- | The Digital Banking Unit would serve as a specialized business hub for delivering digital banking products and services in both self service and assisted mode in an efficient and paperless environment.
- | The Reserve Bank of India recently released " Payments Vision 2025 which is the core theme of E-Payments for Everyone , Everywhere, Everytime (4Es) and aims to provide every user with safe, secure, fast, convenient, accessible and affordable e-payment options. It has been prepared after considering the inputs from various stakeholders and guidance from the Board for Regulation and Supervision of Payment

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and Settlement Systems of the RBI. The activities to be taken up as part of Vision 2025 are captured across five anchor goalposts of Integrity, Inclusion, Innovation, Institutionalisation and Internationalisation.

YOUR BANK'S PERFORMANCE

The Financial Year FY2021-22 was largely affected by the Covid-19 pandemic & in the last Quarter by the Russia-Ukraine war. Your Bank recorded a reasonable growth rate during the year. Despite the various challenges, our Bank was able to post an 9% growth in its total business, with Deposits growing by 7% to 47,690 crores and Advances growing by 11% to 41,156 crores. The total business of the Bank as on 31st March, 2022 stood at ₹88,846 crores.

Financial Performance

The performance of the Bank during the financial year ended 31st March, 2022 remained stable with the Total Income of the Bank at ₹ 4,863.86 crore as compared to ₹4,823.45 crore last year. The Net Interest Income stood at ₹ 1,916.49 crore as compared to ₹ 1,829.66 crore during the previous year recording a growth of 5%.

As on March 31, 2022, the Deposits of the Bank increased to ₹ 47,689.67 crores as compared to ₹ 44,537.36 crores as at March 31, 2021 registering a growth of 7%. The total CASA deposits grew by 20% from ₹ 12,981.44 crores last year to ₹15529.36 crores in FY 2021-22. The proportion of CASA to total deposits was at 33 % as on March 31, 2022 against 29% last year. The cost of deposits reduced to 4.68% in FY 2022 against 5.36% for FY 2021.

The Gross Advances of the Bank increased by ₹ 4135 crores to ₹ 41,156.01 crores from ₹ 37,020.55 crores, posting a growth of 11% in FY 2021-22. The Net Interest Margin (NIM) of the Bank stood at 3.98% for the year ended March 31, 2022 as against 4.00% in the previous year. The yield on advances declined to 9.36% from 9.91% during the financial year on account of reduction allowed to borrowers due to Covid situation & also due to competition. Other income earned for the financial year

ended March 31, 2022 has improved to ₹ 759.08 crore from ₹ 688.77 crore last year registering a growth of 10% mainly on account of treasury income & Income received from Suit Filed accounts.

The investment of the bank rose to ₹ 12,294.26 crores in FY 2022 against ₹ 9,523.23 crores in FY 2021. During FY 2022, operating expenses increased by 3% to ₹ 1,080.26 crores from ₹1,050.59 crores in FY 2021. The staff expenses increased from ₹ 463.72 crores last year to ₹ 503.60 crores in FY 2022. As on March 31, 2022, the total number of Branches was 727 & the total number of ATM's were 1,732. The other operating expenses decreased marginally from ₹ 586.87 crores to ₹ 576.66 crores. The cost to Income ratio decreased to 40.37% for the year ended March 31, 2022 as against 41.72% in the previous year ended March 31, 2021

The Bank has recorded a growth of 9% in Operating Profit from ₹1,467.84 crores in FY 2020-21 to ₹ 1,595.31 crores in FY 2021-22. The operating profit to NII constitutes 83.24%. The total provisions for FY 2022 decreased to Rs 835.15 crores from ₹ 875.02 crores in FY 2020-21 mainly on account of reduction in slippages. Tax provision increased to ₹ 225 crores in FY 2022 as against ₹100 crores last year on account of increase in profit. The provision for NPA decreased to ₹ 553.50 crores in FY 2022 as against ₹ 599 crores in FY 2021. The Bank recorded a Net Profit of ₹760.16 crores as on March 31, 2022 as against ₹ 592.82 crores in March 31, 2021 registering a growth of 28%.

Return on Assets of the Bank for the FY 2022 stands at 1.35% and Return on Equity was at 12.31%. The basic earnings per share stood at ₹ 10.29 per share as compared to ₹ 8.03 per share last year.

BRANCH EXPANSION

Our Bank did not go for big branch expansion last year due to Covid 19 pandemic issues. This year it expanded on a small scale and added 25 branches totalling 727 as on 31st March, 2022. The total number of ATMs stood at 1732 (includes 789 Bulk Note Recycler Machines (BRM) which performs the job of accepting and dispensing cash).

Operational Performance

The incremental growth in the operational performance of the Bank and key percentages are as follows :

Particulars	FY 2022	FY 2021
Deposits (₹ in cr)	3,152.31	3,704.87
Gross advances (₹ in cr)	4,135.46	2,444.38
Net Interest Income (₹ in cr)	86.83	154.47
Number of Branches (in Nos.)	25	2

Particulars	FY 2022	FY 2021
Cost of Deposits (%)	4.68%	5.36%
Yield on Advances (%)	9.36%	9.91%
Total Yield on Investments (%)	5.71%	5.86%

Segmentwise Performance

A. Deposits of the Bank comprise of the following :

Sl. No.	Particulars	FY 2021-22		FY 2020-21	
		Amount (₹ in crore)	Percentage to total (%)	Amount (₹ in crore)	Percentage to total (%)
1.	Demand Deposit	4,619.26	9.69	3,753.72	8.43
2.	Savings Deposit	10,910.10	22.88	9,227.72	20.72
3.	Term Deposit	32,160.31	67.43	31,555.92	70.85
	Total	47,689.67	100.00	44,537.36	100.00

B. Investments of the Bank consist of the following :

Sl. No.	Particulars	Amount (₹ in crore)	Percentage to total (%)
1.	Government Securities	12,136.50	98.72
2.	Other Approved Securities	NIL	NIL
3.	Shares, Debentures / Bonds and Mutual funds	65.85	0.53
4.	Security Receipts	91.69	0.74
	Investments in India	12,294.04	99.99
5.	Investments in Equity Shares of SWIFT (Investment outside India)	0.22	0.01
	Total Investments	12,294.26	100.00

The total investments stood at ₹ 12,294.26 crores as at 31st March, 2022 against ₹ 9,523.23 crores as at 31st March, 2021.

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		Gross Profit (₹ in crore)	Percentage to total (%)
	FY 2022	FY 2021		
Treasury	892.54	929.60	513.06	32.16
Corporate Banking	1,013.96	1,137.00	356.28	22.33
Retail Banking	2,917.35	2,729.50	692.41	43.41
Other Banking Operations	40.01	27.09	33.56	2.10
Total	4,863.86	4,823.19	1595.31	100.00

ASSET QUALITY AND LOAN COMPOSITION

A. Asset Quality

The Gross NPA as at March 31, 2022 increased to ₹ 1,933 crore as against ₹1,893 crores in FY 2021. However the percentage of Gross NPA has decreased from 5.11% in 2021 to 4.70% in FY 2022. The Net NPA stands increased to ₹ 1,191 crore in FY 2022 as against ₹ 1075 crores in FY 2021. However the Net NPA percentage has marginally decreased from 2.97% in 2021 to 2.95% in 2022. The Provision coverage was 64% as at March 31, 2022 (Previous year 64%).

Priority Sector Advances increased to ₹ 25,484.08 crores as on March 31, 2022 as compared to previous year amount of ₹20,651.21 crores. The total agricultural advances increased to ₹7,300.41 crores as on March 31, 2022 against ₹4,816.20 crores as on

March 31, 2021. During the year the bank had achieved all its targets / sub-targets as specified by RBI on Priority Sector Lendings.

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 ₹ 41,156.01 crores as at 31st March, 2022 of which ₹ 9,294.20 crores were directed to major industries and ₹ 31,861.81 crores to other sectors. There has been a greater emphasis on Advances to MSME Sector by RBI & Government of India. As of March 31, 2022 our total credit to MSMEs amounts to ₹16,071.39 crores which constitute around 39% of Total Advances.

A comparative position of Bank's Industrial & Sectoral Deployment portfolio is set out here under.

Industry Name	Amount (₹ in cr.)		% to Total Advances	
	31 st March, 2022	31 st March, 2021	31 st March, 2022	31 st March, 2021
Major Industries	9,294.20	8,445.24	22%	23%
Textile	4,205.64	3,896.91	10%	11%
Metal	1,698.06	1,519.04	4%	4%
Paper & Paper Products	585.76	689.02	2%	2%
Food Processing	472.43	258.05	1%	0%
Chemicals	433.44	388.57	1%	1%
Rubber & Plastics	395.35	430.43	1%	1%
Engineering	605.07	567.37	1%	2%
Automobiles	192.18	215.08	0%	1%
Other Industries	706.27	480.77	2%	1%
All other Advances				
(Agri., Trade Service, Gold Loan etc.)	31,861.81	28,575.31	78%	77%
TOTAL	41,156.01	37,020.55	100%	100%

Sectoral Deployment

Sector	Amount (₹ in cr.)		% to Total Advances	
	31 st March, 2022	31 st March, 2021	31 st March, 2022	31 st March, 2021
Agriculture	7,300.41	4,816.19	18%	13%
MSME	16,071.39	14,644.03	39%	39%
Large Industries	656.33	678.08	2%	2%
Retail Traders	1,238.46	582.74	3%	2%
Wholesale Traders	3,683.61	4,655.13	9%	13%
Commercial Real Estate	3,035.50	2,536.04	7%	7%
JL Non Agriculture	3,174.96	3,460.10	8%	9%
Housing Loans	1,998.67	2,101.58	5%	6%
Other Personal Loan	934.49	802.90	2%	2%
Loans Collateralized by deposits	687.07	535.52	1%	1%
Infrastructure	348.41	313.64	1%	1%
NBFC	417.98	251.76	1%	1%
Others	1,608.73	1,642.84	4%	4%
TOTAL	41,156.01	37,020.55	100%	100%

OPPORTUNITIES AND THREATS

Presently our bank has a network of 727 branches of which 644 branches are in Southern States which constitutes around 89% of the total branch network and 83 branches in other states. It has 495 branches in Tamil Nadu constituting about 68% of its total branch network. Moreover the bank has also enlarged its presence in the Northern states in recent times and is aiming to achieve a broader Pan India presence. The concept of Digital Banking which has gained increased momentum during the time of the pandemic would continue to add up numbers in the growth of the Bank. The RBI has released guidelines on setting up of Digital Banking Units (DBU's) by Scheduled Commercial banks w.e.f April 07,2022. The DBU would serve as a specialized unit offering Digital banking services provided by a licensed bank through electronic devices, mobile phones and other digital channels. The DBU's would serve as a new window of opportunity to scheduled commercial banks to expand their Retail banking space and tap new and young customers with innovative digital products. As part of the 75th year of Independence under the "Azadi ka Amrit Mahotsav" 75 Digital banking units (DBU) is being set up in 75 districts by Scheduled Commercial Banks.

The Retail Banking space is facing a tough competition and 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 millennial do not patronize any particular bank but are quick to switch over their banking and investments to a new bank which offer better services and tailor made products to suit their requirements. The Bank during the year 2022 had launched "5 New Current Account Products" in lieu of the existing products, exclusively to tap the New generation entrepreneurs and startups. The category of 5 New Current Accounts is as follows

- | Start-Up CA
- | Regular CA
- | Silver CA
- | Gold CA for existing general CA customers
- | Platinum CA for existing CUB Classic CA customers

Our Bank also launched the CUB Video KYC facility for opening Salary Savings Account to tap new salaried

customers with a focus on attracting young professionals. Continuing with its Digital Thrust our Bank also launched two new Digital products "CUB Keychain Debit card & CUBFIT Watch Debit Card" not only for its existing customers but also for Non-Customers of the bank. The products are attractively priced and therefore would go a long way in drawing new Customers to the bank. CUB EASY Pay Keychain is a wearable payment device which allows customers to tap and pay purchases on merchant - POS (Point of Sale Terminals) linked to CUB Accounts, authenticated by PIN entry for an amount upto ₹5,000/-.

Our Bank has partnered with GOQii, one of the top smart health fitness brands in India to offer CUBFit Watch Debit card. It has also the features of a registered health tracker to monitor vitals like Heart rate Variability, O2 levels, Body Temperature, Blood Pressure and track activities. The attractive feature is that it enables contactless payments for purchases at all the participating stores. It needs a special mention that City Union Bank has received the "Banking Finnoviti Awards" for UPI 123 Pay at the Finnoviti Conference and Awards 2022 held in Mumbai on May 05, 2022.

The Emergency Credit Linked Guarantee Scheme (ECLGS) which was introduced by the Central Government on June 28, 2021 provides 100% guaranteed coverage to Banks for extending emergency credit to businesses affected by the pandemic to meet their working capital requirements. The overall outstanding balance of borrowers who availed ECLGS as on 31.03.2022 is ₹14,366 crore as against ₹13,644 crore as on 31.12.2021. The ECLGS portion on the same as on 31.03.2022 is ₹ 2,656 crore as against ₹ 2,626 crore as on 31.12.2021. The overall SMA1 & SMA 2 portion as on 31.03.2022 was ₹ 213.95 crore (1.49%) and ₹ 68.41 crore (0.48%) respectively.

The RBI in its Statement on Developmental and Regulatory Policies dated June 08, 2022 enhanced the limit for Individual Housing Loans by Tier 1 & Tier II Cooperative Banks. The limit stands revised to ₹ 70 lakh & ₹ 140 lakh respectively. As regards Rural Cooperative Banks (RCBs) the limits stand increased to ₹ 50 lakh with networth less than ₹ 100 crore and to ₹ 75 lakh for other RCBs. The RBI has also permitted State co-operative Banks and District Central Co-operative Banks to extend finance to Commercial Real Estate- Residential Housing (CRE-RH) within the aggregate housing finance limit of 5

per cent of their total assets considering the growing need for affordable housing in the country. 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 would lead to lot of competition in the retail banking space leading to 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.

RISK MANAGEMENT

The Bank is exposed to a variety of risks notably, Credit Risk, Market Risk and Operational Risk. The main objective of risk management department is to strike a proper balance between risk and return, and it operates within the Board approved risk policy, which is communicated to all the departments. The identification, measurement, monitoring and management of risks remain 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

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 implemented in toto. 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.

The Bank is BASEL II compliant since 31st March, 2009. 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. 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 been maintained a CRAR of 20.85% as on 31st March 2022 which is more than the minimum 11.50% as prescribed by RBI.

The Bank presently adopts Standardized Approach for Credit Risk, Standardized Duration Approach for Market Risk and Basic Indicator Approach for Operational Risk. Necessary initiatives are being taken for moving over to advanced approaches under BASEL III. The Risk Management Department of the Bank effectively functions to measure, monitor and control all risks paving way for effective Enterprise-wide Risk Management.

As regards, the 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 2023, 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.

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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 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)

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. Inspection and Audit Policy
8. Internal Capital Adequacy Assessment Process (ICAAP) Policy
9. Credit Risk Mitigation and Collateral Management Policy
10. Integrated Risk Management Policy
11. Loan Policy (Including Recovery Policy)
12. Integrated Treasury Policy
13. Policy on Unhedged Foreign Currency exposures of corporates including SMEs
14. Market Risk Management Policy

15. New Product Assessment Policy
16. Risk & Control Self-Assessment standards (RCSA)
17. Pricing Policy
18. MCLR/EBLR Policy

These policies are subject to review on a periodical basis depending upon the guidelines / directions are given by RBI from time to time or whenever any situations warranting review.

On the advice of the three committees as mentioned above and based on the above policy norms, the Bank is able to identify, 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.

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.

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.

The Banks are expected to maintain a "Leverage Ratio" in excess of 3.50% (from 30.06.2019) on a quarterly basis under Basel III framework prescribed by Reserve Bank of India. The Basel III Leverage Ratio framework aims to prevent Banks from having an overreliance on leverage. This ratio is meant to be a supplementary measure to risk based capital requirements. For the year ended 31st March, 2022, Leverage Ratio of our Bank stood at 9.93% well above the prescribed norm of 3.5%, 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). Due to the COVID-19 pandemic, the minimum requirement was 80% up to 30.09.2020, after which it was 90% up to 31.03.2021. From 01.04.2021, the minimum requirement was restored to 100%.

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 NSFR promotes resilience over a longer-term time horizon by requiring banks to fund their activities with more stable sources of funding on an ongoing basis. 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.

In order to further familiarize the operational staff on the various risk aspects Bank has formulated RCSA (Risk Control Self Assessment) standards. To start with workshops followed by questionnaires have been conducted on the following products highlighting the operational risks involved in these areas

- | Loan Against Deposit(LAD)
- | Jewel Loans
- And
- | Cash Management

Bank has planned to conduct more such workshops in the coming years covering other products.

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 has been introduced in all the branches ensuring 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 Centres (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 directions 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 our 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 abilities.

During the year, Human Resource function played a pivotal role to provide a cordial safe work atmosphere to all employees. Further, awareness is being created on regular basis with regard to precautions and safety measures to be adopted by employees while on and off the work place, particularly in the context of the Covid pandemic.

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 through campus recruitments, skill development, and manpower training. The employees so chosen are imparted trainings at various centres of excellence such as NIBM, CAFRAL, IDRBT, SIBSTC etc on various areas of Banking. Training is also provided to employees at our Staff Training colleges. Job rotation is being followed to ensure every employee gains experience in all the areas of banking. It is pertinent to note here that there has not even been a single occasion of employee unrest in the Banking history of CUB.

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 the Sexual Harassment.

Continuous efforts are being made to enhance the quality of existing personnel and to attract new talent.

OUTLOOK

Globally major economies are opening up and activity levels are reaching pre pandemic levels. However the resurgence of the Covid-19 wave in many parts of the world such as China and Korea, including the Omicron variant, inflation and supply bottlenecks due to the ongoing war in Europe are keeping the financial markets on its edge.

The Indian Economy is relatively well -positioned on the path of recovery, but it cannot be immune to global spillovers. The conflict in Europe poses a new and overwhelming challenge to the old world order. The Reserve Bank of India through its Monetary Policy have 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 RBI Governor in his meeting with the CEO's of Public and Private Sector banks noted the key role played by the banks in supporting the economy throughout the pandemic weathering different storms. He advised the banks to take advantage of the emerging opportunities in the changing geo political set up and at the same time remaining watchful and taking proactive measures by raising capital whenever required to minimize the risks. Moreover he urged the banks to improve their grievance redress systems and provide continuous support to revive the economic activity. He also asked the banks to set up Digital Banking Units by modernizing their Digital Infrastructure and cyber security defence systems.

Domestic financial markets have moved broadly in sync with the accommodative monetary policy stance. The RBI's market operations remain supportive of recovery factoring in the developments in global financial and commodity markets. Domestic financial markets remain conducive to growth and credit off -take is gaining traction. The Banking sector being the backbone of any economy has to play a stellar role in the development of the Indian economy and its people in the years to come.

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 2022, 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. Incorporated in these financial statements are the returns of 24 branches / offices audited by us and 708 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, 2022, 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, 2022. 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>A. Income Recognition, Asset Classification and Provisioning (IRACP) on Loans & Advances</p> <p>(Reference to Schedule 9 read with Statement of Accounting Policies Note 6 – Schedule to the Financial Statements)</p> <p>Loans and Advances constitute the largest class of Assets forming 65.59% of the total assets of the Bank as on the year ended 31st March 2022. 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 & advances, and planned our audit accordingly.</p> <p>We have performed audit procedures for income recognition, classification into performing and</p>

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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 in respect of the top 20 branches allotted to us. We have reviewed the system and manual controls over the timely recognition of non-performing advances (NPA). We have performed test checks on the identification and provisioning of non-performing advances in accordance with RBI guidelines. We have also reviewed the periodic valuation of collateral for NPAs. We have also relied on the work performed by the branch auditors selected by the Bank, 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>
<p>B. Valuation of Financial Instruments (Investments)</p> <p>(Reference to Schedule 8 read with Statement of Accounting Policies Note 5 – 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 judgement 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 corresponding reversal of income 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>

Key Audit Matters	How our Audit procedures addressed the Key Audit Matters
<p>C. Information Technology ('IT') Systems and Controls for financial reporting</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 tested the design and operating effectiveness of the Bank's IT access controls over the information systems that are critical to financial reporting.</p> <p>We tested a sample of assessment in the areas of applications, databases and operating systems that are relevant to our audit in the fields of Core Banking Solutions (CBS) 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 adopted various techniques such as enquiry, review of documentation, review of record and reports, observation, and the performance of various application controls by taking adequate samples of instances for our test.</p> <p>We tested compensating controls and performed alternate procedures wherever necessary.</p>

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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 Basel III Disclosures, and accordingly, we will 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 of the Bank, including annexures in annual report, if any, thereon, if we conclude that there is a material misstatement therein, we are required to communicate the matter to "Those charged with governance".

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

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 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.

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 are in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures 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.

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 2022, 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.

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. 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 were adequate for the purposes of our audit have been received from offices and branches not visited by us;
 - (c) The reports on the accounts of the offices and branches audited by other branch auditors of the Bank under Section 143(8) of the Companies Act, 2013 have been sent to us and have been properly dealt with by us in preparing this report;
 - (d) 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;
 - (e) 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;
 - (f) On the basis of the written representations received from the directors as on 31st March, 2022 taken on record by the board of directors, none of the directors is disqualified as on 31st March, 2022 from being appointed as a director in terms of section 164 (2) of the Act;
 - (g) 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
 - (h) In our opinion, the entity being a Banking Company, the remuneration to its Directors during the year ended March 31, 2022, has been paid/provided by the Bank in accordance with the provisions of Section 35B(1) of the Banking Regulation Act 1949, and;
 - (i) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our 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 16 (14) 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 14 (e) 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.

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For **Jagannathan & Sarabeswaran**
Chartered Accountants
Firm Registration No: 001204S

For **K. Gopal Rao & Co**
Chartered Accountants
Firm Registration No: 000956S

CA P.S. Narasimhan
Partner
Membership No: 020936
UDIN -22020936AJSKPV6571

CA K. Gopal Rao
Partner
Membership No: 018230
UDIN -22018230AJSMGG1340

Place: Kumbakonam
Date : 27th May, 2022



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 2022 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.

Auditor's 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 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, have an adequate internal financial controls systems over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2022, 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").

For **Jagannathan & Sarabeswaran**
Chartered Accountants
Firm Registration No: 001204S

For **K. Gopal Rao & Co**
Chartered Accountants
Firm Registration No:000956S

Place: Kumbakonam
Date : 27th May, 2022

CA P.S. Narasimhan
Partner
Membership No: 020936
UDIN -22020936AJSKPV6571

CA K. Gopal Rao
Partner
Membership No:018230
UDIN -22018230AJSMGG1340

BALANCE SHEET AS ON 31st MARCH, 2022

(₹ in thousands)

	SCHEDULE No.	AS ON 31.03.2022	AS ON 31.03.2021
CAPITAL AND LIABILITIES			
Share Capital	1	73,95,85	73,88,22
Reserves and Surplus	2	6511,74,69	5768,59,40
Deposits	3	47689,66,98	44537,36,37
Borrowings	4	5311,82,36	1345,69,57
Other Liabilities & Provisions	5	1943,71,59	1586,14,75
Total		<u>61530,91,47</u>	<u>53311,68,31</u>
ASSETS			
Cash and Balances with Reserve Bank of India	6	2965,09,68	2792,71,05
Balances with Banks & Money at Call and Short Notice	7	3721,83,31	2822,34,99
Investments	8	12221,22,47	9435,94,42
Advances	9	40358,46,82	36157,82,88
Fixed Assets	10	214,65,46	232,69,01
Other Assets	11	2049,63,73	1870,15,96
Total		<u>61530,91,47</u>	<u>53311,68,31</u>
Contingent Liabilities	12	9295,73,03	8191,54,23
Bills for Collection		409,01,82	372,62,32

V. RAMESH
SGM - CFO & CS

Dr. N. KAMAKODI
MD & CEO

M. NARAYANAN
Chairman

K. JAYARAMAN
General Manager

R. MOHAN

Dr. T.S. SRIDHAR

K. VAIDYANATHAN

T.K. RAMKUMAR

Directors

For **Jagannathan & Sarabeswaran**
Chartered Accountants
(Firm No. 001204S)

For **M/s. K. Gopal Rao & Co.,**
Chartered Accountants
(Firm No. 000956S)

Kumbakonam
27th May, 2022

CA P.S. Narasimhan
Partner
M.No. : 020936
UDIN : 22020936AJSKPV6571

CA K. Gopal Rao
Partner
M.No. : 018230
UDIN : 22018230AJSMGG1340

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2022

(₹ in thousands)

	SCHEDULE No.	YEAR ENDED 31.03.2022	YEAR ENDED 31.03.2021	
I INCOME				CSR Initiatives
Interest Earned	13	4104,77,85	4134,68,49	
Other Income	14	759,08,44	688,76,66	
Total		4863,86,29	4823,45,15	Statutory Reports
II EXPENDITURE				
Interest Expended	15	2188,29,05	2305,01,82	
Operating Expenses	16	1080,26,14	1050,59,27	Financial Statements
Provisions and Contingencies		835,14,59	875,01,78	
Total		4103,69,78	4230,62,87	
III PROFIT / LOSS				List of Branches
Net Profit / loss(-) for the year		760,16,51	592,82,28	
Profit / loss (-) brought forward		61,45,45	57,93,59	
Total		821,61,96	650,75,87	Basel III
IV APPROPRIATIONS				
- Transfer to Statutory Reserves		200,00,00	150,00,00	
- Transfer to Capital Reserve		4,25,73	104,86,03	
- Transfer to General Reserve		405,00,00	220,00,00	
- Investment Reserve Account		1,00,00	0	
- Transfer to Special Reserve under IT Act, 1961		75,00,00	70,00,00	
- Dividend paid		36,94,11	36,86,60	
- Dividend Tax paid		0	7,57,79	
- Balance carried over to Balance Sheet		99,42,12	61,45,45	
Total		821,61,96	650,75,87	

V. RAMESH
SGM - CFO & CS

Dr. N. KAMAKODI
MD & CEO

M. NARAYANAN
Chairman

K. JAYARAMAN
General Manager

R. MOHAN

Dr. T.S. SRIDHAR

K. VAIDYANATHAN

T.K. RAMKUMAR

Directors

For **Jagannathan & Sarabeswaran**
Chartered Accountants
(Firm No. 001204S)

For **M/s. K. Gopal Rao & Co.,**
Chartered Accountants
(Firm No. 000956S)

Kumbakonam
27th May, 2022

CA P.S. Narasimhan
Partner
M.No. : 020936
UDIN : 22020936AJSKPV6571

CA K. Gopal Rao
Partner
M.No. : 018230
UDIN : 22018230AJSMGG1340

SCHEDULES FORMING PART OF THE ACCOUNTS

(₹ in thousands)

	AS ON 31.03.2022	AS ON 31.03.2021
SCHEDULE - 1 CAPITAL		
Authorised Capital (100,00,00,000 equity shares of ₹1/- each)	<u>100,00,00</u>	<u>100,00,00</u>
Issued Capital (73,95,84,913 / 73,88,22,111 equity shares of ₹1/- each)	<u>73,95,85</u>	<u>73,88,22</u>
Subscribed and Paid-up Capital (73,95,84,913 / 73,88,22,111 equity shares of ₹1/- each)	73,95,85	73,88,22
Called-Up-Capital	73,95,85	73,88,22
Less: Calls unpaid	Nil	Nil
Add: Forfeited shares	Nil	Nil
	<u>73,95,85</u>	<u>73,88,22</u>
Total	<u>73,95,85</u>	<u>73,88,22</u>
SCHEDULE - 2 RESERVES AND SURPLUS		
I. Statutory Reserves		
Opening Balance	1576,00,00	1426,00,00
Additions during the year	200,00,00	150,00,00
Deductions during the year	Nil	Nil
	<u>1776,00,00</u>	<u>1576,00,00</u>
II. Capital Reserves		
Opening Balance	311,50,36	206,64,33
Additions during the year	4,25,73	104,86,03
Deductions during the year	Nil	Nil
	<u>315,76,09</u>	<u>311,50,36</u>
III. Share Premium		
Opening Balance	887,17,60	876,07,63
Additions during the year	6,70,89	11,09,97
Deductions during the year	Nil	Nil
	<u>893,88,49</u>	<u>887,17,60</u>
IV. Revenue and Other Reserves		
i) General Reserve		
Opening Balance	2418,28,00	2211,50,00
Additions during the year	418,22,00	220,00,00
Deductions during the year	Nil	13,22,00
	<u>2836,50,00</u>	<u>2418,28,00</u>
ii) Investment Reserve Account		
Opening Balance	33,17,99	33,17,99
Additions during the year	1,00,00	Nil
Deductions during the year	Nil	Nil
	<u>34,17,99</u>	<u>33,17,99</u>

SCHEDULES FORMING PART OF THE ACCOUNTS (Contd.)

(₹ in thousands)

	AS ON 31.03.2022	AS ON 31.03.2021	
iii) Special Reserve u/s 36(1)(viii) of Income Tax Act, 1961			CSR Initiatives
Opening Balance	481,00,00	411,00,00	
Additions during the year	75,00,00	70,00,00	
Deductions during the year	Nil	Nil	Statutory Reports
V. Balance in Profit and Loss Account	99,42,12	61,45,45	
Total	6511,74,69	5768,59,40	
SCHEDULE - 3 DEPOSITS			
A I. Demand Deposits			Financial Statements
i) From Banks	1,05,40	5,56,57	
ii) From Others	4618,20,87	3748,14,91	
II. Savings Bank Deposits	10910,10,05	9227,72,34	List of Branches
III. Term Deposits			
i) From Banks	47,08,50	109,57,78	
ii) From Others	32113,22,16	31446,34,77	
Total (I, II & III)	47689,66,98	44537,36,37	
B i) Deposits of Branches in India	47689,66,98	44537,36,37	Basel III
ii) Deposits of Branches outside India	Nil	Nil	
Total	47689,66,98	44537,36,37	
SCHEDULE - 4 BORROWINGS			
I. Borrowings in India			
i) Reserve Bank of India	Nil	Nil	
ii) Other Banks	Nil	Nil	
iii) Other Institutions and Agencies	5311,82,36	1345,69,57	
iv) Subordinated Debt	Nil	Nil	
II. Borrowings from outside India	Nil	Nil	
Total (I & II)	5311,82,36	1345,69,57	
III. Secured Borrowings included in (I & II) above	2634,86,36	1096,99,57	

SCHEDULES FORMING PART OF THE ACCOUNTS (Contd.)

(₹ in thousands)

	AS ON 31.03.2022	AS ON 31.03.2021
SCHEDULE - 5 OTHER LIABILITIES & PROVISIONS		
I. Bills Payable	474,97,84	184,71,35
II. Inter-Office Adjustments (Net)	Nil	Nil
III. Interest Accrued	218,44,57	230,95,56
IV. Others (including Provisions)	1250,29,18	1170,47,84
Total	194371,59	1586,14,75
SCHEDULE - 6 CASH AND BALANCES WITH RESERVE BANK OF INDIA		
I Cash in Hand (including Foreign Currency Notes)	822,98,14	795,44,32
II Balances with Reserve Bank of India		
i) In Current Accounts	1900,11,54	1620,26,73
ii) In Other Accounts	242,00,00	377,00,00
Total (I and II)	2965,09,68	2792,71,05
SCHEDULE - 7 BALANCES WITH BANKS AND MONEY AT CALL AND SHORT NOTICE		
I. In India		
i) Balances with Banks		
a) In Current Accounts	23,01,00	35,31,44
b) In Other Deposit Accounts	18,00,00	5,00,00
	41,01,00	40,31,44
ii) Money at Call and Short notice		
a) With Banks	Nil	Nil
b) With Other Institutions	Nil	Nil
Total	41,01,00	40,31,44
II. Outside India		
i) In Current Accounts	4,88,68	3,85,55
ii) In Deposit Accounts	3675,93,63	2778,18,00
iii) Money at call and short notice	Nil	Nil
Total (I and II)	3680,82,31	2782,03,55
Grand Total	3721,83,31	2822,34,99

SCHEDULES FORMING PART OF THE ACCOUNTS (Contd.)

(₹ in thousands)

	AS ON 31.03.2022	AS ON 31.03.2021
SCHEDULE - 8 INVESTMENTS		
I. Investments in India in		
i) Government Securities	12130,89,23	9330,88,27
ii) Other Approved Securities	Nil	Nil
iii) Shares	3,43,51	3,65,57
iv) Debentures and Bonds	58,87,77	41,77,73
v) Subsidiaries / Joint Ventures	Nil	Nil
vi) Others (Security Receipts)	27,80,18	59,62,85
Inside India Total	12221,00,69	9435,94,42
Gross Investments in India	12294,04,54	9523,22,93
Less : Provision for Investment Depreciation	69,49,48	85,13,73
Less : Provision for Non Performing Investments	3,54,37	2,14,78
Net Investments in India	12221,00,69	9435,94,42
II. Investments outside India in		
i) Government Securities	Nil	Nil
ii) Subsidiaries and/ or joint ventures abroad	Nil	Nil
iii) Other Investments (SWIFT Share)	2,178	Nil
Outside India Total	2,178	Nil
Grand Total (I +II)	12221,22,47	9435,94,42
SCHEDULE - 9 ADVANCES		
A. i) Bills Purchased and Discounted	218,35,28	210,13,62
ii) Cash Credits,Overdrafts and Loans repayable on Demand	24755,32,03	21954,99,59
iii) Term Loans	15384,79,51	13992,69,67
Total	40358,46,82	36157,82,88
B. i) Secured by Tangible Assets (includes Advances against Book Debts)	39971,65,24	35722,45,84
ii) Covered by Bank / Government Guarantees	119,01,30	127,30,50
iii) Unsecured	267,80,28	308,06,54
Total	40358,46,82	36157,82,88

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SCHEDULES FORMING PART OF THE ACCOUNTS (Contd.)

(₹ in thousands)

	AS ON 31.03.2022	AS ON 31.03.2021
C. I. Advances in India		
i) Priority Sector	25484,07,94	20651,20,87
ii) Public Sector	119,01,30	127,30,50
iii) Banks	Nil	Nil
iv) Others	14755,37,58	15379,31,51
Total	40358,46,82	36157,82,88
II. Advances outside India	Nil	Nil
Grand Total	40358,46,82	36157,82,88
SCHEDULE - 10 FIXED ASSETS		
I. Premises		
i) At Cost as at 31 st March of the preceding year	68,40,36	68,21,48
ii) Additions during the year	1,10,51	18,88
iii) Deductions during the year	2,89,15	Nil
Total	66,61,72	68,40,36
iv) Depreciation to date	13,85,00	13,23,77
Total	52,76,72	55,16,59
II. Other Fixed Assets (including Furniture and Fixtures)		
i) At Cost as at 31 st March of the preceding year	729,04,84	691,03,24
ii) Additions during the year	75,99,61	75,98,89
Total	805,04,45	767,02,13
iii) Deductions / Adjustments during the year	11,22,80	37,97,29
Total	793,81,65	729,04,84
iv) Depreciation to date	631,92,91	551,52,42
Total	161,88,74	177,52,42
Grand Total	214,65,46	232,69,01

SCHEDULES FORMING PART OF THE ACCOUNTS (Contd.)

(₹ in thousands)

	AS ON 31.03.2022	AS ON 31.03.2021	
SCHEDULE - 11 OTHER ASSETS			CSR Initiatives
I. Inter office Adjustments	Nil	Nil	
II. Interest accrued	141,23,35	105,86,97	
III. Tax paid in advance / Tax deducted at source	1045,01,46	985,62,86	
IV. Stationery and Stamps	58,75	71,08	
V. Non-Banking assets acquired in satisfaction of claims	Nil	Nil	
VI. Others	862,80,17	777,95,05	
Total	2049,63,73	1870,15,96	Statutory Reports
SCHEDULE - 12 CONTINGENT LIABILITIES			
I. Claims against the Bank not acknowledged as Debts	8,24,40	8,12,11	Financial Statements
II. Liability for Partly Paid Investments	Nil	Nil	
III. Liability on account of outstanding Forward Exchange Contracts	7444,77,76	6338,34,42	
IV. Guarantees given on behalf of Constituents			List of Branches
- In India	1413,49,48	1438,66,52	
- Outside India	15,39,34	13,47,96	
V. Acceptances, endorsements and other obligations	350,78,28	340,99,65	
VI. Other items for which the Bank is contingently liable	63,03,77	51,93,57	
Total	9295,73,03	8191,54,23	Basel III
SCHEDULE - 13 INTEREST EARNED			
I. Interest / Discount on Advances / Bills	3453,98,85	3507,81,08	
II. Income on Investments	630,50,72	582,80,85	
III. Interest on Balances with Reserve Bank of India and other Inter-Bank funds	15,96,78	37,47,77	
IV. Others	4,31,50	6,58,79	
Total	4104,77,85	4134,68,49	

SCHEDULES FORMING PART OF THE ACCOUNTS (Contd.)

(₹ in thousands)

	YEAR ENDED 31.03.2022	YEAR ENDED 31.03.2021
SCHEDULE - 14 OTHER INCOME		
I. Commission, Exchange and Brokerage	54,96,97	51,39,58
II. Profit on sale of Investments	63,97,67	277,76,52
Less: Loss on sale of Investments	(1,87,72)	(44,35,81)
Net sale of Investments	62,09,95	233,40,71
III. Profit on revaluation of investments	Nil	Nil
Less: Loss on revaluation of Investments	(10,77,67)	(16,00,00)
Net Revaluation on Investments	(10,77,67)	(16,00,00)
IV. Profit on sale of Land,Bldgs and other assets	86,92	76,07
Less : Loss on sale of Land, Bldgs and other assets	(72,76)	(51,21)
Net sale of Land, Bldgs and other assets	14,16	24,86
V. Profit on Exchange transactions	802,39,03	616,59,51
Less :Loss on Exchange transactions	(607,64,80)	(524,68,69)
Net Exchange transactions	194,74,23	91,90,82
VI. Income earned by way of dividends etc. from subsidiaries, companies and / or joint ventures abroad / in India	Nil	Nil
VII. Miscellaneous Income	457,90,80	327,80,69
Total	759,08,44	688,76,66
SCHEDULE - 15 INTEREST EXPENDED		
I. Interest on Deposits	2119,69,20	2234,74,62
II. Interest on RBI / Inter-Bank Borrowings	48,09,31	29,32,60
III. Others	20,50,54	40,94,60
Total	2188,29,05	2305,01,82
SCHEDULE - 16 OPERATING EXPENSES		
I. Payments to and Provision for Employees	503,59,51	463,71,85
II. Rent, Taxes and Lighting	125,67,77	158,72,67
III. Printing and Stationery	10,95,39	9,11,92
IV. Advertisement and Publicity	13,83,22	9,55,46
V. Depreciation on Bank's Property	85,02,11	87,47,36
VI. Directors' Fees, Allowances and Expenses	1,83,84	1,26,12
VII. Auditors' Fees and Expenses(including Branch Auditors fees & expenses)	2,29,92	2,51,77
VIII. Law Charges	56,90	1,23,00
IX. Postage, Telegrams, Telephone, etc.	28,93,99	24,90,07
X. Repairs and Maintenance	107,22,99	83,26,90
XI. Insurance	58,68,84	53,21,55
XII. Other Expenditure	141,61,66	155,60,60
Total	1080,26,14	1050,59,27

NOTES ON ACCOUNTS

1. REGULATORY CAPITAL

1.1 Composition of Regulatory Capital:

(₹ in crore)

Sl. No.	Particulars	31 st March 2022	31 st March 2021
		Basel III	Basel III
i)	Common Equity Tier 1 capital (CET 1)	6316.44	5559.18
ii)	Additional Tier 1 capital/ Other Tier 1 capital	--	--
iii)	Tier 1 capital (i + ii)	6316.44	5559.18
iv)	Tier 2 capital	341.31	323.11
v)	Total capital (Tier 1+Tier 2)	6657.75	5882.29
vi)	Total Risk Weighted Assets (RWAs)	31929.15	30126.99
vii)	CET 1 Ratio (%)	19.78%	18.45%
viii)	Tier 1 Ratio (%)	19.78%	18.45%
ix)	Tier 2 Ratio (%)	1.07%	1.07%
x)	Capital to Risk Weighted Assets Ratio (CRAR) (%)	20.85%	19.52%
xi)	Leverage Ratio (%)	9.93%	10.05%
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*	0.15
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 2021-22, the Bank has allotted 7,62,802 (P.Y 15,02,890) equity shares aggregating to ₹ 6.79 cr (P.Y. ₹ 11.25 cr) pursuant to exercise of options under ESOP.

1.2 Drawn down from Reserves:

The Bank has not drawn any amount from Reserves during the year.

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2. ASSET LIABILITY MANAGEMENT

a. Maturity Pattern of certain items of Assets and Liabilities - 31st March, 2022

(₹ in crore)

Period	Deposits	Advances	Investments	Borrowings	Foreign Currency Assets	Foreign Currency Liabilities
1 Day	665.70	767.25	4800.21	0.00	10.87	20.67
2 to 7 days	1261.50	2344.65	221.30	2934.86	346.86	319.31
8 to 14 days	1233.48	1102.03	227.66	0.00	53.93	9.46
15 to 30 Days	399.99	857.13	89.13	1000.00	1023.50	908.99
31 days to 60 days	578.22	808.35	127.33	0.00	152.76	57.94
61 days to 90 days	909.77	1107.02	171.34	1000.00	510.77	345.33
Over 3 months & upto 6 months	1598.66	3472.17	290.42	65.35	2159.58	2118.12
Over 6 months & upto 1 year	2874.40	6647.24	522.54	19.67	1802.24	1905.89
Over 1 year & upto 3 years	34379.01	16522.62	4999.93	291.94	71.08	187.20
Over 3 years & upto 5 years	2799.43	4215.08	267.04	0.00	0.00	187.18
Over 5 years	989.51	2514.93	504.32	0.00	0.22	37.90
Total	47689.67	40358.47	12221.22	5311.82	6131.81	6097.99

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.

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LCR Disclosure Template

(₹ in crore)

	Current year for the Quarter ended								Previous Year *	
	March - 22		December - 21		September - 21		June - 21		March - 21	
	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)
High Quality Liquid Assets										
1. Total High Quality Liquid Assets (HQLA)	9812.13		10254.39		10643.51		9370.65		9513.22	
Cash Outflows										
2. Retail Deposits and deposits from small business customers, of which:	31801.95	2523.39	31418.24	2485.25	31428.95	2485.15	31080.80	2452.73	30293.15	2383.98
(i) Stable Deposits	13136.18	656.81	13131.51	656.58	13154.99	657.75	13107.15	655.36	12906.72	645.34
(ii) Unstable Deposits	18665.77	1866.58	18286.73	1828.67	18273.96	1827.40	17973.65	1797.37	17386.43	1738.64
3. Unsecured Wholesale funding	5258.36	2071.37	4999.55	1929.27	4642.13	1689.13	4841.53	1652.80	4762.44	1653.32
(i) Operational Deposits (all counterparties)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	9.86	2.47
(ii) Non operational deposits (all counterparties)	5258.36	2071.37	4999.55	1929.27	4642.13	1689.13	4841.53	1652.80	4752.58	1650.85
(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	4901.41	472.02	4316.08	744.27	4528.08	573.14	4780.61	848.64	4228.23	465.91
(i) Outflows related to derivative exposures and derivative exposures and other collateral requirements	139.60	139.60	483.36	483.36	283.54	283.54	542.05	542.05	179.43	179.43
(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	4761.81	332.42	3832.72	260.91	4244.54	289.60	4238.56	306.59	4048.80	286.48
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	1800.73	54.02	1797.51	53.93	1809.16	54.27	1771.53	53.15	1829.14	54.87
8. TOTAL CASH OUTFLOWS	43762.45	5120.80	42531.38	5212.72	42408.32	4801.69	42474.47	5007.32	41112.96	4558.08
Cash Inflows										
9. Secured Lending	1241.63	620.82	1257.48	628.74	1285.30	642.65	1227.64	613.82	1533.27	766.64
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	182.67	182.67	463.38	463.38	327.70	327.70	544.16	544.16	281.41	281.41
12. Total Cash Inflows	1424.30	803.49	1720.86	1092.12	1613.00	970.35	1771.80	1157.98	1814.68	1048.05
	Total adjusted value		Total adjusted value		Total adjusted value		Total adjusted value		Total adjusted value	
13. TOTAL HQLA	9812.13		10254.39		10643.51		9370.65		9513.22	
14. TOTAL NET CASH OUTFLOWS	4317.31		4120.60		3831.34		3849.34		3510.03	
15. LIQUIDITY COVERAGE RATIO (%)	227.27%		248.86%		277.80%		243.44%		271.03%	

* Average of January 2021 - March 2021 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.

$$\text{Net Stable Funding Ratio} = \frac{\text{Available Stable funding (ASF)}}{\text{Required stable funding (RSF)}} \geq 100\%$$

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(₹ in crore)

		NSFR Disclosure 31.03.2022					NSFR Disclosure 31.12.2021				
		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	
ASF Item							ASF Item				
1.	Capital: (2+3)	6657.75	-	-	9817.63	16475.38	5885.83	-	-	10324.27	16210.10
2.	Regulatory capital	6657.75	-	-	-	6657.75	5885.83	-	-	-	5885.83
3.	Other capital instruments	-	-	-	9817.63	9817.63	-	-	-	10324.27	10324.27
4.	Retail deposits and deposits from small business customers: (5+6)	11774.33	7242.89	9343.10	0.00	26165.54	10904.03	6839.48	9343.10	0.00	24997.10
5.	Stable deposits	6914.01	2015.77	3895.34	-	12183.86	6497.84	1989.92	3895.34	-	11763.95
6.	Less stable deposits	4860.32	5227.11	5447.76	-	13981.67	4406.19	4849.56	5447.76	-	13233.16
7.	Wholesale funding: (8+9)	3643.94	2139.72	3310.01	0.00	4546.84	2925.08	2329.89	3310.54	0.00	4282.76
8.	Operational deposits	-	-	0.00	-	0.00	23.24	-	0.53	-	11.89
9.	Other wholesale funding	3643.94	2139.72	3310.01	-	4546.84	2901.84	2329.89	3310.01	-	4270.87
10.	Other liabilities: (11+12)	7601.55	0.00	0.00	0.00	0.00	5883.45	0.00	0.00	0.00	0.00
11.	NSFR derivative liabilities	-	-	-	-	-	-	-	-	-	-
12.	All other liabilities and equity not included in the above categories	7601.55	-	-	-	-	5883.45	-	-	-	-
13.	Total ASF (1+4+7+10)					47187.75					45489.96
RSF Item							RSF Item				
14.	Total NSFR high-quality liquid assets (HQLA)					608.55					591.83
15.	Deposits held at other financial institutions for operational purposes	-	-	-	-	-	-	-	-	-	-
16.	Performing loans and securities: (17+18+19+21+23)	0.00	14544.96	12394.10	1787.92	14605.03	0.00	12248.68	12800.33	1687.36	13564.68
17.	Performing loans to financial institutions secured by Level 1 HQLA	-	-	-	-	-	-	-	-	-	-
18.	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	-	76.14	125.72	-	74.28	-	161.75	88.41	-	68.47
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:	-	14468.82	12268.38	-	13368.60	-	12086.93	12711.92	-	12399.43
20.	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	-	-	3021.08	1963.70	-	-	-	2958.97	1923.33
21.	Performing residential mortgages, of which:	-	-	-	1787.92	1162.15	-	-	-	1687.36	1096.78
22.	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	-	-	9357.51	7953.88	-	-	-	8250.93	7013.29
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 31.03.2022					NSFR Disclosure 31.12.2021				
	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	
24. Other assets: (sum of rows 25 to 29)	3040.84	0.00	0.00	0.00	4795.80	2837.72	0.00	0.00	0.00	5030.50
25. Physical traded commodities, including gold	-	-	-	-	-	-	-	-	-	0.00
26. Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs	2984.96	-	-	-	2537.21	2757.88	-	-	-	2344.20
27. NSFR derivative assets	32.99	-	-	-	32.99	63.84	-	-	-	63.84
28. NSFR derivative liabilities before deduction of variation margin posted	22.89	-	-	-	1.14	16.00	-	-	-	0.80
29. All other assets not included in the above categories	-	-	-	-	2224.45	-	-	-	-	2621.66
30. Off-balance sheet items	403.92	-	-	-	12.12	386.36	-	-	-	11.59
31. Total RSF	-	-	-	-	29939.08	-	-	-	-	28135.22
32. Net Stable Funding Ratio (%)	-	-	-	-	157.61	-	-	-	-	161.68

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3. INVESTMENTS

a) 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	
Held to Maturity												
Gross	10608.01	-	-	1.85	-	-	10609.86	-	-	-	-	10609.86
Less: Provision (NPI)	-	-	-	-	-	-	-	-	-	-	-	-
Net	10608.01	-	-	1.85	-	-	10609.86	-	-	-	-	10609.86
Available for Sale												
Gross	1528.49	-	5.36	58.64	-	91.69	1684.18	-	-	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	-	1611.36
Held for Trading												
Gross	-	-	-	-	-	-	-	-	-	-	-	-
Less: Provision for Depreciation	-	-	-	-	-	-	-	-	-	-	-	-
Less: Provision for non-performing investments (NPI)	-	-	-	-	-	-	-	-	-	-	-	-
Net	-	-	-	-	-	-	-	-	-	-	-	-
Total Investments												
Gross	12136.50	-	5.36	60.49	-	91.69	12294.04	-	-	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	-	12221.22

* Investment in equity shares of SWIFT

Composition of Investment Portfolio as on 31.03.2021

(₹ 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	
Held to Maturity												
Gross	8431.48	-	-	1.78	-	-	8433.26	-	-	-	-	8433.26
Less: Provision (NPI)	-	-	-	-	-	-	-	-	-	-	-	-
Net	8431.48	-	-	1.78	-	-	8433.26	-	-	-	-	8433.26
Available for Sale												
Gross	901.30	-	5.59	40.00	-	142.86	1089.75	-	-	0.22	-	1089.97
Less: Provision for Depreciation	1.91	-	-	-	-	83.23	85.14	-	-	-	-	85.14
Less: Provision for non-performing investments (NPI)	-	-	1.93	-	-	-	1.93	-	-	0.22	-	2.15
Net	899.39	-	3.66	40.00	-	59.63	1002.68	-	-	0.00	-	1087.82
Held for Trading												
Gross	-	-	-	-	-	-	-	-	-	-	-	-
Less: Provision for Depreciation	-	-	-	-	-	-	-	-	-	-	-	-
Less: Provision for non-performing investments (NPI)	-	-	-	-	-	-	-	-	-	-	-	-
Net	-	-	-	-	-	-	-	-	-	-	-	-
Total Investments												
Gross	9332.78	-	5.59	41.78	-	142.86	9523.01	-	-	0.22	-	9523.23
Less: Provision for Depreciation	1.91	-	-	-	-	83.23	85.14	-	-	-	-	85.14
Less: Provision for non-performing investments (NPI)	-	-	1.93	-	-	-	1.93	-	-	0.22	-	2.15
Net	9330.87	-	3.66	41.78	-	59.63	9435.94	-	-	0.00	-	9435.94

* Investment in equity shares of SWIFT

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b) Movement of Provisions for Depreciation and Investment Fluctuation Reserve (₹ in crore)

Sl. No.	Particulars	31 st March 2022	31 st March 2021
1)	Movement of provision held towards depreciation on Investments		
	(i) Opening Balance	85.14	119.13
	(ii) Add: Provision made during the year	8.50	16.00
	(iii) Less: Write-off / Write-back of excess provision during the year	24.14	49.99
	(iv) Closing Balance	69.50	85.14
2)	Movement of Investment Fluctuation Reserve		
	(i) Opening Balance	33.18	33.18
	(ii) Add: Amount transferred during the year	1.00	0.00
	(iii) Less: Drawdown	0.00	0.00
	(iv) Closing balance	34.18	33.18
3)	Closing balance in IFR as a percentage of closing balance of investments in AFS and HFT/Current category	2.12%	3.29%

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 st March 2022	31 st March 2021
a	Opening Balance	2.15	0.33
b	Additions during the year since 1 st April	1.61	1.82
c	Reductions during the above period	0.22	0.00
d	Closing Balance	3.54	2.15
e	Total provisions held	3.54	2.15

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	3.60	3.60	3.60	3.60	Nil	Nil	Nil	Nil	3.60	3.60
b)	Financial Institutions	1.93	1.95	Nil	Nil	Nil	Nil	Nil	Nil	Nil	1.78
c)	Banks	57.35	40.36	47.00	35.00	Nil	Nil	Nil	Nil	Nil	Nil
d)	Private Corporates	1.97	0.46	1.94	0.33	Nil	Nil	1.61	Nil	1.94	0.33
e)	Subsidiaries / Joint Ventures	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
f)	Others (Security Receipts / SWIFT Shares/CCIL Pref Shares)	92.91	144.07	92.91	144.07	Nil	Nil	Nil	Nil	92.91	144.07
	Total	157.76	190.44	145.45	183.00	Nil	Nil	1.61	Nil	98.45	149.78
g)	Less: Provision held towards depreciation (including NPI Provision)	67.43	85.38	-	-	-	-	-	-	-	-
	Total	90.33	105.06	145.45	183.00	Nil	Nil	1.61	Nil	98.45	149.78

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 st March 2022
Securities sold under RBI Repo				
a) Government Securities	50.84	398.58	5.68	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	2.67	743.84	107.73	224.33
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 st March 2022
Securities sold under Market Repo				
a) Government Securities	5.00	5.00	0.01	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	0	0	0	0
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	93.77	2810.99	1385.00	2810.99
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	60.00	100.00	1.10	0.00
b) Corporate Debt Securities	Nil	Nil	Nil	Nil
c) Any other Securities	Nil	Nil	Nil	Nil

4. ASSET QUALITY

a) Classification of advances and provisions held as on 31st 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)	
Gross Standard Advances and NPAs						
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	
Provisions (excluding Floating Provisions)						
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
Net NPA						
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	
Floating Provisions						
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

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(₹ 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)	
Technical write-offs and the recoveries made thereon						
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

Classification of advances and provisions held as on 31st March, 2021

(₹ 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)	
Gross Standard Advances and NPAs						
Opening Balance	33162.77	858.94	544.92	9.54	1413.40	34576.17
Add: Additions during the year					1113.05	
Less: Reductions during the year					633.26	
Closing balance	35127.36	1037.79	845.59	9.81	1893.19	37020.55
Reductions in Gross NPAs due to:						
i) Upgradation					26.39	
ii) Recoveries (excluding recoveries from upgraded accounts)					195.00	
iii) Technical/ Prudential Write-offs					396.10	
iv) Write-offs other than those under (iii) above					15.77	
Provisions (excluding Floating Provisions)						
Opening balance of provisions held	146.13	192.91	428.42	9.54	630.87	777.00
Add: Fresh provisions made during the year					599.00	
Less: Excess provision reversed/ Write-off loans					411.87	
Closing balance of provisions held	250.63	182.72	625.56	9.72	818.00	1068.63
Net NPA						
Opening Balance		666.03	112.46	0.00	778.49	
Add: Fresh additions during the year					887.84	
Less: Reductions during the year					591.14	
Closing Balance		855.07	220.03	0.09	1075.19	
Floating Provisions						
Opening Balance						9.00
Add: Additional provisions made during the year						0.00
Less: Amount drawn down during the year						9.00
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)	
Technical write-offs and the recoveries made thereon					
Opening balance of Technical/ Prudential written-off accounts					834.71
Add: Technical/ Prudential write-offs during the year					396.10
Less: Recoveries made from previously technical/ prudential written-off accounts during the year					172.23
Closing balance					1058.58

Ratios in Percentage	31st March 2022	31 st March 2021
Gross NPA to Gross Advances (%)	4.70%	5.11%
Net NPA to Net Advances (%)	2.95%	2.97%
Provision coverage ratio (%)	64%	64%

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b) Sector-wise Advances and Gross NPAs - 31st March, 2022

(₹ in crore)

Sr. No.	Sector	31 st March, 2022		
		Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector
I)	Priority Sector			
a)	Agriculture and allied activities of which	7300.41	175.93	2.41
	Agri Farm credit	6303.47	83.21	1.32
	Agri Ancillary Activities	905.38	87.39	9.65
b)	Industry of which	9162.04	322.82	3.52
	Textiles	4054.73	113.76	2.81
	Basic Metal & Metal Products	1490.01	69.60	4.67
c)	Services	8317.23	493.47	5.93
	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)	Personal loans of which	704.40	88.47	12.56
	Housing	603.11	25.73	4.27
	Education	101.29	62.74	61.94
	Subtotal (I) - (a+b+c+d)	25484.08	1080.69	4.24
II)	Non-priority Sector			
a)	Agriculture and allied activities	0.00	0.00	0.00
b)	Industry of which	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)	Services	8690.69	637.06	7.33
	Wholesale Trade	2856.97	357.44	12.51
	Real Estate	2535.50	114.76	4.53
d)	Personal loans	6324.79	136.09	2.15
	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
	Sub-total (II) - (a+b+c+d)	15671.93	852.49	5.44
	Total (I + II)	41156.01	1933.18	4.70

Sector-wise Advances and Gross NPAs - 31st March, 2021

(₹ in crore)

Sr. No.	Sector	31 st March, 2021		
		Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector
I)	Priority Sector			
a)	Agriculture and allied activities of which	4816.20	169.34	3.52
	Agri Farm credit	3685.43	62.03	1.68
	Agri Ancillary Activities	1003.47	98.64	9.83
b)	Industry of which	8259.03	403.25	4.88
	Textiles	3755.41	115.42	3.07
	Basic Metal & Metal Products	1249.44	94.99	7.60
c)	Services	6746.65	421.09	6.24
	Micro Services	2960.06	210.64	7.12
	Small Services	2899.21	140.88	4.86
	Medium Services	773.47	49.90	6.45
d)	Personal loans of which	825.72	73.81	8.94
	Housing	709.72	23.30	3.28
	Education	116.00	50.51	43.54
	Subtotal (I) - (a+b+c+d)	20647.60	1067.49	5.17
II)	Non-priority Sector			
a)	Agriculture and allied activities	0.00	0.00	0.00
b)	Industry of which	678.08	198.41	29.26
	Basic Metal & Metal Products	269.59	28.77	10.67
	Textiles	141.35	0.48	0.34
	Paper & Paper Products	176.01	0.00	0.00
	Services	9335.13	493.13	5.28
c)	Wholesale Trade	4656.39	271.98	5.84
	Real Estate	2536.04	113.15	4.46
	Personal loans	6359.74	134.16	2.11
d)	Non Agri JL	3460.10	3.03	0.09
	Housing Loan	1391.86	46.72	3.36
	Other Personal (Consumption)	768.56	84.41	10.98
	Sub-total (II)- (a+b+c+d)	16372.95	825.70	5.04
	Total (I + II)	37020.55	1893.19	5.11

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c) Overseas assets, NPAs and revenue:

Particulars	31 st March 2022	31 st March 2021
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: (RBI/DBR.BP.BC. No. 63/ 21.04.018/ 2016-17 dated 18.04.2017) - NIL

f) Disclosure of transfer of loan exposures:

- (i) The Bank has not transferred any Non-Performing Assets (NPAs)
- (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 stressed loans transferred during the year

(₹ in crore)

Particulars	To ARCs	To Permitted Transferees	To other Transferees (please specify)
No of accounts	14	-	-
Aggregate principal outstanding of loans transferred	65.03	-	-
Weighted average residual tenor of the loans transferred	0.00	-	-
Net book value of loans transferred (at the time of transfer)	13.55	-	-
Aggregate consideration	31.55	-	-
Additional consideration realized in respect of accounts transferred in earlier years	Nil	-	-

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	-	-

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 st March 2022	31 st March 2021
a)	Number of frauds reported during the year	10*	10
b)	Amount involved in fraud	21.17*	19.61
c)	Amount of Provisions made for such fraud	19.01*	19.03
d)	Amount of unamortised provision debited from 'other reserves' as at the end of the year	-	13.22
e)	Amount of Unamortised provision credited by making provisions in the subsequent quarters of FY 2021 - 22	13.22*	-

*The Bank reported 11 fraud incidents during 2021-2022 inclusive of one fraud borrowal account "M/s. The Government Telecommunication Employees Cooperative Society Ltd (GTECS) amounting to ₹17.62 cr and provisions made thereof ₹17.62cr which has been included in the last year itself as advised by our Central Statutory Auditors. As per RBI circular DBR No. BP. BC. 83/21.04.048/2014-15 dated 1st April 2015 and DBR No. BP. BC. 92/21.04.048/2015-16 dated 18th April 2016 granted an option to spread provision in respect of frauds for a period not exceeding 4 quarters from the quarter in which such fraud has been

detected/ declared. The amount of ₹ 13.22 Cr which was transferred from General Reserves during March 2021 was reversed during FY 2021- 2022. Further, the unabsorbed provision of ₹13.22Cr was provided during FY 2021-2022 by spreading over 3 quarters in line with the above RBI circular.

Other than above 65 incidents of Phishing / Vishing / Skimming frauds amounting to ₹ 0.25 Cr, where there is no loss to the Bank are reported to RBI during the year.

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- 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 2021) (A)	Of (A), aggregate debt that slipped into NPA during the half-year (March' 2022)	Of (A) amount written off during the half-year (March' 2022)	Of (A) amount paid by the borrowers during the half-year (March' 2022) #	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at the end of this half-year (March'2022)
Personal loans	295.12	1.52	0.00	14.90	289.17
Corporate persons*	178.40	0.00	0.00	5.00	174.80
Of which MSMEs	34.28	0.00	0.00	0.00	34.80
Others	212.53	1.83	0.00	2.42	217.16
Total	686.05	3.35	0.00	22.32	681.13

* 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	31st March 2022	31st March 2021	
A) Direct exposure	(i) Residential Mortgages - Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented;*	2035.33	2102.02	CSR Initiatives
	(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 ₹ 3242.84 cr + NFB ₹ 33.15 cr)	3275.99	2580.20	Statutory Reports
	(iii) Investment in Mortgage Backed Securities (MBS) and other securitised exposures -			List of Branches
	a. Residential b. Commercial Real Estate	Nil Nil	Nil Nil	
B) Indirect Exposure	Fund based and non-fund based exposures to National Housing Bank (NHB) and Housing Finance Companies (HFCs)	Nil	Nil	Basel III
	Total Exposure to Real Estate Sector	5311.32	4682.22	

* includes individual housing loans eligible for inclusion in priority sector advances amounting to ₹ 606.74 cr (P.Y. ₹709.72cr) for the year ended 31st March, 2022.

b) Exposure to Capital Market

(₹ in crore)

Sl. No.	Particulars	31 st March 2022	31 st March 2021
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.	4.58	4.80
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.	1.99	1.89
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.	0.28	0.30
5.	Secured and Unsecured Advances to stock brokers and guarantees issued on behalf of stock brokers and market makers.	0.89	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
	Total Exposure to Capital Market	7.74	7.88

c) Risk Category-wise Country Exposure *

(₹ in crore)

Risk Category	Exposure (net) as at March 2022	Provision held as at March 2022	Exposure (net) as at March 2021	Provision held as at March 2021
Insignificant	3460.49	7.25	2479.53	4.00
Low	398.94	Nil	423.15	Nil
Moderately Low	0.51	Nil	37.28	Nil
Moderate	6.04	Nil	Nil	Nil
Moderately High	4.56	Nil	Nil	Nil
High	Nil	Nil	Nil	Nil
Very High	Nil	Nil	Nil	Nil
Restricted	Nil	Nil	Nil	Nil
Off-credit	Nil	Nil	Nil	Nil
Total	3870.54	7.25	2939.96	4.00

* based on categorization followed by Export Credit Guarantee Corporation of India Ltd.

d) Unsecured advances:

(₹ in crore)

Particulars	31 st March 2022	31 st March 2021
Total unsecured advances of the bank	267.80	308.07
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 st March 2022	31 st March 2021
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. DBOD. NO. BP. BC. 85/21.06.200/2013-14 dated January 15, 2014 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 31.03.2022 is ₹2.21 crore only against which a provision of ₹2.22 crore has already been made.
- (iii) There is no incremental capital requirement for the UFCE as on 31.03.2022.

6. CONCENTRATION OF DEPOSITS, ADVANCES, EXPOSURES AND NPAS:

a) Concentration of Deposits

(₹ in crore)

Particulars	31 st March 2022	31 st March 2021
Total Deposits of twenty largest depositors	5503.36	4731.36
Percentage of Deposits of twenty largest depositors to total Deposits of the Bank	11.54%	10.62%

b) Concentration of Advances

(₹ in crore)

Particulars	31 st March 2022	31 st March 2021
Total Advances to twenty largest borrowers	1969.92	1704.35
Percentage of Advances to twenty largest borrowers to Total Advances of the Bank	4.79%	4.60%

c) Concentration of Exposures

(₹ in crore)

Particulars	31 st March 2022	31 st March 2021
Total Exposure to twenty largest borrowers / customers	2206.44	2136.28
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the Bank on borrowers / customers	4.76%	5.04%

d) Concentration of NPAs

(₹ in crore)

Particulars	31 st March 2022	31 st March 2021
Total Exposure to top twenty NPA accounts	446.01	499.21
Percentage of Exposures to twenty largest NPA exposure to total Gross NPAs.	23.07%	25.55%

7. DERIVATIVES

a) Forward Rate Agreement / Interest Rate Swap

(₹ in crore)

Sl. No.	Particulars	31 st March 2022	31 st March 2021
(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

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b) Exchange Traded Interest Rate Derivatives

(₹ in crore)

Sl. No.	Particulars	31 st March 2022	31 st March 2021
(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

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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 are 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	
		31.03.2022	31.03.2021	31.03.2022	31.03.2021
(i)	Derivatives (Notional Principal Amount)				
	a) for hedging	3016.60	1700.07	Nil	Nil
	b) for trading	4428.18	4638.27	Nil	Nil
(ii)	Marked to Market Positions				
	a) Assets (+)	55.88	77.55	Nil	Nil
	b) Liability (-)	-22.89	-31.35	Nil	Nil
(iii)	Credit Exposure @	237.23	237.99	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 ₹237.23 crore (FY:20-21 ₹ 237.99 crore), exposure to the tune of ₹ 175.71 crore (FY:20-21 ₹ 159.86 crore) is accepted for guaranteed settlement by Clearing Corporation of India (CCIL) and exposure to the tune of ₹ 48.53 crore

(FY:2021 ₹ 69.50 crore) are other Inter-Bank deals not guaranteed by CCIL. Balance of ₹ 12.99 crore (FY:20-21 ₹ 8.64 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

8. DISCLOSURES RELATING TO SECURITIZATION

(₹ in crore)

Sl. No.	Particulars	31 st March 2022	31 st March 2021
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		
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. Mention percent in bracket as of total value of facility provided.		
	(a) Amount paid		
	(b) Repayment received		
	(c) Outstanding amount		

(₹ in crore)

Sl. No.	Particulars	31 st March 2022	31 st March 2021
8.	Average default rate of portfolios observed in the past. Please provide breakup separately for each asset class i.e. RMBS, Vehicle Loans etc.,	↓	↓
9.	Amount and number of additional/top up loan given on same underlying asset. Please provide breakup separately for each asset class i.e. RMBS, Vehicle Loans, etc.	NIL	NIL
10.	Investor complaints (a) Directly/Indirectly received and; (b) Complaints outstanding	↑	↑

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9. OFF BALANCE SHEET SPVS SPONSORED:

(₹ in crore)

Name of the SPV sponsored	
Domestic	Overseas
Nil	Nil

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10. TRANSFERS TO DEPOSITOR EDUCATION AND AWARENESS FUND (DEA FUND):

(₹ in crore)

Particulars	31 st March 2022	31 st March 2021
Opening balance of amounts transferred to DEAF	51.93	42.15
Add : Amounts transferred to DEAF during the year	11.46	10.01
Less : Amounts reimbursed by DEAF towards claims	0.35	0.23
Closing balance of amounts transferred to DEAF	63.04	51.93

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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	2021 - 22	2020 - 21
Complaints received by the Bank from its customers			
1	Number of complaints pending at beginning of the year	3	80
2	Number of complaints received during the year	2835	2962
3	Number of complaints disposed during the year	2799	3039
3.1	Of which, number of complaints rejected by the Bank	0	0
4	Number of complaints pending at the end of the year	39	3
Maintainable complaints received by the Bank from OBOs			
5	Number of maintainable complaints received by the Bank from OBOs	204	252
5.1	Of 5, Number of complaints resolved in favour of the Bank by BOs	200	241
5.2	Of 5, Number of complaints resolved through conciliation / mediation / advisories issued by BOs	4	11
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 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)	% increase / 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

Top five grounds of complaints received by the Bank from customers: (FY 2020-21)

Grounds of complaints (1)	Number of complaints pending at the beginning of the year (2)	Number of complaints received during the year (3)	% increase / 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	15	1339	134%	0	0
Account opening / Difficulty in operation of a/cs	15	590	37%	3	1
ATM / Debit cards	14	517	47%	0	0
Loans and Advances	12	258	215%	0	0
Levy of charges without prior notice / Excessive charges / Foreclosure charges	12	123	(-)22%	0	0

12. Disclosure of penalties imposed by the Reserve Bank of India:

During the year, RBI has imposed penalty of ₹8,250/- on discrepancies detected towards Soiled Notes Remittance.

RBI vide its order ref. CO.EDFD.DECB.No.S15/02.02.002/2021-2022 dated 20.05.2021 had levied a penalty of Rs.1 crore (Rupees one crore only) towards non adherence of certain RBI directions observed during their statutory inspection. The bank had provided an amount of ₹1 cr while finalizing accounts during FY 20-21 and the same has been paid on 01.06.2021.

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>Key Features:</p> <ul style="list-style-type: none"> i) Board oversees the design of the compensation package and operations. ii) Compensation commensurate with the responsibility and accountability. <p>Objectives:</p> <ul style="list-style-type: none"> i) Alignment of compensation with prudent risk taking Effective Supervisory oversight. Sound Compensation Practices.
(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"> i) ESOP and Reservation in Rights Issue to be the components of share based payment. ii) Exgratia, payment to be denied only in extreme cases of indiscipline, misuse of trust etc.
(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.

Quantitative Disclosures

The Quantitative Disclosures pertaining to the MD & CEO as on 31st March, 2021 & 31st 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.	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/-).	8 meetings (Compensation & Remuneration committee) were held during the financial year and the total remuneration & commission paid to the members during the year is ₹ 24,23,115/- (including commission of ₹ 21,63,115/-).	CSR Initiatives Statutory Reports
(h) (i) Number of employees having received a variable remuneration award during the financial year.	1	1	Financial Statements
(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 (FY2021): Variable pay to MD & CEO for FY2020-2021 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. The deferred components are yet to be paid for FY2021.	NIL	List of Branches Basel III
(ii) Total amount of deferred remuneration paid out in the financial year.	NIL	NIL	

	Particulars	Current Year	Previous Year
(j)	Breakdown of amount of remuneration awards for the financial year to show fixed and variable, deferred and non-deferred.	<p>Fixed Pay: ₹1,55,38,391/- per annum (including perquisites and encashment of privilege leave)</p> <p>Variable pay :Variable pay to MD & CEO for FY2020-2021 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>	<p>Fixed: ₹1,69,52,869/- per annum w.e.f., 01st May, 2020 as per RBI mail approval dt.3rd December, 2020.</p> <p>[The RBI, as per its circular DOR. Appt. BC. No.23/29.67.001/2019-20 dt.4th November, 2019, has directed the Banks to include all perquisites as part of fixed pay].</p> <p>Variable Pay of ₹ 30,00,000/- (approved by RBI vide e-mail dt. 20th April, 2020) paid on 30th April, 2020 for FY 2019.</p> <p>Variable Pay of ₹30,00,000/(approved by RBI vide its letter dt.26th March, 2021) paid on 26th March, 2021 for FY 2020.</p> <p>For FY 2020-21 the proposal for variable pay will be made to RBI.</p> <p>No. of Stock Options granted during FY 2020-2021: Nil</p> <p>The option vested during FY 2019-20 i.e., 1,81,500 options has been exercised in FY 2020-21.</p> <p>Deferred: Nil.</p>

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)	Number of cases where malus has been exercised.	NIL	NIL
	Number of cases where clawback has been exercised.		
	Number of cases where both malus and clawback have been exercised.		
(n)	General Quantitative Disclosure: 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.	₹ 1,70,78,288.50	₹ 1,43,39,304.52

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 ₹ 1.20 crore & ₹ 0.59 crore (Previous years ₹ 0.71 crore & ₹ 0.55 crore) was paid as sitting fees & PLC respectively to the Non-Executive Directors during the year.

14. OTHER DISCLOSURES

a) Business Ratios

Particulars	31 st March 2022	31 st March 2021
Interest Income as a percentage to Working Funds	7.28%	7.99%
Non-Interest Income as a percentage to Working Funds	1.35%	1.33%
Cost of Deposits	4.68%	5.36%
Net Interest Margin	3.98%	4.00%
Operating Profit as a percentage to Working Funds	2.83%	2.84%
Return on Assets	1.35%	1.15%
Business per employee (Rs. in cr)	16.55	13.94
Profit per employee (Rs. in cr)	0.14	0.10

b) Bancassurance Business (₹ in crore)

Particulars	31 st March 2022	31 st March 2021
Income from Life Insurance (LIC)	16.06	12.99
Income from Non-Life Insurance (Star Health)	4.97	3.50
Total	21.03	16.49

c) Marketing and distribution:

The Bank has received fees of ₹ 1.40 crores for the FY 2021-22 (Previous year-FY 2020-21: ₹1.45 crores) with respect to marketing and distribution function (excluding bancassurance business).

d) Disclosures regarding Priority Sector Lending Certificates (PSLCs):

During the year, Priority Sector Lending Certificate (PSLC) purchased totaling to ₹ 925 cr (Small & Marginal Farmers ₹ 400 cr and Agriculture ₹ 525.00 cr) and PSLC sold totaling to 2000 cr (Small & Marginal Farmers ₹200 cr and Micro Enterprises ₹ 1800 cr) on various dates.

e) Provisions and contingencies: (₹ in crore)

Provision debited to Profit and Loss Account	31 st March 2022	31 st March 2021
Provision for		
- Non Performing Investments	1.40	1.82
- Non Performing Assets	553.50	599.00
- Covid - 19	(8.00)	31.00
- Standard Assets	55.00	104.50
- Income Tax (including Def Tax)	225.00	100.00
- Restructured Accounts	10.75	26.50
- Country Exposure	3.25	-
- Others	(5.75)	12.20
Total	835.15	875.02

f) 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, 30th September 2021 in prescribed format.

In terms of RBI notification DBR.BP.BC.No.29/21.07.001/2018-19 dated 22nd March 2019 has deferred the implementation of Ind AS until further notice from RBI.

g) Payment of DICGC Premium: (₹ in crore)

Sl. No.	Particulars	31 st March 2022	31 st March 2021
i)	Payment of DICGC Insurance Premium	54.66	49.65
ii)	Arrears in payment of DICGC premium	0.00	0.00

h) Disclosure of facilities granted to directors and their relatives: - NIL

i) 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 deferred contribution managed by LIC of India.

15) 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 st March 2022	31 st March 2021
Present value of Obligation as at the beginning of the year	104.69	87.40
Interest cost	7.18	6.16
Current service cost	Nil	Nil
Past service cost - (non vested benefits)	Nil	Nil
Past service cost - (vested benefits)	Nil	Nil
Benefits paid	(16.76)	(12.69)
Actuarial gain / (loss) on obligation	14.83	23.82
Present value of obligation at the year end	109.94	104.69

ii) Amount recognized in Balance Sheet :

(₹ in crore)

Particulars	31 st March 2022	31 st March 2021
Closing Present value Obligation	109.94	104.69
Fair value of Plan Assets	Nil	Nil
Difference	109.94	104.69
Unrecognised transitional liability	Nil	Nil
Unrecognised past service cost - non vested benefits	Nil	Nil
Liability recognized in the Balance sheet	109.94	104.69

iii) **Expenses recognized in Profit & Loss account :**

(₹ in crore)

Particulars	31 st March 2022	31 st March 2021
Current Service cost	Nil	Nil
Interest cost	7.18	6.16
Expected return on Plan Assets	Nil	Nil
Net Actuarial (gain) / loss recognised in the year	14.83	23.82
Total expenses recognized in the Profit & Loss Account	22.01	29.98

iv) **Principal actuarial assumption at the Balance Sheet Date :**

Particulars	31 st March 2022	31 st March 2021
Discount factor	7.25%	6.87%
Salary escalation rate	6.00%	6.00%
Attrition rate	6.00%	6.00%
Expected rate of return on Plan Assets	Nil	Nil

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	892.54	929.60	1013.96	1137.26	2917.35	2729.50	40.01	27.09	4863.86	4823.45
Result	513.06	555.59	356.28	344.50	692.41	546.85	33.56	20.90	1595.31	1467.84
Unallocated Expenses									0.00	0.00
Operating Profit									1595.31	1467.84
Other Prov & Contingencies									610.15	775.02
Income Taxes									225.00	100.00
Extra ordinary Profit / Loss									0.00	0.00
Net Profit									760.16	592.82
Other Information:										
Segment Assets	16851.35	13032.50	10677.66	11071.50	32063.42	27417.10	Nil	Nil	59592.43	51521.10
Unallocated Assets									1938.48	1790.58
Total Assets									61530.91	53311.68
Segment Liabilities	14987.59	11606.32	9669.93	9979.49	29037.40	24712.91	Nil	Nil	53694.92	46298.72
Unallocated Liabilities									1250.29	1170.48
Total Liabilities									54945.21	47469.20
Segment Capital	1863.76	1426.18	1007.73	1092.01	3026.02	2704.19	Nil	Nil	5897.51	5222.38
Unallocated Capital									688.19	620.10
Capital Employed									6585.70	5842.48

Part B - Geographic Segment - The Bank operates only in India.

f) Related Party disclosures - AS 18

(i) Related Parties:

Parent / Subsidiaries / Associates / JV - Nil
Key Management Personnel - Dr. N. Kamakodi

(ii) Related Party Transactions:

(in ₹)

Particulars	31 st March 2022	31 st March 2021
Remuneration	1,90,96,435	1,17,00,000
Outstanding Housing Loan	37,90,412	39,25,835

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 st March 2022	31 st March 2021
Earnings for the year (₹ in crore)	760.17	592.82
Basic weighted average number of shares (Nos.)	73,90,96,135	73,78,98,705
Basic EPS (₹)	10.29	8.03
Dilutive effect of stock options (Nos.)	78,92,669	57,62,497
Diluted weighted average number of shares (Nos.)	74,69,88,804	74,36,61,202
Diluted EPS (₹)	10.18	7.97
Nominal value of shares (₹)	1	1

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 31st March, 2022 are as follows: (₹ in crore)

Components	31 st March 2022	31 st March 2021
Deferred Tax Liability:		
Depreciation on Fixed Assets	-	-
Special Reserve under IT Act	139.95	121.07
Total Deferred Tax Liability (A)	139.95	121.07
Deferred Tax Asset:		
Provision for Advances (NPA)	127.44	173.89
Leave Encashment	27.67	26.35
Provision for FITL	-	0.96
Provision for Standard Assets	76.93	63.08
Provision for COVID-19 - General Provision	25.94	37.90
Depreciation on Fixed Assets	7.15	3.22
Total Deferred Tax Asset (B)	265.12	305.40
Net Deferred Tax Liability / (Asset) : (A - B)	(125.17)	(184.33)

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.

16. 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 2021-22 which is arrived as below:

Transfer to Investment Fluctuation Reserve		(₹ in crore)
a)	Net Profit on Sale of Investments during the year	62.09
b)	Net Profit for the Year less Mandatory Provisions	760.17
c)	(a) or (b) lower of the above	62.09
d)	Total of HFT & AFS Portfolio as on 31.03.2022	1684.40
e)	2% on the (d)	33.69
	Investment Fluctuation Reserve required as on 31.03.2022 (upto a maximum of (e) above)	33.69

The Bank holds IFR of ₹ 34.18 crore as on 31.03.2022

- 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 31.03.2022

(₹ in crore)

Number of Accounts Restructured (during the FY 2021-22) - MSME	Exposure as on 31.03.2022	Total No. of Standard Restructured Accounts (MSME) as on 31.03.2022	Total Exposure- Standard Restructured Advances (MSME) as on 31.03.2022
170	477.50	409	1522.41

- 3) Out of 7,338 accounts under ECLGS 1.0 having an outstanding of ₹1323.43 crs, 146 accounts having an outstanding of ₹28.94 crs have been classified as NPA, 6984 accounts with an outstanding of ₹1213.75 crs are regular and 208 accounts with an outstanding of ₹80.74 crs are under restructured enjoying extended moratorium of 24 months. Appropriate provision has been made for the same.
- 4) ECLGS 2.0 with an outstanding balance of ₹125.81 cr, 2.0 Extn with an outstanding balance of ₹48.68 cr, 3.0 with an outstanding balance of ₹36.86 cr, 3.0 Extn with an outstanding balance of ₹1.25 cr, 4.0 with an outstanding balance of ₹2.20 cr are allowed to have 12 / 24 / 24 / 24 / 6 months moratorium as per extant RBI guidelines.
- 5) **Disclosure in respect of borrower account where modification were sanctioned and implemented under resolution Framework 2.0 for Covid-19 related stress:**

Particulars	(₹ in crore)
No of accounts in respect of which modification were sanctioned and implemented (A)	Nil
Aggregate Exposure to such borrowers accounts as on 31.03.2022	
Exposure to accounts mentioned at (A) before implementation of Resolution plan	

6) Details of financial assets sold to Securitisation / Reconstruction company for Asset Reconstruction:

i) Details of Sales:

(₹ in crore)

Sl.No.	Particulars	31 st March 2022	31 st March 2021
a)	Number of Accounts	*14	**1
b)	Aggregate value (Net of provisions) of accounts sold to SC / RC *{Book balance of ₹ 65.03 Crore Less Provision of ₹ 51.48 Crore} **{Book balance of ₹ 59.67 Crore Less Provision of ₹ 59.67 Crore}	13.55	0.00
c)	Aggregate consideration	31.55	6.85
d)	Additional consideration realized in respect of accounts transferred in earlier years	Nil	Nil
e)	Aggregate gain/(loss) over net book value	18.00	6.85

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 31.03.2022 - 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	91.69	142.86	Nil	Nil	91.69	142.86

(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	4.07	81.93	*5.69
Provision held against (i)	-	57.85	5.69
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)	4.07	81.93	5.69

* includes 9 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 st March 2022	31 st March 2021
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 st March 2022	31 st March 2021
1.	Number of accounts sold during the year	Nil	Nil
2.	Aggregate outstanding	Nil	Nil
3.	Aggregate consideration received	Nil	Nil

7) Provisions on Standard Assets (₹ in crore)

Particulars	31 st March 2022	31 st March 2021
Provision towards Standard Assets	305.63	250.63

8) Movement in Countercyclical Provisioning Buffer for NPA (₹ in crore)

Sl.No.	Particulars	31 st March 2022	31 st March 2021
a)	Opening Balance	Nil	9.65
b)	Additions during the year	Nil	Nil
c)	Deductions during the year	Nil	9.65
d)	Closing Balance	Nil	Nil

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9) Movement in Floating Provisions (₹ in crore)

Sl.No.	Particulars	31 st March 2022	31 st March 2021
a)	Opening Balance	Nil	9.00
b)	Additions during the year	Nil	Nil
c)	Deductions during the year	Nil	9.00
d)	Closing Balance	Nil	Nil

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10) Amount of Provision for Income Tax for the year (₹ in crore)

Particulars	31 st March 2022	31 st March 2021
Provision for Income Tax (Current Tax)	165.84	196.03
Deferred Tax Assets	40.28	-112.65
Deferred Tax Liabilities	18.88	16.62
Provision for Income Tax - Net	225.00	100.00

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11) 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.

12) Letters of Comfort:

The Bank has not issued any letters of comfort to other banks/branches during the year.

13) 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 31st March 2022 was ₹9.10 crore.

14) 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, no provision is considered necessary for earlier years towards

disputed tax liability since for the Income Tax claim of ₹1052 cr (under Appeal) (previous year ₹1052 cr) and for Service Tax ₹ 11.77 cr (previous year ₹11.77 cr) based on the opinion / Appellate orders decided in its favour on similar issues.

15) Inter Branch Reconciliation

Reconciliation of Central Office accounts maintained by branches has been completed upto 31.03.2022. 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.

16) Employees Stock Option

The bank has allotted 7,62,802 (P.Y. 15,02,890) equity shares during the year to its eligible employees who have exercised their options granted under ESOP of the Bank.

Basel III

17 CSR activities (accounted under Schedule-16 – Operating expenses – XII Other Expenditure) (₹ in crore)

Particulars	FY 2021 - 22	FY 2020 - 21
Amount earmarked for CSR activities	14.68	15.49
Amount carried forward from previous year	6.22	3.69
Amount spent during FY 2020-21	-	10.95
Amount spent during FY 2021-22	11.81	-
Unspent amount of previous year(s) spent during current year (For FY 2018-19-₹0.38 crs, For FY 19-20- ₹1.30crs and For FY 2020-21-₹2.62crs)	4.30	2.01
Amount un-spent as at 31 st March, 2022 *(₹2.87 crs FY 2021-22 and ₹ 1.92 crs - FY20-21)	*4.79	6.22

- 18)** In accordance with RBI instruction, the Bank has made a provision of 5% amounting to ₹3.11 cr against exposure in the long term food credit advance to Punjab State Government.
- 19)** 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 III, Leverage Ratio, Liquidity Coverage Ratio and NSFR disclosures along with publication of financial results. Accordingly Pillar III disclosure 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.
- 20)** Details of loans not in default / Stressed loans transferred / acquired as per RBI Circular - DOR. STR.REC.51/21.04.048/2021-22 dated 24th September 2021 - NIL.
- 21)** The bank neither transferred any stressed (SMA) loans & loans not in default nor has acquired any stressed loans / loans classified as NPA acquired during the quarter & Year ended 31st March 2022.
- 22)** Previous year's figures have been regrouped wherever necessary to conform to the current year classification.
- 23)** The Board of directors have recommended dividend of ₹ 1 per share i.e @ 100% for the year ended March 31,2022 (Previous year 50%) subject to approval of members in the ensuing Annual General meetings.
- 24)** India is steadily coming out of disruptions caused by Covid-19 pandemic. The extent to which any new wave of Covid-19 will impact the Bank's operations is dependent on future developments.

STATEMENT OF ACCOUNTING POLICIES

1. BASIS OF PREPARATION

The Bank's financial statements are prepared under the historical cost convention and on accrual basis of accounting, unless otherwise stated, by following going concern assumption and conform in all material aspects to Generally Accepted Accounting Principles (GAAP) in India, which comprises applicable statutory provisions, regulatory norms / guidelines prescribed by the Reserve Bank of India, Accounting Standards, Banking Regulation Act, 1949, Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI) and practices prevalent in the banking industry in India.

2. USE OF ESTIMATES

The preparation of financial statements require the management to make estimates and assumptions considered for Assets and Liabilities (including contingent liabilities) as on 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. Future results could differ from these estimates.

SIGNIFICANT ACCOUNTING POLICIES

3. REVENUE RECOGNITION

Income and Expenditure are accounted on accrual basis, except the following;

- a. Interest on non-performed advances and non-performing investments is recognized as per norms laid down by Reserve Bank of India.
- b. Interest on overdue bills, commission, exchange, brokerage and rent on lockers are accounted on realization.
- c. Dividend is accounted when the right to receive the same is established.

In case of suit filed accounts, related legal and the expenses incurred are charged to Profit and Loss

Account and on recovery the same are accounted as income.

4. EFFECTS OF CHANGES IN THE FOREIGN EXCHANGE RATE

- a. 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.
- b. Income and Expenditure items have been translated at the exchange rates ruling on the date of the transactions.
- c. The Bank does not have a branch in any Foreign Country.
- d. 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.
- e. Foreign Currency Guarantees, Acceptances, Endorsements and other obligations are reported at the exchange rates prevailing on the date of the Balance Sheet.

5. INVESTMENTS

5.1 As per RBI guidelines, the investments of the Bank are classified into the following categories at the time of acquisition:

- l Held to Maturity
- l Available for Sale
- l Held for Trading

They are further sub classified and shown in 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 "Held to Maturity" 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 "Available for Sale" 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 & 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 Fixed Income Money Market and Derivatives Association of India & Bloomberg / Financial Benchmark India Limited.
 - iii) Treasury Bills / Certificate of Deposits/ Commercial Papers 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 ₹1/- per Company.
 - v) Preference shares are valued at market price if quoted or at appropriate YTM basis as per Fixed Income Money Market and Derivatives Association of India & Bloomberg / Financial Benchmark India Limited.
 - vi) Debentures / Bonds are valued at market price, if quoted, otherwise on an appropriate YTM basis.
 - vii) Mutual Funds are valued at market price, if quoted, or at NAV or Market Price / Repurchase Price.
 - viii) Security Receipts are valued at NAV as declared by Securitisation companies.
- c) Individual scrips under "Held for Trading" category are valued at Market Price.
- 5.2 Individual scrips in Available for Sale / Held for Trading are valued at scrip wise aggregated category wise and net depreciation, if any, for each category is charged to Profit & Loss Account, while net appreciation, if any, is ignored.
- 5.3 Shifting of securities from one category to another category is carried out lower of acquisition cost/ book value / market value on the date of transfer. The depreciation, if any on such transfer is fully provided for.
- 5.4 Profit / Loss on sale of Investments in any category is taken to the Profit & Loss Account. However, in case of sale of investment in "Held to Maturity" 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.
- 5.5 Commission, brokerage, broken period interest etc. on securities incurred on acquisition is debited to Profit and Loss account. Commission, incentives, brokerage received on subscription is deducted from the cost of the securities.
- 5.6 The Investments shown in the Balance Sheet are net of Depreciation, if any.
- 5.7 The Non Performing Investments are identified and provided for as per RBI guidelines.

6. LOANS / ADVANCES AND PROVISIONS THEREON

- 6.1 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.
- 6.2 Advances shown in the Balance Sheet are net of provisions and interest reserve on NPA accounts, technical write offs, ECGC / DICGC claims received and provisions for Restructured accounts.
- 6.3 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.

6.4 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.

6.5 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;

6.6 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.

6.7 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, moderate, high, very high, restricted and off-credit 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.

7. FIXED ASSETS, DEPRECIATION & AMORTIZATION

7.1 Premises and other Fixed Assets are accounted at acquisition cost less depreciation.

7.2 Depreciation has been provided on the composite value for premises acquired with land and building, where cost of the land is not separately identifiable.

7.3 With effect from 1st April, 2014, in accordance with the Companies Act, 2013, the Bank has provided depreciation based on useful life of the assets in line with Schedule II of the Companies Act, 2013. Further the method of depreciation is on Straight line method (SLM) in respect of all fixed assets. Depreciation on assets purchased and sold during the year is provided on pro rata basis.

8. STAFF BENEFITS

8.1 Provision towards leave encashment is accounted on actuarial basis in accordance with the guidelines contained in Accounting Standard 15 (revised 2005) issued by ICAI.

8.2 Liability for Gratuity to staff is contributed to the Group Gratuity Life Assurance Scheme of the Life Insurance Corporation of India.

8.3 Payments to defined contribution schemes such as Provident Fund and Employees Pension Fund Superannuation Scheme of Life Insurance Corporation of India are charged as expenses as they fall due.

9. 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.

10. 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 (d) Other Banking Operations.

11. 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.

12. 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.

13. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

13.1 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.

13.2 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.

13.3 Contingent Assets are not recognized in the financial statements.

14. 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.

15. NET PROFIT

The Net Profit disclosed in the Profit and Loss Account is after considering:

- 15.1 Provision for Taxes on Income in accordance with statutory requirements.
- 15.2 Provision for Bad and Doubtful Advances and investments.
- 15.3 Contingent Provision for Standard Assets.
- 15.4 Other usual and necessary provisions.

16. 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 have passed a resolution approving creation of the reserve and confirming that it has no intention to make withdrawal from the Special Reserve.

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CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2022

(₹ in thousands)

	2021 - 22	2020 - 21
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit as per P&L account	7601651	5928228
Adjustments for :		
Depreciation	850211	874736
Provisions & Contingencies - Tax	2250000	1000000
Provisions & Contingencies - Others	6101459	7910178
Profit on sale of Investments	-620995	-2334071
Profit on sale of Assets	-1416	-2486
Foreign exchange fluctuations	-1947423	-919082
Operating Profit before working capital changes	14,233,487	12,457,503
Adjustments for :		
Funds advanced to Customers	-47648894	-28868828
Other Operating Assets	-40668	1242996
Deposits from Customers	31523061	37048701
Borrowing from Banks	39661279	-6867074
Other Operating Liabilities	1333311	-4745473
Purchase and sale of Investments (Net)	-27197111	-375745
Cash Generated from Operations	11,864,465	9,892,080
Taxation - Income Tax	-209451	-674084
Net Cash flow from Operating Activities - A	11,655,014	9,217,996
Cash flow from Investing Activities		
Purchase of Fixed Assets	-771012	-761777
Sale of Fixed Assets	142611	382215
Net Cash used in Investing Activities - B	-628,401	-379,562
Cash flow from Financing Activities		
Proceeds from issue of Share Capital	763	1503
Proceeds from Share Premium	67090	110996
Dividend Paid	-375771	-16806
Tax on distributed profits	-	-
Net Cash flow from Financing Activities - C	-307,918	95,693
Net increase in Cash and Cash equivalents (A+B+C)	10,718,695	8,934,127
Cash and Cash equivalents at 31 st March 2021	56,150,604	47,216,477
Cash and Cash equivalents as at 31st March 2022	66,869,299	56,150,604

For and on behalf of the Board

Kumbakonam
27th May, 2022

Dr. N. KAMAKODI
MD & CEO

V. RAMESH
SGM - CFO & CS

Dr. N. KAMAKODI
MD & CEO

M. NARAYANAN
Chairman

K. JAYARAMAN
General Manager

R. MOHAN

Dr. T.S. SRIDHAR

K. VAIDYANATHAN

T.K. RAMKUMAR

Directors

For **Jagannathan & Sarabeswaran**
Chartered Accountants
(Firm No. 001204S)

For **M/s. K. Gopal Rao & Co.,**
Chartered Accountants
(Firm No. 000956S)

CA P.S. Narasimhan
Partner

CA K. Gopal Rao
Partner

Kumbakonam
27th May, 2022

M.No. : 020936
UDIN : 22020936AJSKPV6571

M.No. : 018230
UDIN : 22018230AJSMGG1340



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.	Bank of America	NewYork	USD
13.	Standard Chartered Bank	NewYork	USD
14.	Wells Fargo Bank	NewYork	USD

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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
VADODARA
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
THRIPUNITHURA
THRISSUR
THRISSUR - EAST FORT
VALLIKAVU

MADHYA PRADESH

BHOPAL
DEWAS
INDORE
UJJAIN

MAHARASHTRA

AMRAVATI
AURANGABAD
BHIWANDI
ICHALKARANJLI
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

LIST OF BRANCHES (Contd.)

RAJASTHAN

AJMER
ALWAR
BALOTRA
BEAWAR
BHILWARA
BHIWADI
BIKANER
JAIPUR
JODHPUR
KISHANGARH
KOTA
NAGAUR
PALI
UDAIPUR

TAMIL NADU

15 VELAMPALAYAM
ACHALPURAM
ADUTHURAI
AGARAMTHEN
AGARATHIRUMALAM
ALANGANALLUR
AGRAHARA MANAPPALLI
ALANGUDI
ALANGULAM
AMBASAMUDRAM
AMBUR
ANAIMALAI
ANAKAPUTHUR
ANNALAGRAHARAM
ANTHIYUR
ARAKKONAM
ARANI
ARANTHANGI
ARCOT
ARIYALUR
ARUPUKOTTAI
ASANALLIKUPPAM
ASUR
ATHANAKOTTAI
ATTUR
AUNDIPATTI
AVINASI
AYAPPAKKAM
AYOTHIYAPATTINAM
AYYAPPANTHANGAL
AYYEMPETTAI
AZHINJIVAKKAM
BALAKRISHNAPURAM
BARGUR
BATLAGUNDU
BHAVANI
BODINAYAKANUR
CHENGALPET
CHENNAI - ABHIRAMAPURAM
CHENNAI - ADAMBAKKAM
CHENNAI - ADYAR
CHENNAI - AMBATTUR
CHENNAI - AMINJIKARAI
CHENNAI - ANNA NAGAR EAST
CHENNAI - ANNA NAGAR WEST
CHENNAI - ARUMBAKKAM
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 - MUGAPPAIR
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 - THORAIPAKKAM
CHENNAI - TIRUVANMIYUR
CHENNAI - TRIPLICANE
CHENNAI - VADAPALANI
CHENNAI - VANAGARAM
CHENNAI - VELACHERY
CHENNAI - VILLIVAKKAM
CHENNAI - VINAYAGAPURAM
CHENNAI - ZAMIN PALLAVARAM
CHENNIMALAI
CHEYYARU
CHIDAMBARAM
CHINNA KANCHEEPURAM
CHINNALAPATTI
CHINNAMANUR
CHINNAPOOLAMPATTI
CHINNASALEM
CHINNIAMPALAYAM
CHINTHAMANI
CHITLAPAKKAM
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
ERAVANCHERY
ERODE
ERODE - MOOLAPALAYAM
GERUGAMBAKKAM
GINGEE
GOBICHETTIPALAYAM
GUDIYATHAM
GUDUVANCHERY
GUMMIDIPOONDI
HOSUR
IDAPPADI
IKKARAIPOLOUVAMPATTI
ILAYANGUDI
ILLALUR
ILUPPANATHAM
IRUNGALUR
JALAKANDAPURAM
JALLADIAMPET
JAYANKONDAM
KADAGAMBADI
KADAYANALLUR
KADUGUR
KALAHASTINATHAPURAM
KALAPATTI
KALAYARKOIL
KALLAKURICHI
KANCHEEPURAM
KANGAYAM
KANKODUTHAVANITHAM
KAPPANAMANGALAM
KARADIPATTI
KARAIKUDI
KARAMADAI
KARUR
KATHIRINATHAM
KATPADI
KATTUMANNARKOIL
KATTUPAKKAM
KEELAKARAI
KEELAKORUKKAI
KEELAPALUVUR
KELAMBAKKAM
KETTAVARAMPALAYAM
KIDARANKONDAN
KINATHUKADAVU
KODANGIPALAYAM

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KOILAMBAKKAM	MODAKURICHI	PULIYANKUDI
KOMARAPALAYAM	MUDICHUR	PUNJAI PULIYAMPATTI
KOOTHANALLUR	MUDIKONDAN	RAJAPALAYAM
KORADACHERY	MUSIRI	RAMANATHAPURAM
KORANATTU KARUPPUR	MUTHUPET	RAMESWARAM
KOTHANGUDI	NACHIAR KOIL	RANIPET
KOTTUR	NADUKKADAI	RASIPURAM
KOVILPATTI	NADUPATTY	REDDIKUPPAM
KRISHNAGIRI	NAGAPATTINAM	REDHILLS
KULASEKARAM	NAGERKOIL	RISHIVANDIYAM
KULATHUR	NAGORE	S.PUDUR
KUMBAKONAM - GANDHINAGAR	NALLAMANGUDI	SAHUPURAM
KUMBAKONAM - MAIN	NALLUR	SAKKOTTAI
KUMBAKONAM - TOWN	NAMAKKAL	SALEM - AMMAPETTAI
KUNDRATHUR	NAMBIYUR	SALEM - FAIR LANDS
KUNIAMUTHUR	NANJIKOTTAI	SALEM - MAIN
KUNNATHUR	NANNILAM	SALEM - SHEVAPET
KURICHI	NARANAMANGALAM	SALEM - SURAMANGALAM
KUTTALAM	NATHAM	SANKAGIRI
MADAGUDI	NAVALUR	SANKARANKOIL
MADAPATTU	NEDUNKUNDRAM	SANNANALLUR
MADAPURAM	NEYVELI	SANOORAPATTI
MADATHUKULAM	NILAKKOTTAI	SARAVANAMPATTI
MADIPAKKAM	NORTH POIGAINALLUR	SATHYAMANGALAM
MADUKKUR	ODDANCHATRAM	SATTUR
MADURAI - ANNA NAGAR	ODDERPALAYAM	SEMBANARKOIL
MADURAI - CHOICKIKULAM	OMALUR	SEMMANJERI
MADURAI - K K NAGAR	ORAGADAM	SENDAMANGALAM
MADURAI - K.PUDUR	OTTAKOIL	SENGANUR
MADURAI - KOODAL NAGAR	PADAPPAI	SENGURICHI
MADURAI - MAIN	PADUR	SHOLINGANALLUR
MADURAI - OTHAKADAI	PAKKAM	SHOLINGHUR
MADURAI - S.S. COLONY	PALANI	SILLATUR
MADURAI - T V S NAGAR	PALAVATHANKATTALAI	SINGAPERUMAL KOIL
MADURAI - VILAKKUTHOON	PALAYAMKOTTAI	SIRKALI
MADURAI - VILLAPURAM	PALAYANUR	SITHALAPAKKAM
MADURANTHAKAM	PALLADAM	SITHARKADU
MADURAPAKKAM	PALLIPALAYAM	SIVAGANGAI
MADURAPURI	PAMMAL	SIVAGIRI
MADURAVOYAL	PANDARAVADAIMAPPADUGAI	SIVAKASI
MALUMICHAMPATTI	PANNIMADAI	SOMANUR
MANALI	PANRUTI	SRIKANTAPURAM
MANAMADURAI	PARAMAKUDI	SRIPERAMBUDUR
MANAPAKKAM	PARUTHIKOTTAI	SRIVILLIPUTHUR
MANAPPARAI	PATTEESWARAM	SULTANPET
MANGADU	PATTUKOTTAI	SULUR
MANGAIMADAM	PERAMBALUR	SURAMPATTI
MANGALAKKURICHI	PERIYAKULAM	SURANDAI
MANGALAM	PERIYAKURICHI	TENKASI
MANJAKOLLA	PERIYANAIKENPALAYAM	THALAIVASAL
MANJAKUDI	PERUMALPATTU	THALAIYUTHU
MANJANAYACKANPATTI	PERUMANALLUR	THAMARANGKOTTAI
MANNARGUDI	PERUMATHUNALLUR	THAMMAMPATTI
MANNIVAKKAM	PERUMBAKKAM	THANJAVUR - MAIN
MARAIMALAI NAGAR	PERUNDURAI	THANJAVUR - MEDICAL COLLEGE ROAD
MARTHANDAM	PERUNGALATHUR	THARAMANGALAM
MARUNGULAM	PERUR	THENI
MAYILADUTHURAI	PICHANDAR KOIL	THENNAMPALAYAM
MEDAVAKKAM	PODANUR	THEPPARUMANALLUR
MELAIYUR	POLICHALUR	THILLAINAYAGAPURAM
MELAKABISTHALAM	POLLACHI	THIMMACHIPURAM
MELAKOTTAIYUR	PONMAR	THIMMAKUDI
MELAVALAMPETTAI	PONNAMARAVATHI	THIMMAVARAM
MELERIPAKKAM	PONNERI	THINDAL
MELUR	POONAMALLEE	THINDIYUR
MELVISHRAM	POONTHANDALAM	THIRUCHENGODU
METTUPALAYAM	PORAYAR	THIRUINDALUR

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THIRUMALAISAMUDRAM
THIRUMANGALAM
THIRUMAZHISAI
THIRUMUDIVAKKAM
THIRUNAGAR
THIRUNAGESWARAM
THIRUNEERMALAI
THIRUNINDRAVUR
THIRUPAPULIYUR
THIRUPPALAI
THIRUTHANGAL
THIRUTHURAIPOONDI
THIRUVALANJULI
THIRUVALLUR
THIRUVENCHERY
THIRUVERKADU
THISAYANVILAI
THOGUR
THONDAMUTHUR
THUCKALAY
THUDIYALUR
THUVAKUDI
TINDIVANAM
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
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
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

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OTHER OFFICES

**INTERNATIONAL BANKING DIVISION
& DP DIVISION**

1st Floor, No.48, Mahalakshmi Street,
T. Nagar, Chennai - 600 017.

SERVICE BRANCH

1st Floor, 63-A, C.P.Ramaswami Road,
Abiramapuram, Alwarpet,
Chennai - 600 018.

COMPUTER SYSTEM DEPARTMENT

1st & 2nd 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)**

2nd Floor, No.149, T.S.R Big Street,
Kumbakonam - 612 001.

**CENTRALISED LOAN
OPENING CELL (CLOC)**

3rd Floor, No.149, T.S.R Big Street,
Kumbakonam - 612 001.

CURRENCY CHEST

No.24B, Gandhi Nagar,
Kumbakonam - 612 001

DIGITAL BANKING DIVISION

1st and 2nd Floor, 706, Anna Salai,
Chennai - 600006.

CALL CENTRE

Door No.21, 1st Floor,
Gandhi Nagar,
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

1st Floor, No.149,
T.S.R Big Street, 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

29-2-50 & 50/1, Ramamandiram
Street, Governorpet, 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

Law Residence Service Apartments,
No. 7, IIIrd Cross Street, RA Puram,
Chennai - 600028

BASEL III - PILLAR 3 DISCLOSURE AS ON 31st MARCH, 2022

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
Common Equity Tier I Capital	<ul style="list-style-type: none"> During the FY 21-22, the Bank has allotted 762802 equity Shares of face value of ₹1/- each, pursuant to exercise of stock options by the employees. The Equity Share Capital of the Bank as on 31.03.2022 stood at ₹73.96 crore. The Share Premium collected during this year was ₹6.71 crore. The Share Premium account as on 31.03.2022 stood at ₹893.88 crore.
Tier II Capital	<ul style="list-style-type: none"> The Bank has not raised Tier II capital instruments such as Debt Capital instruments/ Preference share capital instruments during the year ended 31.03.2022. The Tier II capital arrived at ₹341.31 crore as on 31.03.2022.

Quantitative Disclosures :

(₹ in crore)

Sl. No.	Description	Amount	
1.	Tier - I Capital		6477.57
	a) Paid-up Capital	73.96	
	b) Reserves & Surplus	6403.61	
	Amount deducted from Tier I Capital (if any)		161.13
	a) Intangible Assets (includes net of DTA)	161.13	
	b) Cross holdings	0.00	
	Total Eligible Tier I Capital		6316.44
2.	Tier - II Capital		452.35
	a) Revenue Reserves (Investment Reserve)	34.18	
	b) Provision for Impact of COVID-19	103.07	
	c) Provision for Country Risk exposure	7.25	
	d) Provision for Unhedged exposure	2.22	
	e) Provision for Standard Assets	305.63	
	Less: Cross Holdings		0.00
	Total Tier II Capital (A)		452.35
	1.25% of Credit RWA (B) [1.25% x 27305.26]		341.31
	Total Eligible Tier II Capital (min of {A,B})		341.31
	Total Eligible Capital (Tier I and Tier II)		6657.75

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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. DBOD.No. BP.BC.1 / 21.06.201 / 2015-16 dated July 1, 2015, 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 countercyclical 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

on-going basis. Besides these minimum capital requirements, Basel III also provides for creation of capital conservation buffer (CCB) and countercyclical 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:

Capital Ratios	(% to RWA's)			
	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
Capital Conservation Buffer (CCB)	0.625	1.250	1.875	2.500
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)	Capital requirements for Credit Risk: (@ 9.00% on Risk Weighted Assets)	
	┆ Portfolios subject to Standardised Approach (27305.26 * 9.00%)	2457.47
	┆ Securitisation exposures	Nil
b)	Capital requirements for Market Risk: Standardised Duration Approach	38.77
	┆ Interest Rate Risk	30.39
	┆ Equity Risk	5.58
	┆ Foreign Exchange Risk	2.80
c)	Capital requirements for Operational Risk: Basic Indicator Approach (4139.25 * 8.00%)	331.14
	Minimum Capital required (a+b+c)	2827.38

d)	Capital Conservation Buffer (CCB) at 2.50% (31929.15 * 2.50%)	798.23
	Minimum Total Capital + CCB	3625.61
	Total Capital Funds available	6657.75
	Total Risk Weighted Assets	31929.15
e)	Common Equity Tier I CRAR % (excluding CCB)	17.28%
	Capital Conservation Buffer	2.50%
	Tier I CRAR	19.78%
	Tier II CRAR	1.07%
	Total CRAR %	20.85%

2. Risk Exposure and Assessment

Risk is an integral part of banking business in an ever dynamic environment, which is undergoing radical changes both on the technology front and product offerings. The main risks faced by the bank are credit risk, market risk and operational risk. The bank aims to achieve an optimum balance between risk and return to maximize shareholder value. The relevant information on the various categories of risks faced by the bank is given in the ensuing sections. This information is intended to give market participants a better idea on the risk profile and risk management practices of the bank.

The Bank has a comprehensive risk management system 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

The structure and organization of Risk Management functions of the Bank is as follows :

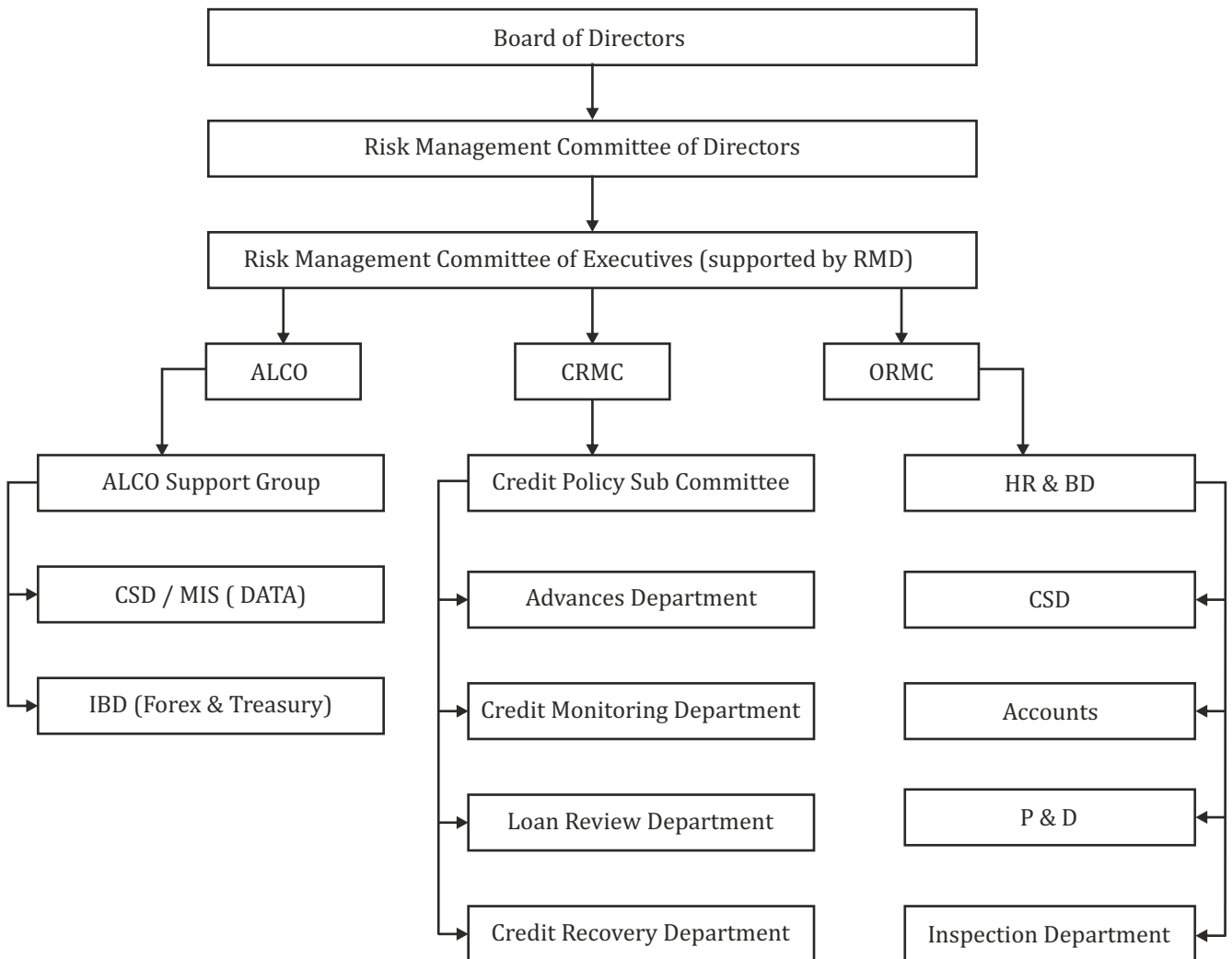


Table DF - 3

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 July 01, 2015).

Quantitative Disclosures :

Total Gross Credit Risk Exposures including Geographic Distribution of Exposure : (₹ in crore)

Exposure as on 31 st March 2022	Domestic	Overseas	Total
Fund based	44157.79	--	44157.79
Non-Fund based (including derivative exposure)	2046.76	--	2046.76
Investment (Non SLR)	157.76	--	157.76
Total	46362.31	--	46362.31

Industry type distribution of exposures as on 31st March, 2022

(₹ in crore)

INDUSTRY / ACTIVITY	Funded Exposure	Non-Funded Exposure	Investment Exposure (Non SLR)	Total Exposure
Mining and Quarrying	91.75	5.97		97.72
Iron and Steel	1141.65	172.29	0.33	1314.27
Other Metal and Metal Products	857.83	100.02		957.85
Engineering of which Electronics	126.93	38.23		165.16
Others (incl Electrical & Home Appliances)	575.55	90.71		666.26
Cotton Textiles	2190.04	137.95		2327.99
Other Textiles	2494.46	59.78	1.61	2555.85
Food Processing	520.36	37.88		558.24
Beverages and Tobacco	176.09	6.46		182.55
Leather and Leather products	29.14			29.14
Wood and Wood Products	72.91	20.16		93.07
Paper and Paper Products	667.57	22.46		690.03
Petroleum, Coal Products and Nuclear Fuels	116.98	1.86		118.84
Drugs and Pharmaceuticals	131.26	34.06		165.32
Other Chemicals and Chemical Products	363.91	106.23		470.14
Rubber, Plastic and their Products	428.48	69.17		497.65
Glass & Glassware	14.75			14.75
Cement and Cement Products	25.51	4.24		29.75
Vehicles, Vehicle Parts and Transport Equipments & auto parts	219.21	30.47		249.68
Gems and Jewellery	212.60	18.95		231.55
Construction	407.91	33.16		441.07
Infrastructure	372.04	23.22		395.26
Other Industries	263.22	22.02		285.24
All Industries Total	11500.15	1035.29	1.94	12537.38
Residuary (other exposures)	32657.64	1011.47	155.82	33824.93
Total Gross Exposure	44157.79	2046.76	157.76	46362.31

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Note: The exposure to Other Textiles and Cotton Textiles accounted for 5.51% and 5.02% of Total Gross Exposure respectively as of 31.03.2022. The coverage of advances to the above industry occupies the top position among the industrial sectors.

Residual contractual maturity breakdown of Assets as on 31st March, 2022

(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	960.72	767.25	4800.21	71.55	6599.73
2 to 7 days	478.96	2344.65	221.30	103.97	3148.88
8 to 14 days	48.93	1102.03	227.66	102.57	1481.19
15 to 30 days	777.09	857.13	89.13	16.18	1739.53
31 days to 60 days	33.37	808.35	127.33	10.31	979.36
61 days to 90 days	276.18	1107.03	171.34	10.31	1564.86
Over 3 months & upto 6 months	1616.18	3472.17	290.42	185.61	5564.38
Over 6 months & upto 1 Year	1059.33	6647.24	522.54	38.01	8267.12
Over 1 year & upto 3 years	1288.10	16522.61	4999.93	375.86	23186.50
Over 3 years & upto 5 years	109.41	4215.08	267.04	106.21	4697.74
Over 5 years	38.66	2514.93	504.32	1243.71	4301.62
Total	6686.93	40358.47	12221.22	2264.29	61530.91

Gross NPA

(₹ in crore)

Sub-Standard	788.59
Doubtful 1	626.61
Doubtful 2	401.49
Doubtful 3	75.25
Loss	41.24
Gross NPA Total	1933.18

Geographical wise NPA:

(₹ in crore)

Gross NPA - Domestic	1933.18
Gross NPA - Overseas	Nil
Gross NPA - Total	1933.18

Particulars	%
Gross NPA to Gross Advances	4.70%
Net NPA to Net Advances	2.95%

(₹ in crore)

Major Industry	O/s Bal	Gross NPA	Provision held
Other Textiles	2171.46	55.43	20.79
Cotton Textiles	1822.40	54.69	21.29

The movement of NPA is as under :

(₹ in crore)

Sl.No.	Position	NPA
1.	Opening Balance at the beginning of the year (1 st April, 2021)	1893.19
2.	Additions made during the year	1275.68
3.	Reductions during the year	1235.69
4.	Closing Balance at the end of the year (31 st March, 2022) [1+ 2 -3]	1933.18

The movements of provisions for NPAs are as under :

(₹ in crore)

S.No.	Position	Total Provision
1.	Opening balance at the beginning of the year (1 st April, 2021)	818.00
2.	Provisions made during the year	553.50
3.	Write-off / Write-back of excess provisions during the year	629.42
4.	Closing Balance at the end of the year (31 st March, 2022) [1+2 -3]	742.08
Recovery made during the year 31 st March, 2022 which is directly taken to Income Account		₹188.33 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 st April, 2021	85.14
2.	Provisions made during the year	--
3.	Write-off during the year	--
4.	Write-back of excess provisions during the year	15.65
5.	Closing Balance at the end of the year (31 st March, 2022) [1+2 -3 -4]	69.49

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) Brickwork, f) Acuite ratings& research Ltd and g) Infomeric Valuation and Rating Pvt. Ltd. to facilitate the corporate borrowers who enjoy credit facilities above Rs.7.50 crore 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 %	398.81	35006.63	35405.44
At 100 %	154.24	13116.54	13270.78
More than 100 %	1131.38	1107.02	2238.40
Total outstanding after Mitigation	1684.43	49230.19	50914.62
Deducted (as per Risk Mitigation)	22.29	11479.76	11502.06

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 :

(₹ in crore)

a. For each separately disclosed credit risk portfolio, the total exposure (after, where applicable, on-or off balance sheet netting) that is covered by eligible financial collateral (FCs) after the application of haircuts is given below:

Portfolio category	Financial collateral	Quantum of exposure covered
Funded - Credit	Bank's own deposits	1151.39
	Gold Jewels	9001.89
	LIC / KVP / NSC	8.45
Non Funded	Bank's own deposits	489.81

- 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 24.81% 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.

(₹ in crore)

b. For each separately disclosed portfolio, the total exposure (after, On Balance Sheet netting) that is covered by Guarantees :

Portfolio category	Guaranteed by	Quantum of exposure covered
Funded - Credit	Food Credit	181.21
	ECGC	160.00
	CGTSI	27.28
	ECLGS	2690.37

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 Trading book Central Government securities 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.

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Quantitative Disclosures :

(₹ in crore)

Capital charge for market risk 31st March, 2022

Interest Rate Risk	30.39
Equity Position Risk	5.58
Foreign Exchange Risk	2.80
Total	38.77

**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 the average of the gross income for the previous three years i.e. 2018-19, 2019-20 & 2020-21 as defined in the Master Circular – Basel III Capital Regulations & New Capital Adequacy Framework guidelines. The required capital is ₹ 331.14 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. 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 31st March, 2022 is ₹ 172.63 crore.
- The impact of change in market value of Equity for an interest rate shock of 200 bps as on 31st March, 2022 is 7.07%.

TABLE DF - 10

GENERAL DISCLOSURES FOR EXPOSURES RELATED TO COUNTERPARTY CREDIT RISK

Counterparty Credit Risk (CCR) is the risk that a counter party to a transaction could default before the final settlement of the transaction cash flows. Unlike a firm's exposure to credit risk through a loan, where the exposure to credit risk is unilateral and only the lending bank faces the risk of loss, CCR creates a bilateral risk of loss to either party.

Counterparty credit risk in case of derivative contracts arises from the forward contracts. The subsequent credit risk exposures depend on the value of underlying market factors (e.g., interest rates and foreign exchange rates),

which can be volatile and uncertain in nature. The Bank does not enter into derivative transactions other than forward contracts.

Credit exposures on forward contracts

The Bank enters into the forward contracts in the normal course of business for proprietary trading and arbitrage purposes, as well as for our own risk management needs, including mitigation of interest rate and foreign currency risk. Derivative exposures are calculated according to the current exposures method.

Counterparty Credit exposure as on 31st March, 2022

(₹ in crore)

Nature	Notional Amount	Potential Exposure @2%/10%	Current Exposure	Total credit Exposure
Forward contracts	7444.78	166.20	54.78	220.98

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 31st March, 2022 amounting to ₹ 2984.96 crore with risk weighted assets of ₹ 596.99 crore, which is forming part of credit risk total. In terms of RBI circular dated

28th March, 2013, the Credit Valuation Adjustment (CVA) risk capital charge has been computed, which amounted to ₹ 1.20 crore (the corresponding risk weighted value of ₹ 15.02 crore has also been added to credit risk weighted assets).

TABLE DF - 11

COMPOSITION OF CAPITAL

(₹ in millions)

Basel III common disclosure - 31 st March, 2022			Ref No.
Common Equity Tier 1 Capital: Instruments and Reserves			
1.	Directly issued qualifying common share capital plus related stock surplus (share premium)	9678.43	-
2.	Retained Earnings	55097.24	-
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 st January, 2018	-	-
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	64775.67	-
Common Equity Tier 1 Capital : Regulatory Adjustments			
7.	Prudential valuation adjustments	-	-
8.	Goodwill (net of related tax liability)	-	-
9.	Intangibles other than mortgage-servicing rights (net of related tax liability)	359.52	-
10.	Deferred Tax Assets (Net)	1251.77	-
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	Nil	-
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)	-	-

(₹ in millions)

Basel III common disclosure - 31 st March, 2022			Ref No.	
20.	Mortgage Servicing Rights (amount above 10% threshold)	-	-	CSR Initiatives
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	-	-	Statutory Reports
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)	-	-	Financial Statements
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	-	-	List of Branches
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.	Total regulatory adjustments to Common Equity Tier 1	1611.29	-	Basel III
29.	Common Equity Tier 1 Capital (CET1)	63164.38	-	
	Additional Tier 1 Capital : Instruments			
30.	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus (share premium) (31+32)	-	-	
31.	of which : classified as equity under applicable Accounting Standards (Perpetual Non-Cumulative Preference Shares)	-	-	
32.	of which : classified as liabilities under applicable Accounting Standards (Perpetual Debt Instruments)	-	-	
33.	Directly issued capital instruments subject to phase out from Additional Tier 1	-	-	
34.	Additional Tier 1 instruments (and CET1 instruments not included in row 5) issued by subsidiaries and held by third parties (amount allowed in group AT1)	-	-	
35.	of which : instruments issued by subsidiaries subject to phase out	-	-	
36.	Additional Tier 1 Capital before Regulatory Adjustments	-	-	
	Additional Tier 1 Capital: Regulatory Adjustments			
37.	Investments in own Additional Tier 1 instruments	-	-	
38.	Reciprocal cross-holdings in Additional Tier 1 instruments	-	-	

(₹ in millions)

Basel III common disclosure - 31st March, 2022		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.	Total Regulatory Adjustments to Additional Tier 1 Capital	-
44.	Additional Tier 1 Capital (AT1)	-
44(a).	Additional Tier 1 Capital reckoned for Capital Adequacy	-
45.	Tier 1 Capital (T1 = CET1 + Admissible AT1) (29 + 44a)	63164.38
	Tier 2 Capital : Instruments and Provisions	
46.	Directly issued qualifying Tier 2 instruments plus related stock surplus	-
47.	Directly issued Capital instruments subject to phase out from Tier 2	-
48.	Tier 2 instruments (and CET1 and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties (amount allowed in group Tier 2)	-
49.	of which : Instruments issued by subsidiaries subject to phase out	-
50.	Provisions	4523.51
51.	Tier 2 Capital before Regulatory Adjustments	4523.51
	Tier 2 Capital: Regulatory Adjustments	
52.	Investments in own Tier 2 instruments	-
53.	Reciprocal cross-holdings in Tier 2 instruments	-
54.	Investments in the capital of Banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the Bank does not own more than 10% of the issued common share capital of the entity (amount above the 10% threshold)	-
55.	Significant investments in the capital banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	-

(₹ in millions)

Basel III common disclosure - 31 st March, 2022			Ref No.	
56.	National specific Regulatory Adjustments (56a+56b)	-	-	CSR Initiatives
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.	Total Regulatory Adjustments to Tier 2 Capital	Nil	-	Statutory Reports
58.	Tier 2 Capital (T2)	4523.51	-	
58(a).	Tier 2 Capital reckoned for Capital adequacy (1.25% of credit KWA)	3413.15	-	
58(b).	Excess Additional Tier 1 Capital reckoned as Tier 2 Capital	-	-	
58(c).	Total Tier 2 Capital admissible for Capital Adequacy (58a + 58b)	3413.15	-	Financial Statements
59.	Total Capital (TC = T1 + Admissible T2) (45 + 58c)	66577.53	-	
60.	Total Risk Weighted Assets (60a + 60b + 60c)	319291.49	-	
60(a).	of which : total credit risk weighted assets	273052.58	-	List of Branches
60(b).	of which : total market risk weighted assets	4846.41	-	
60(c).	of which : total operational risk weighted assets	41392.50	-	
Capital Ratios				Basel III
61.	Common Equity Tier 1 (as a percentage of risk weighted assets)	19.78%	-	
62.	Tier 1 (as a percentage of risk weighted assets)	19.78%	-	
63.	Total Capital (as a percentage of risk weighted assets)	20.85%	-	
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)	19.78%	-	
National Minima (if different from Basel III)				
69.	National Common Equity Tier 1 minimum ratio (if different from Basel III minimum)	5.50%	-	
70.	National Tier 1 minimum ratio (if different from Basel III minimum)	7.00%	-	
71.	National total Capital minimum ratio (if different from Basel III minimum)	11.50	-	
Amounts below the thresholds for deduction (before risk weighting)				
72.	Non-significant investments in the capital of other financial entities	-	-	
73.	Significant investments in the common stock of financial entities	-	-	
74.	Mortgage Servicing Rights (net of related tax liability)	-	-	
75.	Deferred tax assets arising from temporary differences (net of related tax liability)	-	-	

(₹ in millions)

Basel III common disclosure - 31 st March, 2022			Ref No.
Applicable caps on the inclusion of provisions in Tier 2			
76.	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to Standardised Approach (prior to application of cap)	4523.51	-
77.	Cap on inclusion of provisions in Tier 2 under standardised approach	3413.15	-
78.	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to Internal Ratings-Based approach (prior to application of cap)	-	-
79.	Cap for inclusion of provisions in Tier 2 under Internal Ratings-Based approach	-	-
Capital instruments subject to phase-out arrangements (only applicable between 31st March, 2018 and 31st March, 2022)			
80.	Current cap on CET1 instruments subject to phase out arrangements	-	-
81.	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	-	-
82.	Current cap on AT1 instruments subject to phase out arrangements	-	-
83.	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	-	-
84.	Current cap on T2 instruments subject to phase out arrangements	-	-
85.	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	-	-

Notes to the template

(₹ 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	- 1251.77 1251.77
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	4523.51 - 4523.51
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)	1110.36

Table DF - 12

COMPOSITION OF CAPITAL - RECONCILIATION REQUIREMENTS

Step 1

(₹ in millions)

Particulars as on 31 st March, 2022	Balance Sheet as in financial statements	Balance Sheet under regulatory scope of consolidation	
A Capital & Liabilities			
I Total Capital	65857.05		↑ NOT APPLICABLE ↓
Paid-Up Capital	739.58		
Reserves & Surplus	65117.47		
Minority Interest	-		
II Deposits	476896.70		
of which : Deposits from Banks	481.39		
of which : Customer Deposits	476415.31		
of which : Other Deposits (pl. specify)	-		
III Borrowings	53118.24		
of which : From RBI (REPO)	0.00		
of which : From Banks	0		
of which : From other Institutions & Agencies	53118.24		
of which : Others (pl. specify) Outside India	0		
of which : Capital Instruments	0		
IV Other Liabilities & Provisions	19437.16		
Total Liabilities	615309.15		
B Assets			
I Cash and Balances with Reserve Bank of India	29650.97		
Balance with Banks and Money at Call and Short Notice	37218.33		
II Investments	122212.25		
of which : Government Securities	121308.92		
of which : Other Approved Securities	-		
of which : Shares	36.53		
of which : Debentures & Bonds	588.78		
of which : Subsidiaries / Joint Ventures / Associates	-		
of which : Others (Commercial Papers, Mutual Funds etc.)	278.02		
III Loans and Advances	403584.68		
of which : Loans and Advances to Banks	-		
of which : Loans and Advances to Customers	403584.68		
IV Fixed Assets	2146.55		
V Other Assets	20496.37		
of which : Goodwill and Intangible Assets	-		
of which : Deferred Tax Assets	2651.23		
VI Goodwill on Consolidation	-		
VII Debit Balance in Profit & Loss Account	-		
Total	615309.15		

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 millions	As shown in DF-11 Composition of Capital	As shown in DF-12 (Step1) Balance Sheet
a)	Paid-up Capital	739.58	Sl.No.1	Paid-up Capital
b)	Share Premium	8938.85		Reserves & Surplus
c)	Statutory Reserves	17760.00	Sl.No.2	Reserves & Surplus
d)	Capital Reserves	3157.61		Reserves & Surplus
e)	General Reserves	28365.00		Reserves & Surplus
f)	Special Reserve under IT	5560.00		Reserves & Surplus
g)	Balance in P&L (less dividend payable)	254.63		Reserves & Surplus
Total		64775.67		

Common Equity Tier 1 Capital : Regulatory Adjustments (deductions)

Ref. No.	As per Balance Sheet	₹ in millions	As shown in DF-11 Composition of Capital	As shown in DF-12 (Step1) Balance Sheet
h)	Intangible Assets (Application software)	359.52	Sl.No.9	Included in Fixed Assets
i)	Deferred Tax Assets (net)	1251.77	Sl.No.10	Other Assets / Liabilities
Total		1611.29		

Tier 2 Capital : Instruments and Provisions (Additions)

Ref. No.	As per Balance Sheet	₹ in millions	As shown in DF-11 Composition of Capital	As shown in DF-12 (Step1) Balance Sheet
j)	Investment Reserve	341.80	Sl.No.50	Reserves & Surplus
k)	Provision for Standard Assets	3056.30		Other Liabilities & Provisions
l)	Provision for Country Risk Exposure	72.50		
m)	Provision for Unhedged Foreign Currency Exposure (UFCE)	22.24		
n)	Provision for impact of COVID - 19	1030.67		
Total		4523.51		

Step 3

(₹ in millions)

**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	9678.43	2(a) & 2 (b)
2.	Retained Earnings	55097.24	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	64775.67	(Sum of 1 & 2 above)
7.	Prudential valuation adjustments	-	
8.	Goodwill (net of related tax liability)	-	

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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		
Regulatory Treatment				
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)	739.58 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		

Table DF - 13 : Main Features of Regulatory Capital Instruments (Equity Shares & Bond Series I, II)

Sl.No.	Description	Equity Shares	Bond Series II
20.	Fully discretionary, partially discretionary or mandatory	Fully Discretionary	 ↑ ↓ NIL ↑ ↓
21.	Existence of step up or other incentive to redeem	No	
22.	Non Cumulative or Cumulative	Non Cumulative	
23.	Convertible or Non-Convertible	↑	
24.	If convertible, conversion trigger(s)		
25.	If convertible, fully or partially		
26.	If convertible, conversion rate	Not Applicable	
27.	If convertible, mandatory or optional conversion	↓	
28.	If convertible, specify instrument type convertible into		
29.	If convertible, specify issuer of instrument it converts into	↓	
30.	Write-down feature	No	
31.	If write-down, write-down trigger(s)	↑	
32.	If write-down, full or partial		
33.	If write-down, permanent or temporary	Not Applicable	
34.	If temporary write-down, description of write-up mechanism	↓	
35.	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Subordinated Claim at the time of liquidation	
36.	Non-compliant transitioned features	No	
37.	If yes, specify non-compliant features	No	

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Note: Tier - II Bond is Nil.

Table DF - 14

FULL TERMS AND CONDITIONS OF REGULATORY CAPITAL INSTRUMENTS

The details of the Tier II Capital [Bonds] raised by the Bank

NIL

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"> a) Board oversees the design of the compensation package and operations. b) Compensation commensurate with the responsibility and accountability. <p>Objectives:</p> <ul style="list-style-type: none"> a) Alignment of compensation with prudent risk taking. b) Effective Supervisory oversight. c) Sound Compensation Practices.
(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"> a) ESOP and Reservation in Rights Issue to be the components of share based payment. b) Exgratia payment to be denied only in extreme cases of indiscipline, misuse of trust etc.
(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.

Quantitative Disclosures: The quantitative disclosures pertaining to the MD & CEO as on 31st March, 2022 and 31st March, 2021 is given below:

Particulars		Current Year 31 st March, 2022	Previous Year 31 st March, 2021
(a)	Number of meetings held by the Remuneration Committee during the financial year and remuneration paid to its members.	3 meetings (Compensation & Remuneration Committee) were held during the financial year.	8 meetings (Compensation & Remuneration Committee) were held during the financial year.
		The total remuneration and commission paid to the members during the year is ₹ 2700000/- (including commission of ₹ 2400000/-)	The total remuneration and commission paid to the members during the year is ₹ 2423115/- (including commission of ₹ 2163115/-)
(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.	Deferred Variable Pay(FY2021): Variable pay to MD & CEO for FY 2020-21 was approved by RBI vide its letter dated 30.12.2021 consisting of Cash and Non-Cash component. i) Cash component of ₹ 4238217 of which an amount of ₹ 2119109/- has been deferred for a period of 3 years. ii) Non-cash component of ₹ 4238217/- which is deferred for a period of 3 years.	NIL
		2. Total amount of deferred remuneration paid out in the financial year.	NIL (The deferred components are yet to be paid for FY2021)

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Quantitative Disclosures: The quantitative disclosures pertaining to the MD & CEO as on 31st March, 2022 and 31st March, 2021 is given below:

Particulars		Current Year 31 st March, 2022	Previous Year 31 st March, 2021
(d)	Breakdown of amount of remuneration awards for the financial year to show fixed and variable, deferred and non-deferred	<p>Fixed Pay:</p> <p>₹ 15538391/- per annum (including perquisites and encashment of privilege leave)</p>	<p>Fixed Pay:</p> <p>₹ 16952869/- per annum w.e.f., 01.05.2020 as per RBI approval dt.03.12.2020.</p> <p>[The RBI, as per its circular DOR. Appt. BC. No. 23/29.67.001/2019-20 dt.04.11.2019, has directed the Banks to include all perquisites as part of fixed pay].</p>
		<p>Variable pay:</p> <p>Variable pay to MD & CEO for FY2020-21 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</p> <p>Cash component of ₹ 4238217 of which an amount of ₹ 2119109/- has been deferred for a period of 3 years.</p> <p>ii) Non-deferred</p> <p>₹ 2119109/- paid on 31st January, 2022 for FY2021 (approved by RBI vide its letter dt. 30.12.2021).</p>	<p>Variable Pay of ₹ 3000000/- (approved by RBI vide e-mail dt.20.04.2020) paid on 30.04.2020 for FY 2019.</p> <p>Variable Pay of ₹ 3000000/- (approved by RBI vide its letter dt.26.03.2021) paid on 26.03.2021 for FY 2020.</p> <p>For FY 2020-21 the proposal for variable pay will be made to RBI.</p>

Quantitative Disclosures: The quantitative disclosures pertaining to the MD & CEO as on 31st March, 2022 and 31st March, 2021 is given below:

Particulars		Current Year 31 st March, 2022	Previous Year 31 st March, 2021
		<p>b) Non Cash components (Fully deferred)</p> <p>₹ 4238217/- 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>	<p>No. of Stock Options granted during FY 2020-2021:</p> <p>The option vested during FY 19-20 i.e., 181500 options has been exercised in FY 2020-21.</p> <p>Deferred: Nil</p>
(e)	<p>1. Total amount of outstanding deferred remuneration and retained remuneration exposed to ex-post explicit and/or implicit adjustments.</p> <p>2. Total amount of reductions during the financial year due to ex-post explicit adjustments.</p> <p>3. Total amount of reductions during the financial year due to ex-post implicit adjustments.</p>	<p>NIL</p> <p>NIL</p> <p>NIL</p>	<p>NIL</p> <p>NIL</p> <p>NIL</p>
(f)	Number of MRTs identified	NIL	NIL

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Quantitative Disclosures: The quantitative disclosures pertaining to the MD & CEO as on 31st March, 2022 and 31st March, 2021 is given below:

Particulars		Current Year 31 st March, 2022	Previous Year 31 st March, 2021
(g)	Number of cases where malus has been exercised.	NIL	NIL
	Number of cases where clawback has been exercised.	NIL	NIL
	Number of cases where both malus and clawback have been exercised.	NIL	NIL
(h)	General Quantitative Disclosure: 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.	₹ 1,70,78,288.50	₹ 1,43,39,304.52

Table DF - 16

EQUITIES - DISCLOSURE FOR BANKING BOOK POSITIONS

There are no equity investments as on 31st March, 2022 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 28th 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-31st March, 2022
(₹ in millions)

Sl. No.	Item	Amount	
1.	Total consolidated assets as per published financial statements	615309.14	CSR Initiatives
2.	Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	Nil	
3.	Adjustment for fiduciary assets recognized on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure	-	Statutory Reports
4.	Adjustments for derivative financial instruments	2287.17	
5.	Adjustment for securities financing transactions (i.e. repos and similar secured lending)	-	Financial Statements
6.	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	19941.34	
7.	Other adjustments (intangible)	(1611.29)	List of Branches
	Leverage Ratio exposure	635926.36	

Table DF - 18

LEVERAGE RATIO COMMON DISCLOSURE TEMPLATE – 31st March, 2022

(₹ in millions)

Sl. No.	Item	Amount
On - Balance Sheet Exposures		
1.	On-Balance Sheet items (excluding Derivatives and SFTs, but including Collateral)	615309.14
2.	(Asset amounts deducted in determining Basel III Tier 1 Capital)	(1611.29)
3.	Total On-Balance Sheet exposures (excluding Derivatives and SFTs) (sum of lines 1 and 2)	613697.85
Derivative Exposures		
4.	Replacement cost associated with all Derivative transactions (i.e. net of eligible cash variation margin)	2287.17
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.	Total Derivative Exposures (sum of lines 4 to 10)	2287.17
Securities financing transaction exposures		
12.	Gross SFT Assets (with no recognition of netting), after adjusting for sale accounting transactions	-
13.	(Netted amounts of cash payables and cash receivables of gross SFT Assets)	-
14.	CCR exposure for SFT Assets	-
15.	Agent transaction exposures	-
16.	Total securities financing transaction exposures (sum of lines 12 to 15)	-
Other Off-Balance sheet exposures		
17.	Off-Balance Sheet exposure at gross notional amount	57801.24
18.	(Adjustments for conversion to credit equivalent amounts)	(37859.90)
19.	Off-Balance Sheet items (sum of lines 17 and 18)	19941.34
Capital and total exposures		
20.	Tier 1 Capital	63164.37
21.	Total exposures (sum of lines 3, 11, 16 and 19)	635926.36
Leverage Ratio		
22.	Basel III Leverage Ratio (20/21)	9.93%

DECADE OF PROGRESS

(₹ in crore)

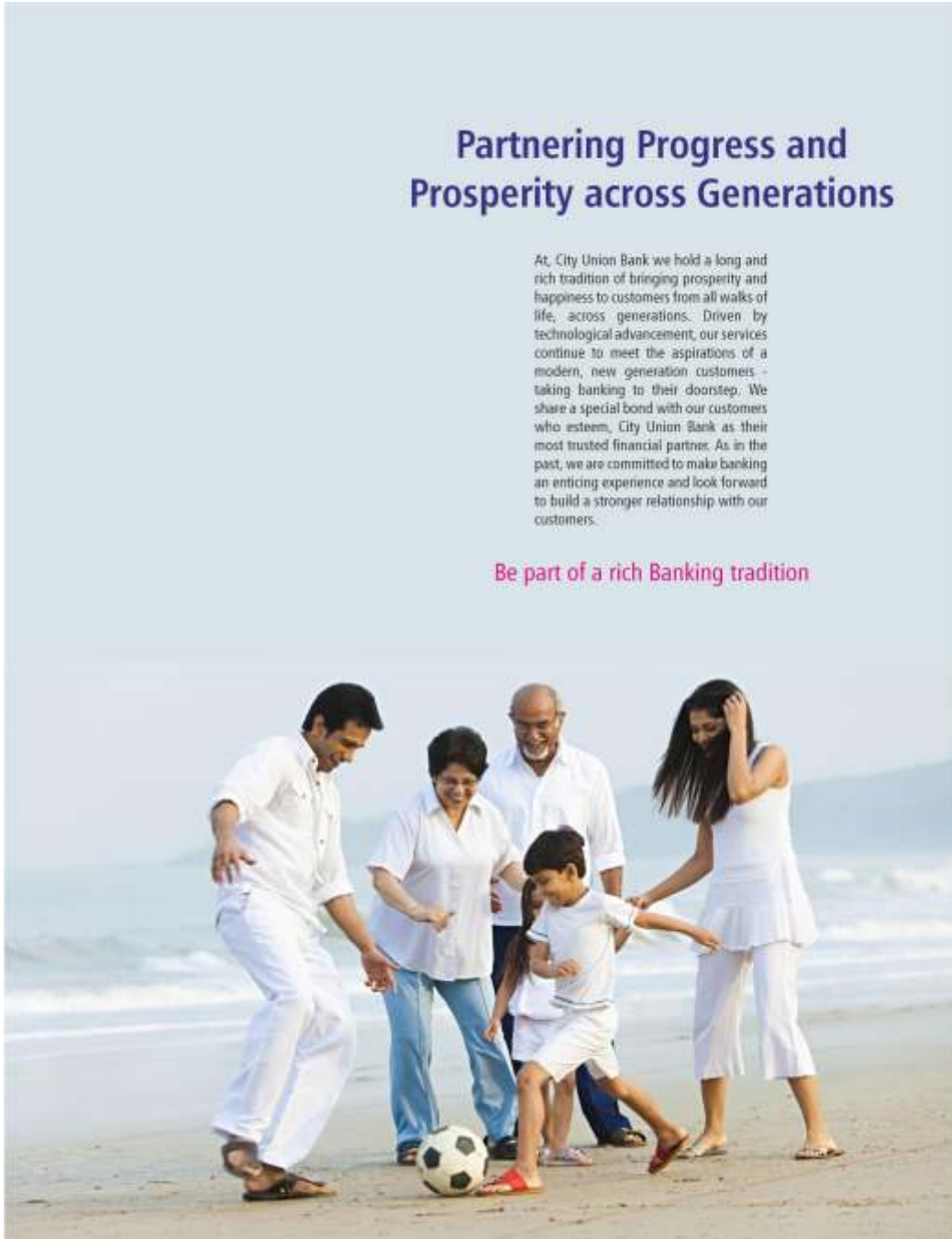
Year	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
Paid up capital	47.44	54.27	59.66	59.82	60.11	66.47	73.45	73.73	73.88	73.96
Reserve fund and Other Reserves	1593.22	1970.66	2635.87	2992.18	3510.09	4096.76	4767.31	5222.34	5768.59	6511.75
Deposits	20304.75	22016.89	24074.96	27158.13	30115.74	32852.62	38447.95	40832.49	44537.36	47689.67
Advances	15246.06	16096.84	17965.50	21056.92	23832.70	27852.79	32673.34	33927.45	36157.83	40358.47
Investments	5266.80	5953.56	5870.67	6826.45	7031.45	7879.11	7712.20	9116.79	9435.94	12221.22
Net Profit	322.02	347.07	395.02	444.69	502.77	592.00	682.85	476.32	592.82	760.16
Dividend	100%	100%	110%	120%	30%	30%	50%	50%	50%*	100%
No. of Branches	375	425	475	525	550	600	650	700	702	727
Total No. of Staff	3785	4215	4364	4517	4688	5319	5518	5741	5843	5367
Intrinsic value of Shares (₹)	30.44	37.31	45.18	51.02	59.40	62.63	65.91	71.83	79.08	89.04
Earning Rate (%)	597.51	639.52	662.12	743.38	836.42	890.63	929.68	646.03	802.41	1027.80

* 30% as Interim dividend declared during May 2021

Partnering Progress and Prosperity across Generations

At, City Union Bank we hold a long and rich tradition of bringing prosperity and happiness to customers from all walks of life, across generations. Driven by technological advancement, our services continue to meet the aspirations of a modern, new generation customers - taking banking to their doorstep. We share a special bond with our customers who esteem, City Union Bank as their most trusted financial partner. As in the past, we are committed to make banking an enticing experience and look forward to build a stronger relationship with our customers.

Be part of a rich Banking tradition



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	<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"/> <input type="checkbox"/> PAN shall be valid only if it is linked to Aadhaar by March 31, 2021*



2	Demat Account Number	<div style="display: flex; justify-content: space-around; align-items: center;"> <div style="border: 1px solid black; width: 20px; height: 20px; margin: 2px;"></div> <div style="border: 1px solid black; width: 20px; height: 20px; margin: 2px;"></div> <div style="border: 1px solid black; width: 20px; height: 20px; margin: 2px;"></div> <div style="border: 1px solid black; width: 20px; height: 20px; margin: 2px;"></div> <div style="border: 1px solid black; width: 20px; height: 20px; margin: 2px;"></div> <div style="border: 1px solid black; width: 20px; height: 20px; margin: 2px;"></div> <div style="border: 1px solid black; width: 20px; height: 20px; margin: 2px;"></div> <div style="border: 1px solid black; width: 20px; height: 20px; margin: 2px;"></div> <div style="border: 1px solid black; width: 20px; height: 20px; margin: 2px;"></div> <div style="border: 1px solid black; width: 20px; height: 20px; margin: 2px;"></div> <div style="border: 1px solid black; width: 20px; height: 20px; margin: 2px;"></div> <div style="border: 1px solid black; width: 20px; height: 20px; margin: 2px;"></div> </div> <p>Also provide Client Master List (CML) of your Demat Account, provided by the Depository Participant.</p>
3	Proof of Address of the first holder	<p>Provide any one of the documents, only if there is change in the address;</p> <ul style="list-style-type: none"> ● Client Master List (CML) of your Demat Account, provided by the Depository Participant ● Valid Passport / Ration Card / Registered Lease or Sale Agreement of Residence / Driving License / Flat Maintenance bill. ● Utility bills like Telephone Bill (only land line), Electricity bill or Gas bill - Not more than 3 months old. ● 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. ● 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. ● The proof of address in the name of the spouse
4	Bank Details	<p>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.</p>
5	E-mail Address	<p>_____</p> <p>Alternatively the e-mail address available in the CML will be updated in the folio</p>
6	Mobile	<p>_____</p> <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"> ● Provide banker's attestation of the signature of the holder(s) as per Form ISR - 2 in SEBI circular SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 03, 2021) and ● Original cancelled cheque
8	Nomination **	<ul style="list-style-type: none"> ● Providing Nomination: Please submit the duly filled up Nomination Form (SH-13) or 'Declaration to Opt out of Nomination' as per Form ISR - 3, in SEBI circular SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 03, 2021 ● Change in Existing Nomination: Please use Form SH-14 in SEBI circular SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 03, 2021 ● Cancellation of Existing Nomination: Please use Form SH-14 and Form ISR - 3

* 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"/>	✓	✓



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Soaring comfort
and safety.**



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Complete KYC process through "UB Easy" video interaction app.

No documentation required.

Open your account sitting at home or office.

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To open account with CUB, give a missed call to - 8886610805



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and other App Stores

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)			
	1st Holder	2nd Holder	3rd Holder
7. Account holder(s) details as per Bank Records			
a) Address			
b) Phone number			
c) Email address			
d) Signature(s)			
	1)	2)	3)
	<input type="text"/>	<input type="text"/>	<input type="text"/>
	Signature verified as recorded with the Bank		
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:

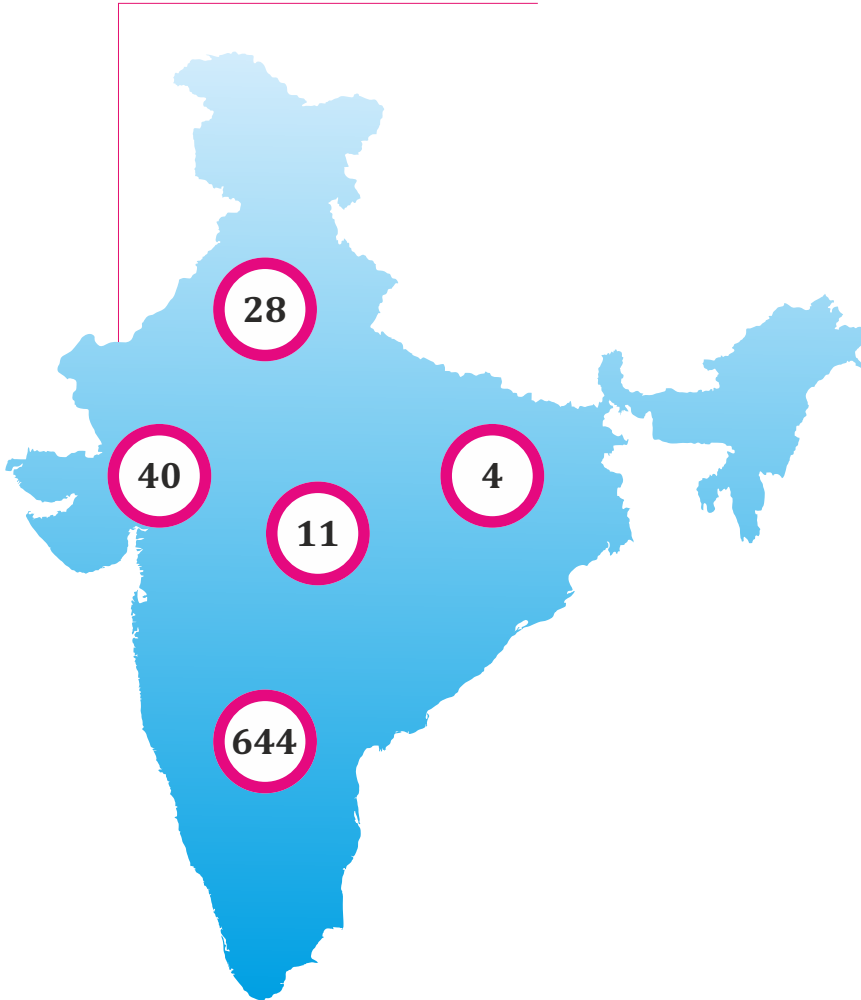
Address:

Name of the Security Holder(s)

Signature

Witness with name and address

REGIONWISE BRANCHES



BANK NETWORK

1732

ATMs
OF WHICH

789

CASH DEPOSIT
& WITHDRAWAL
MACHINES

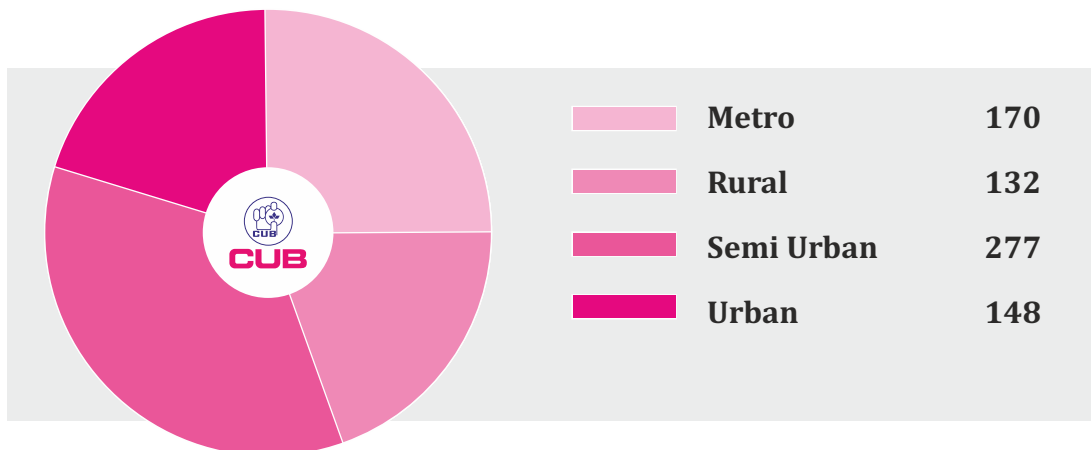
AND

943

CASH
WITHDRAWAL
MACHINE

727

BRANCHES



*An Inspiring
Banking
Journey
Continues!*



Thank you stakeholders

For your continued support and patronage



Inauguration of 725th Branch - Veraval (Shapar), Gujarat on 24.03.2022



CITY UNION BANK LIMITED

CIN: L65110TN1904PLC001287

Registered Office

149, T.S.R (Big) Street,
Kumbakonam - 612 001.
Phone: 0435 - 2432322
e-mail: shares@cityunionbank.in
Website: 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
Website: www.cityunionbank.com

Customer Call Center

044 - 71225000, 7299075077 / 78 / 79 / 80 / 81 / 82
e-mail: customercare@cityunionbank.com